



Committee on Standards

Oral evidence: IPSA's Consultation on the MPs' Scheme of Business Costs and Expenses, HC 583

19 July 2016

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Members present: Tom Blenkinsop (Chair); Mrs Jane Burgess (Lay Member), Miss Charmaine Burton (Lay Member), Mr Christopher Chope, Mrs Sharon Darcy (Lay Member), Mr Dominic Grieve, Mr Peter Jinman (Lay Member), Dr Arun Midha (Lay Member), Mr Walter Rader (Lay Member) and Sir Peter Rubin (Lay Member).

Questions 1-37

Witnesses: **Marcial Boo**, Chief Executive, and **John Sills**, Director of Regulation and Policy, Independent Parliamentary Standards Authority gave evidence.

Q1 Chair: Good morning. Thank you for attending today. If you would like to introduce yourselves and say a little about yourselves before we go into questions, that would be useful.

Marcial Boo: Thank you very much for inviting us along this morning. My name is Marcial Boo. I am the chief executive of the Independent Parliamentary Standards Authority.

John Sills: I am John Sills. I am the director of regulation, and one of the things I have responsibility for is the scheme.

Q2 Chair: Thank you very much for attending today. IPSA's consultation document states that the principles of the scheme have not been fully recognised "partly because there are too many of them and they could be expressed more clearly". What are the other reasons? Do you think that the principles could be communicated more effectively?

Marcial Boo: Yes, I do. John, do you want to talk about the way we have communicated principles over the years?

John Sills: I think it is right to say that we probably have not emphasised the principles as much publicly. Certainly in our interactions with MPs we often do refer to them, because sometimes they are quite important in guiding people's thinking about particular claims. They have possibly not been seen as a fundamental part of the scheme, which they are, but we are very aware that we inherited—well, not so much inherited, but we took those principles largely from the Committee on Standards in Public Life. The first 10 are identical, and we added a couple more. We think now that if they were simpler and emphasised the key

points—well, we want to make more of those. There are certain issues that are not amenable to rules, such as value for money, but that are important principles.

Q3 Chair: And how will you evaluate the impact of changes to the fundamental principles?

John Sills: I think it is important that we get feedback from the people who actually have to use them. That is obviously you and MPs' staff. They are probably the key people. They can be helpful to guiding people's thinking. Often a claim might be within the rules, but you might say, "Is that the best value for money?" We do not make judgments like that—that is for the MP to decide—but a clear set of principles will not do any harm. It is all about feedback; that is how you evaluate the impact.

Q4 Chair: How do you see IPSA's fundamental principles working alongside the MPs' code?

John Sills: We talk regularly to people on the standards side. It is important that they complement each other. They are different, because IPSA, put simply, is primarily concerned with the money, as opposed to conduct, but the two go hand in hand. They should complement each other, certainly.

Q5 Dr Midha: Can I just pick up on that point about the focus on money, principally, as opposed to conduct? I am particularly going to focus on draft principle 5, which states: "In financial matters, as well as in other aspects of their work, MPs should adhere to the seven principles of public life." Given your last response about focus, the phrase "in other aspects" seems deliberately put in. Do you feel you are potentially straying outwith your focal area?

John Sills: I am not sure we are. Our reference to that has always been there. Those principles of public life are very important for anyone in public life, so a reference to them is helpful, but they are not the main driver, if you like.

Q6 Dr Midha: In terms of the wording, you helpfully focus on adherence to the seven principles of public life, which we all obviously value. MPs have a code of conduct and other professions develop their codes of conduct to effectively reflect the seven principles. Do you think it would be of benefit to state that MPs should adhere to the code of conduct specifically, which in a sense reflects the seven principles, as opposed to the seven principles themselves?

John Sills: I think that's a good point. That is something we could look at. As I said, we want to keep them simple, but at the same time, that is of fundamental importance, isn't it? Yes, I think we will take that back and put it to the board in the autumn.

Q7 Mrs Burgess: In the current principles, there is the word "accountability", which is quite a strong word. Where in the revised principles do you feel that sort of clear statement on accountability would come through?

Marcial Boo: I agree that accountability is really important, and we feel that accountability very seriously ourselves; we have been given responsibility by Parliament for the money we are accountable for. In the same way, MPs are responsible for the money that they have. In draft principle 6, we talk about MPs being responsible for their own financial and staff management. We don't use the word "accountable", but I am very happy to put that in if it conveys more strongly where the accountability actually lies. I don't think there is any intention to resile from the principle.

Q8 Mrs Burgess: No. I just sense that there is an opportunity to question more with "accountability"—you stand up and account for the decisions that you take.

Marcial Boo: Absolutely. That is absolutely at the heart of our ethos as an organisation.

Q9 Mr Grieve: Draft principle 3 states: "MPs should, where possible, be treated in the same manner as other citizens." I should start by explaining that I come from a position of ignorance—except for my gap year between school and university, I was always self-employed until I came here, so the question of how other citizens are treated in respect of their expenses has always been slightly opaque. I would be interested to know why that phrase is there in those terms, and what it is supposed to indicate, particularly because of the caveat that there might be certain circumstances in which MPs have to be treated differently.

Marcial Boo: It is a debate that is at the heart of how we construct a scheme. On one hand, we feel it is important for there to be some degree of parity between the financial treatment of MPs, through the business cost that you get for the work that you do, and similar professionals in other walks of life. That will help us provide assurance to the public that the rules of the scheme are fair and applied appropriately.

On the other hand, of course, being an MP is a unique profession, and it is not the same as others, so we need to distinguish what is appropriate for MPs by virtue of being an MP—the particular demands on their time, the public scrutiny, the high-profile nature of the job and so on—that people in professional walks of life do not experience. We want to try to construct a set of rules that recognises both those things, that is defensible publicly and that can be seen to be fair, while on the other hand recognising the unique roles that you play.

John Sills: The public generally view things through the lens of their own experiences, obviously. Everyone does that, really. It is important that where appropriate, our rules are not so different from the sort of thing that you might get in other parts of life.

Obviously, there are areas that are really quite different. The classic one is accommodation. We have emphasised very strongly that MPs have two places of work. One thing that we often get from people is that they say, "If I go abroad on a trip, I don't get a house for it. I don't get a flat." We say, "It's different, because MPs work from two places all the time." That is where it can differ.

Something like taxis is a good one. When do you take a taxi? In most organisations, you can take taxis when you really need them, but you don't just take them willy-nilly. That is the sort of thing where a principle can be quite important.

Q10 Mr Grieve: Is this something you want to look at further? Is it worth reviewing further how the status of MPs is dealt with, or do you think you have got it to about the right place?

Marcial Boo: That is clearly part of the reason why we are consulting. As we say in the document, the rules were essentially constructed in 2010 when IPSA was first formed. They have pretty much served us well. We have tweaked them over the years, but we do think that towards the beginning of a new Parliament it is appropriate to look at them again at a fundamental level. It is the opportunity to have precisely that kind of debate.

One of the things that we would like to discuss with our board in the autumn, when the consultation closes, is how we can recognise the role of MPs, with all the demands on them, including most recently the heightened risks that some MPs face by virtue of being an MP, as well as the demands on MPs' families and partners' families and other people in their offices. That is a unique set of circumstances, and clearly all of those issues go far beyond what we are responsible for at IPSA. But we recognise that the funding of parliamentary activity plays a part in enabling people from all walks of life to become and remain MPs.

Q11 Mr Jinman: I have a supplementary question on that. Every grouping in society seems to manage to claim that it is special and different and should be treated differently. I put it to you that yes, MPs are different, but they are no different from other groups that might be able to make similar arguments. They are also small businesses, because they have employees, and that is no different from many other small businesses. The danger of putting them into this peculiar and separate category is that it sometimes loses sight of the very essence of the word "citizen", and the fact that they are supposed to be representative of the very people who have put them there. There is a danger sometimes of creating an aura around them that loses sight of the practicality.

I think the definition does need revisiting and does need thinking about, because if you are trying to supply and put in place reasonable costs, which is what any business would do, then sometimes you would not do that, and at other times I think it is questionable whether a business would do that. You mentioned taxis. Many businesses, including Government now, have actually banned employees from using taxis. You have to have exceptional circumstances. So there are already situations that are tackled in that way, and there are set figures for allowances.

I suspect that MPs are not that special. They are different, but not special, and I think we have to be careful about. I wonder whether in doing your review you have looked at Wales and Scotland to make sure that you are not actually setting up anomalies

even within this small island, never mind with anywhere else. I raise that as a comment.

One of the areas that always gets people interested is property. You made a comment just now about that. Other than concerns about public perception, what is the justification for proposing changes to the associated costs that MPs can currently claim on properties that they own?

Marcial Boo: On your first point, you capture it very well. On one hand we do recognise that MPs are analogous to other people, including people who have small businesses. But as I have said already, in some ways they are not. Unlike small businesses, it is public money, and MPs are in a unique position: they are not public bodies either, they are independent office holders who are representatives of the people.

We are very fortunate to live in a democracy, and Parliament is at the pinnacle of that process, so we need to be very cautious in the way that we treat MPs, because in some ways they are not like everybody else. So that is the judgment that we are trying to make, and we are very keen to get other people's views as part of that process. I will ask John to talk about the accommodation changes, because we set out in the document that there are lots of different circumstances that MPs find themselves in, and we try to make allowances for all of them.

John Sills: One of the questions that we have been asked over the years, including by our board, who obviously have a challenge role as people who are not living and breathing the scheme day to day but are there almost to reflect the wider world, is why MPs get a budget for all year round when Parliament sits for a relatively small amount of time in that year. Now that is a difficult question, because it brings in so many issues. It is not just about saying, "Well, you could stay in a hotel," which some MPs do, obviously. MPs often have families, and there is an argument that they need a proper base from which to work. There are all sorts of arguments within that, but that is the essential question.

We are not saying that what we are doing now is wrong, and it may well be the simplest way of making it work. But when we are taking a fundamental look at the scheme, as we are at the moment, it is right to say, "Are there other options?" We have provided a number of illustrative options to that effect. We are not saying that we favour any of those over the status quo, but we want to see what people's views are. You will see that we have ruled out the more extreme options at both ends, and we want to have a proper look at it. It has always been a big issue, and it comes up time and again—probably more than just about anything else.

Q12 Mr Jinman: I wasn't clear from your consultation—you say that 196 MPs have declared rental income. As a proportion in society, that would be astonishingly high by comparison with the average citizen. Did that actually mean in London, or was that generally?

John Sills: It was taken from the register of interests. I cannot answer that precisely, but my guess would be that it was mostly London.

Q13 Mr Jinman: Do you think that these changes could disadvantage MPs financially, given that HMRC allows self-employed people to claim for associated costs on any property that they both live and work at?

John Sills: At the moment, there is actually an exemption in law for MPs' accommodation budget. It is written into the legislation. In fact, that is one of the reasons that something like an allowance might not work. It would have to be paid into MPs' salaries and, therefore, would be taxed with a lot of implications as a result. That includes the associated cost—the utilities and so on. That is all captured by the accommodation budget. If we stick to that kind of principle, it will remain exempt from tax. It does not even require any kind of declaration. It is not on the P11D, for example.

Q14 Mr Jinman: One area that undoubtedly brings some public note is the issue of capital gains. You are quiet on that in your document, but the matter of public money supporting costs and a significant gain being made in the long term is always raised. Do you consider that matter?

John Sills: We don't need to any more. We did before, of course, because when we came into being, we said that we were going to stop mortgage interest subsidy, which a lot of MPs claimed. For a transitional period up to August 2012, we allowed MPs with existing arrangements to keep them if they wanted to. However, we said that if a capital gain was made in that period as a result of the subsidy, we would like that to be returned to the taxpayer. As you can imagine, that was not always a popular measure, and it was quite difficult for some MPs. In the end, something close to half a million pounds was returned to the taxpayer, but after that, it is just not an issue for us any more.

Q15 Miss Burton: I am going to talk about the dissolution of Parliament. This section is very confusing, especially where it says, "Irrespective of whether an MP intends to stand again, they are no longer recognised as an MP from the date of dissolution." However, it also says that MPs' salaries are "paid up to, and including, polling day." Before I get into it a bit more, could you just explain that bit? How and why does that work?

Marcial Boo: In law, we are not allowed to pay people who are not MPs. We can only pay MPs. We have judged that it is right to pay MPs their salary up until election day, rather than up until the date of dissolution. We are not allowed to pay MPs once they have ceased to be an MP.

John Sills: As you know, because you are MPs, when Parliament is dissolved, that does not stop MPs doing all the work you do as MPs, does it? You might be campaigning on the one hand, but you are still tending to the interests of your constituents.

Chair: On the Committee we have a mixture of lay members and MPs.

John Sills: Of course, sorry.

So it is right to continue that salary. It is something that has always happened. The same principle applied in the House of Commons, so we did not see fit to change it. We thought it was right, just as MPs can continue to claim expenses in that period as well. They are still doing a big part of their job; they are simply not sitting at Westminster.

Q16 Miss Burton: Thank you. Has IPSA considered providing MPs with a fixed-term salary that ends on the date of dissolution?

Marcial Boo: Are you talking about a fixed-term salary for the whole of the Parliament?

Miss Burton: Yes, up to the date of dissolution.

Marcial Boo: In practice that is kind of what it comes to, because MPs receive an annual salary, like a lot of other people do, so they will carry on receiving that salary every month. If an MP chooses to stand down, of course their salary will stop at the date of the by-election. Similarly, when there is a general election, their salary will stop at the date of the general election. So in practice it is possible to work out, from the date of the beginning of the Parliament to the date of the general election at the end, how much their salary would be over the whole Parliament.

Q17 Sir Peter Rubin: Before we move on, Charmaine, I am as confused as you are, and I am no less confused about when an MP is not an MP. Parliament is dissolved; there is an election campaign that goes on until polling day. The Commissioner will correct me if I am wrong, but I think that if a would-be MP who wants to be re-elected breaches the code of conduct during that period, they are beyond the jurisdiction of you and this Committee, are they not? So are they an MP or are they not an MP?

Marcial Boo: They are not an MP. They are not allowed to call themselves an MP, as you know. We could align our own financial processes and stop MPs' salaries on the date of dissolution but, as John said, we feel that that is not fair and so we have chosen to pay MPs their salary until the date of the general election.

Q18 Sir Peter Rubin: May I just come back to treating MPs as other members of the community would expect to be treated where possible? If I stop doing a job I do not expect to be paid for it.

John Sills: I don't think they have completely stopped. Although they are not attending Westminster—I am sure that the MPs here would agree with me on this—they are still tending to the needs of their constituents.

Q19 Chair: If I can just interject, John, you are right. I think most MPs here who have been through elections would concede that we are obviously not at Westminster, but

we don't suddenly turn off the tap of constituency casework by not allowing people into our constituency offices—that is definitely not the case. Also, if you are not an MP you can no longer use House of Commons stationery, so MPs therefore meet the costs out of their own pocket for any letters that are written and things like that. So there are some differences.

Marcial Boo: I should also say that we have a lot of anecdotal evidence—I would say strong anecdotal evidence—that lots of MPs subsidise to a degree, in one way or another, their work as an MP. They pay for a taxi that is for work purposes. There are all kinds of reasons, which I am sure an MP would be able to say. Also, those MPs who are not returned to Parliament, particularly those who are defeated on election night, have some work to do to wind up their offices after the general election. That is where we are not allowed by statute to pay for MPs but they are none the less still working in the winding up of their financial affairs, despite the fact that they have just lost their seat. It is a bit of swings and roundabouts, and that is another reason we are consulting on the rules. We could, of course, draw the line slightly one way or another, and we are very interested in views.

Q20 Miss Burton: Given the significant expense of winding up and loss of salary after losing their seat, why must MPs who are not returning to the House potentially wait several months to receive their resettlement payment?

Marcial Boo: That is a good question, and we were asked it a lot after the last general election. We were applying what were essentially the same procedures that had existed prior to our establishment. Also, the last general election was the first one that we ran as an organisation and we felt in advance that it would be possible to wind up financial affairs relatively quickly, at which point MPs would receive their resettlement payments. In most cases that was the case, but in a few cases there were some MPs who stopped receiving their salary, still needed to do some work and still had outgoings that they needed to pay for, and it was a bit difficult for them. Again, that is another reason why we are consulting on this to see what views there are.

John Sills: In a way, if you don't get your payment until you have wound up your affairs, it is certainly an incentive to get on with it. That is quite important. At the same time, however, the experience of many of our team who were working with departing MPs was that there might have been some bills to pay still and they said, "Well, why can't you just net those off the resettlement payment?"

Also, as soon as you stop being an MP, obviously you are not earning any money, if you don't have any other income, and we have had a lot of feedback that some MPs actually experience financial hardship. You could say, "Well, so do lots of other people when they stop doing their job." The resettlement payment coming earlier would obviously help them in that respect. It is an issue that we are open-minded about, which is why we are consulting on it.

Marcial Boo: The incentive point is important, because although in the vast majority of cases MPs conclude their financial affairs quickly and appropriately, in some cases we have spent some time chasing former MPs to recover small sums of money, because of course they are no longer Members of Parliament, and if we are seeking a repayment of £43, for example, that is time-consuming. So this is part of the reason why we wanted to wrap everything up first before giving MPs their resettlement payment.

Q21 Miss Burton: Okay. Finally, in the context of MPs being treated as fairly as is possible and in the same way as other citizens, do you think it is fair to ask MPs to apply redundancy rules to their employees that differ from how other employers treat their staff?

Marcial Boo: I think the short answer is that we don't. We expect MPs to apply the law—employment law—to their staff in exactly the same way as other employers treat their staff. We have some standard contracts that MPs can give to their staff, which obviously have pretty standard terms and conditions. We provide those to help MPs create employment contracts that are within the law. Those contracts have double statutory redundancy payments for staff. So there are statutory levels, which is whatever the law determines those to be, and in the contracts that we provide to MPs their staff can have double those terms. However, in terms of notice periods and everything else, it is essentially the same as everybody else.

John Sills: Redundancy is a bit of an issue. Marcial is absolutely right—we apply the law, basically. We don't have any special rules for redundancy. There are some parts of the public sector that apply things slightly differently. One of the issues we picked up in the assurance work we did after the general election was that some staff members moved from one MP to another quite quickly, meaning that there will be a break and, because for a period they cease to be employed, the redundancy kicks in at that point and then they are re-employed after, say, four weeks.

Now there are some parts of the public sector where they have changed either the law or the rules so that you get continuous employment in those circumstances. We are not saying that should happen, but there is a model for that if we thought it was the right thing to do, and we are consulting on that. But essentially we apply the law.

When the scheme began, we only had straight statutory redundancy—the bare minimum—but we got some very strong feedback that that was very low and that many people get more than that. We consulted on that back in 2011 and decided at that point to introduce the double statutory redundancy that Marcial referred to.

Q22 Chair: If I can just step in there, unlike other workplaces, of course, this workplace has 650 separate employers, so the ability for MPs' staff to bargain collectively is severely undermined. Do you think that should be looked at, because obviously the law states that for collective bargaining purposes a site has to have 20 or more employees? These employees have absolutely no means to get recognition, unless

there is a voluntary recognition with an employer. Is that factored into your calculations?

Marcial Boo: I think there are real issues here, and I am sure that your own staff may have raised them with you. There are 650 separate MPs, as you say, each with their own employment practices. Some have staff in Westminster, some in their constituency, or a mixture of both. Whereas MPs have personnel HR support within the House, MPs' staff often lack that kind of support.

In terms of some of the issues that we highlight in the document, we feel that there are gaps here in the provision that is available to MPs' staff. We have set up a group that John is chairing, with the House and MPs' staff, to look at some of these issues, because some of those clearly relate to us because we do the payroll, but it goes much broader than our own responsibilities. I do feel that there are aspects of the employment relationship that MPs' staff have that could be improved, but that goes beyond our remit.

Q23 Chair: The reason I say that is that, in terms of recognition, that means enhanced benefits could be achieved rather than having to deal with statutory minimums. When I talk about statutory minimums, I am talking about MPs' staff who are completely beholden to whether their employer is retained as an MP for more than two years, whether they are entitled to any redundancy whatsoever, whatever the circumstances. That is a potential situation that should be factored in.

John Sills: You are quite right that they do not have that collective bargaining power. It is a relatively un-unionised group of people, as well. Some MPs' staff are members of unions, but more are involved with staff associations and things like that.

We do consult regularly. In fact, just now in Committee Room 13 two members of my team are holding one of their regular consultations with a group of MPs' staff to get their feedback on the scheme. We do what we can to make up for that lack of bargaining, as it were.

As I was saying, we doubled the entitlement to redundancy in 2011, because of the feedback we were getting and after consultation—we are always listening. It is not quite the same, but obviously salaries are a big issue and we will be reviewing the salary bands again as part of this consultation.

Q24 Chair: I have one last question before bringing in Arun. Do you think it was appropriate to give the budget to staff to each individual MP, increase it by 1%, but also remark that you could increase the staff salaries by 1.5%?

Marcial Boo: In the current financial year?

Chair: Yes.

Marcial Boo: The reason we did that was because for the staff budget overall we were working within public sector guidelines, which are obviously public sector pay as a whole,

which is increasing by 1%. But we increased salary bands by 1.5% because we wanted to allow MPs, if they chose and they have sufficient budget, to mitigate the impact of the national insurance changes that came into effect in April this year. In some cases, depending on salary bands, that would have taken some money out of their salary. We increased staffing bands by 1.5% in order to allow MPs the flexibility to mitigate the impact of national insurance changes.

Q25 Dr Midha: I am going to focus more on MPs' remuneration packages, as opposed to staff, picking up on points made by Sir Peter, Charmaine and Peter. From a lay perspective, I suspect you are trying to create a remuneration package for MPs that is fair and reflects the unique nature of an MP's work, but also that attracts the best candidates from society and tries to reflect what is happening with citizens. Recognising that these aren't public roles, there are similarities in that a number of people are appointed to public roles, they know in advance that it is a fixed-term appointment and they know the level of remuneration, but there is no redundancy after that, because they are effectively appointed for three, four or five years.

I am just trying to understand from the lay perspective. You now have fixed-term, five-year Parliaments. MPs know that they are entering Parliament for five years. Am I being too draconian in asking where the redundancy issue comes in at that point? In other walks of life, people have signed up knowing the deal, so to speak, at the outset. It is probably something very obvious that I am missing.

John Sills: Are you thinking about MPs or their staff here?

Dr Midha: As I said, it is MPs I am focusing on. In a sense, the relationship of the MP to the staff is a separate issue, in that there is a contractual arrangement.

John Sills: We don't actually pay MPs redundancy. We do give them what was known as a resettlement package.

Dr Midha: My apologies, yes. The resettlement allowance.

John Sills: That resettlement payment was much higher in the House of Commons days. In fact, what we provide now—what we did provide in 2015—is typically about half of what was available for some MPs under the earlier regime, as it were. We had an extensive consultation on the whole remuneration package for MPs in 2012 and 2013, and we concluded that there should be a pay increase for MPs, that the pension should be reformed in line with the rest of the public sector and that the resettlement payment should also be reformed.

After future elections, for those MPs who lose their seats, there is going to be something called a "loss of office" payment, and that will be the equivalent of twice statutory redundancy, so it will be based on length of service and age. There are arguments for and against providing that at all. I do understand what you are saying—if you have a fixed-term contract, you know when it is going to end—but in a way, it is a little bit different for MPs,

because they are not necessarily expecting it to end. If they are standing, obviously they hope that it isn't going to end, so they don't know. It is quite an unusual position. We judged it still right to provide some funding to help them make that transition if they do lose their jobs.

Q26 Ms Darcy: I would like to take a slightly different tack and talk about security. Marcial, you have talked already about the heightened risk that MPs are working under and the demand that places not just on themselves but on their families. In January, you introduced a new package of changes for funding security arrangements. It would be helpful for the Committee to know what sort of feedback you have had on those changes, particularly in the light of recent unfortunate activity, not least the death of Jo Cox.

Marcial Boo: I am very happy to do that. As you say, we took the initiative in December, following the Syria vote here in Parliament, to come up with a stronger security package for MPs—a reformed package. We launched that in January. We sent a folder to every single MP. In that, we proposed to have essentially two layers of security. We have what we call a standard package, which includes things like door locks, window locks, peepholes in doors, lighting outside constituency offices and so on, which all MPs are entitled to. All we ask is to get a couple of quotes so that we are able to vouchsafe for the public money that is being spent, and then MPs can go ahead and do that.

Then there is another package, which we call an enhanced package, for those MPs, and there are a few—more than a few—who have specific threats made against them. In those cases, where they need additional security, which might involve having more security around their offices, or taxis because they are not able to take public transport, we ask for a police report, because it is for the police to determine the threat, rather than us. On receipt of the police report, obviously we pay for those enhanced measures. We launched that in January. Take-up was slow, I have to say, and by the end of May about 10% of MPs had taken up the security measures in the package.

Q27 Ms Darcy: Is that just the basic measures, or the enhanced measures?

Marcial Boo: The basic measures.

The feedback that we got, to answer your question, is that a number of MPs thought that there was a lot of information, but that it was hard to get into and they could not quite work out what form to fill in. In May, we were actually in the process, with the House, the police and the security services, of revising the document, with a view to relaunching it before recess—i.e. this week—when, obviously, there was the dreadful murder of Jo Cox. So we sped that process up, accelerated it and now, with the police and security forces, we have streamlined the way in which people can apply. We worked with an organisation called the Master Locksmiths Association to provide a single point of contact for MPs, so that they can much more quickly get good-quality security advice and quotes from people who know what they are doing and who have been security-vetted by the police.

Some MPs still feel that it is a bit time-consuming to provide the quotes, and to get police reports if necessary, but on our side, when we had the quotes, we turned applications around in an average of 3.5 days, and in some cases within hours.

What we have been saying to MPs, recognising the threats that they are under, is that where there are serious concerns and they just need to go ahead and do things in order to make their homes and offices safe, then that should be the case. One prominent MP who has received threats has spent a good sum of money on providing security to his staff and family, and we just authorised that and worked with the security services to make it happen quickly.

Q28 Ms Darcy: Is that information communicated widely enough so that all MPs would be aware that that is an option in all sorts of circumstances?

Marcial Boo: Certainly I can give these general messages to people, and I have done in various meetings that I have had with MPs, but we do not talk about any MP's individual security arrangements, obviously. Unlike almost all other aspects of our publication policy—we publish all the money that goes to MPs every two months, and again annually—in respect of security and disability funding we only publish an average amount for the whole of the House, essentially, or for all of those MPs whom we fund, precisely to keep their security out of the public eye.

So although I am trying to say to MPs and their staff, “We have the money—we have a system for making sure that you can be safe”, some MPs have said to me that it has taken them a little bit of time to put in their applications. I have a full-time member of staff working on security with MPs. I am very happy—through this Committee, indeed—to encourage all MPs to contact us, and we will help them to make sure that they can process applications very quickly.

Q29 Mr Chope: May I ask you a bit more about the issue of working from two fixed locations? In your earlier remarks, you said that there is concern from the public about why their MP should be funded to spend their time in Westminster when the House of Commons is not sitting, but would you not accept that an MP has a responsibility to look after his staff who are permanently based in Westminster? Is it not therefore reasonable that MPs should be in the House of Commons, in London, not just when the House is sitting but also when the House is not sitting? You do not recognise that in your accommodation costs for people who wish to stay in hotels. In your current consultation, aren't you perpetuating the myth that MPs do not need to be in Westminster when the House of Commons is not sitting?

Marcial Boo: No, I would not say we are perpetuating that myth at all. Indeed, the way the scheme is set up at the moment explicitly allows for MPs to be in London. Some MPs do not have staff in Westminster, but some do. Some MPs don't need to come to Westminster when the House is in recess, but some do, on parliamentary business. They are allowed to claim for hotels if they are in London on parliamentary business.

The way that the rules are set up at the moment does not perpetuate that myth in the slightest. What we are doing, as John mentioned earlier, is consulting. One of the options that we are consulting on is to ask this question, and we think it is fair to ask it regardless of the feedback we get. Of course, we want to get people's views so that we can reach the right conclusion, which may well be to stick with the arrangements broadly as they are.

Q30 Mr Chope: So the parliamentary business you described in answer to a previous question includes when the House is not sitting. Supervising office staff, dictating letters, doing correspondence, research and all that sort of stuff—that would count as parliamentary business for which claims could be made, at the moment.

John Sills: Yes. We use “parliamentary” as a shorthand term, if you like, for all the work an MP does, be it in their constituency, in Westminster or the kind of things you are referring to. It is all equally important. It is absolutely the case, for example, that if you were an MP who uses hotels for accommodation rather than renting a flat and you needed to do work related to your parliamentary business as an MP in the summer holidays, you could still claim for that. There is no question about that.

Q31 Mr Chope: In that case, why in your consultation are you referring to the fact that there is a distinction between the days in the year when Parliament is and is not sitting, when you recognise, in answer to these questions, that it is a continuum and that parliamentary business, in the wider sense of the phrase, continues 24/7?

John Sills: Again, you are absolutely right. We are asking the question because it is a question we get asked, but we totally recognise that it is a continuum. We provided some illustrative figures for what the budget would be if you only based it on sitting days, but that would be a very contrived way of calculating a budget, in my view. It is there as an illustration, to address the issue that people raise with us, but we have always recognised the wider remit of MPs.

Marcial Boo: Part of the point of consulting on this whole range of issues is so that, when our board comes to consider its conclusions of the consultation in the autumn, and then in the new year we announce whatever the new scheme is, the role of defending the rules—however they are—falls to us rather than to MPs. We are the body that has been set up by Parliament to establish the rules. We consult on all these questions that are being asked of us, so that, in turn, we can go to the public, the newspapers and all other interested parties, and say, “This is what we think is fair, as a set of rules, to remunerate MPs for the work they do.”

Q32 Mr Chope: But when you issue a consultation paper, isn't it important that you educate as well as just appeasing prejudice or ignorance amongst the public? Isn't what has happened in this context—you haven't set out in your consultation the fact that a very large number of MPs need to be in Westminster outside the parliamentary term—inviting the public, in a sense, to say, “If Parliament is not sitting, why should they be able to claim any expenses for being in London?” Why don't you set out in

your consultation paper the reality that a very large number of MPs are in their offices in the Palace of Westminster when the House is not sitting?

Marcial Boo: I accept the point; indeed, I agree that it is part of our role to educate. Part of what we do in this document—perhaps not in this case, but in others—is to say that 99% of claims are legitimate. In the data annexe that we provide here, we show, for example, that the amount of money that we give to MPs for accommodation in London has fallen behind not only inflation but the rental market in London. We also say that we have conducted assurance reports on the money that MPs spend on pooled services and on connected parties, and that we have not found anything amiss. None the less, we do feel that it is appropriate to ask questions in a consultation document.

Q33 Mr Jinman: I just want jump in on the point that you made that when it goes to your board, you will have the duty thereafter with regard to the rules. I just make the point that from the Standards Committee point of view, we are very interested that there is clarity on what those rules are, because we will end up in a situation of having to look at some of the issues that might flow from them.

I am not sure of the process, but I sincerely hope that we get the opportunity when it goes to your board to have a look at the final version, so that we might have a chance of saying, “Well, we can see that this is going to lead to a little issue in the future, or the potential for that.” The clarity of your rules has distinct importance with regard to how some of the things might be interpreted when they come to us.

Marcial Boo: I am very happy to liaise with the Parliamentary Commissioner in advance of publication, as we do regularly.

Q34 Mr Chope: In your findings, you say that there has been “no widespread abuse of the Scheme for the purposes of campaigning” in the run-up to the 2015 general election on the distinction between parliamentary and party political activity, yet you seem to be talking about changing those rules, which you accept are reasonable at the moment. Why are you doing that?

John Sills: There is one question about something specific to do with campaigning, which is just a technical change; it is not about anything to do with the principle. In terms of the rules around dissolution as a whole, given that this was the first time that our rules applied, we have found some areas to look at—although not campaigning, actually, because that has worked relatively well. In many ways, PPERA from 2000 is the main legislation that relates to campaigning and what have you, and we make sure that MPs are aware of that. But there are other areas, such as MP staff travel, where our rules did not quite cover all the precise circumstances faced by people during the dissolution period, and there will therefore be changes. The question on the campaigning thing—I forget the exact detail—is a very technical word change that just makes it clearer how our rules relate to the legislation.



Marcial Boo: We can give a very strong message that the assurance work that we conducted about expenditure during the general election found that there were no abuses of public money, but we do want to give ourselves greater assurance in these areas at the margins so that we can determine more precisely that everything is in order.

Q35 Mr Chope: Turning to the issue of the pooling of research services, I do not subscribe to any of the party-based research services, but I do subscribe to a pooled research service based upon policy interests. Are you suggesting that pooled research services do not deliver good value for money? Why else would you want to interfere with them? If you have a pooled research service, surely that means that a group of MPs can employ one researcher to give them specialised advice in an area of mutual interest.

Marcial Boo: Yes, that is right. We do not put forward an argument on value for money grounds at all, actually, because I accept what you are saying. Rather, it is in the section on the boundary between political and parliamentary. The question that we are asking is whether we feel, through our consultation, that it is all right for MPs to contract with a service that only provides that service to Members of a single political party. Again, we have done assurance work on pooled services. We did a comprehensive study of that internally in 2014 and we found that in broad measure, everything is done very appropriately and those pooled services do not stray into political territory. We do have that assurance ourselves. However, in the same way that we are consulting fundamentally on a number of issues, we feel it is appropriate to ask this question.

Q36 Mr Chope: But if everything is hunky-dory in that area—there are a lot of other hunky-dory areas where you are not going out to further consultation—why are you going out to consultation on this if, as you say, everything is fine?

Marcial Boo: Well, it may be that in future years we chose to do the scope of the consultation ourselves, but this is pretty much the first consultation that we have done since our organisation and the rules were established in 2010. We feel that at the beginning of our second Parliament, when we have the experience of five or six years of the rules, it is right to look at the rules in the round and to ask these questions in quite a broad way, even if, as in other areas, we conclude that the rules as they are constituted work pretty much okay.

Q37 Mr Grieve: What consideration has been given to salary and party political activity? I raise this question because we have constantly looked at this grey area, and there are very good reasons why expenses claims should not cover party political activity. But the reality of an MP's job—sometimes somewhat overlooked—is if they do not take part in party political activity, they are not likely to stay very long as a Member of Parliament. It constitutes what is probably one of the most substantial areas of expenditure that a Member of Parliament has to incur personally. You can say that is part of the voluntary process of participating in political life, and I think that is a perfectly reasonable way of approaching it. But in practical terms it is still, if one is



HOUSE OF COMMONS

taking into account the principle that we should be encouraging people into politics irrespective of their financial background, an onerous area of expenditure.

I don't mean by this putting leaflets through people's doors. I am thinking of the cost of going to attend party conferences. The cost of travel round the country is sometimes reimbursed by political parties, but not always. The cost of going to address political groups wouldn't qualify for reimbursement, whereas if you were going to address a non-party political function, you can make a claim on your allowances.

I am not asking you to change your view on this. I just wonder what consideration has been given to this factor in looking at the totality of the MPs' remuneration package.

Marcial Boo: You make some very strong points. I have to say that I agree. Many MPs have to subsidise their work on the political front, but we don't have the remit to do anything about that. The remit we have been given by Parliament is to fund parliamentary activity. As we say in the document, there is a grey area between what is political and what is parliamentary. We can only fund the parliamentary work.

There are a number of cases where I have spoken to the Whips of all parties in Parliament about exactly these grey areas where there are activities which we judge to be political and we are not funding. They rightly say that this is all part and parcel of what it is to be an MP.

I am afraid I have to pass the issue back to MPs on this Committee, because it is essentially a question about how political parties are funded. We have the remit that we have been given to fund parliamentary activity. That is the line that we are trying to draw.

John Sills: This is why we allow MPs a considerable amount of discretion in what they claim for, particularly on what gets grouped into office costs, which cover a wide range. Unless it is very clearly giving the MP a campaigning advantage, which is the thing we particularly don't want to be doing, we leave that discretion to the MPs.

It is an area where we rub up against some MPs in terms of what can and can't be claimed, but we have taken a fairly permissive view of what MPs claim for in this area, for some of the reasons that you're given. We do understand that. That is why, although we get asked the question about pooled services and how can they not be party political, we have taken the view that you can't make that clear a distinction between the two areas and therefore we must allow MPs to exercise a degree of judgment.

Mr Grieve: Thank you.

Chair: Thank you, gentlemen. We appreciate you coming in today and answering our questions.