



**EVIDENCE TO THE
COMMITTEE ON STANDARDS IN PUBLIC LIFE
REVIEW OF MPS' EXPENSES**

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The Hansard Society is the UK's leading independent, non-partisan political research and education charity.

We aim to strengthen parliamentary democracy and encourage greater public involvement in politics.

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Introduction

The Hansard Society has long been concerned about public disengagement with politics and the political process, about perceptions of MPs individually and collectively and perceptions of the House of Commons as an institution. Our recommendations are therefore based on evidence derived from a number of research reports published in recent years. In particular, we would draw the attention of the Committee to the following reports:

- *Audit of Political Engagement (2004-2009)* – published annually since 2004, the Audit presents the findings from public opinion polling on a range of political engagement indicators, updating trends from previous years. As such it provides an annual benchmark to measure political engagement, gauging public opinion vis-à-vis politics and the political system and more broadly the general health of our democracy.
- *A Year in the Life: From Member of Public to Member of Parliament (2006)* – after the 2005 general election the Hansard Society spent 12 months monitoring a group of 21 newly elected MPs as they settled into their role and shaped their approach to the job. This report challenged the commonly held prejudice that MPs are ‘all the same’ or ‘just in it for themselves’.

MPs must be provided with sufficient financial and other resources to enable them to carry out their public duties both in Parliament and in their constituency. They should also be salaried and reimbursed for reasonable expenses incurred in the undertaking of those parliamentary and constituency duties. To determine what constitutes ‘sufficient’ resources and reimbursement of ‘reasonable expenses’ however, requires a nuanced examination and understanding of the MP’s role. In addition, the perceptions, views and expectations of the public need also to be borne in mind as the new system must command public support if the bond of faith and trust between electors and MPs is to be restored.

The MP’s role

The financial support system must take account of the fact that there is no common ‘template’ or job description for service as an MP. Each MP perceives and carries out their duties differently and therefore may face different resource challenges. Each MP also faces different administrative, geographical, personal, political, and technological challenges which are weighed by them when determining how best to prioritise and carry out their duties.

1. Executive responsibilities: frontbenchers face different challenges from those of backbenchers – they may (though do not always) need to spend more time in London dealing with departmental / media issues;
2. Geographical location: the location and physical layout of a constituency can have a significant impact on the costs associated with the running of a constituency office or those of a second home (if designated in the constituency). These costs are of course quite variable from region to region and seat to seat.
3. Constituency demands and proximity to Westminster: a constituency MP within reasonable commuting distance of Westminster may face greater pressures and expectations with regard to their constituency work than an MP with a far flung constituency. Our research suggests that London MPs in particular and others within reasonable commuting distance face mid-week pressure to attend to the needs of the

constituency.¹ A close look at the weekly movements in 2006 of 21 newly elected MPs found that many did not stay at the House of Commons for the whole parliamentary week. The constituency often encroached on the traditionally understood Monday-Thursday routine.² These MPs reported spending an average of 49% of their time on constituency work though the range of time varied from 15% to 97% in some cases.³ MPs who have a constituency a long way from Westminster will of course incur greater financial costs linked to travel. But MPs – and their staff – for constituencies within reasonable commuter distance may face greater travel and other cost pressures linked to regular mid-week visits to the constituency than the current expenses system provides for. Determining where MPs consider their ‘main home’ to be located on the basis of where they spend the majority of their time may also be difficult in some cases given the way in which their working week is increasingly divided.

4. Electoral position and incumbency: an MP with a marginal seat is more likely to be under pressure to do more work in the constituency than an MP with a safe seat. Our research suggests that, ‘Becoming embedded in the local area is more urgent for some than for others. Those elected with a small majority or on a big swing were ever-conscious of the need to nurture the constituency.’⁴ Additionally, the first term in Parliament was seen ‘as the time to become established in the constituency; even those with significant majorities would highlight the importance they placed on constituency work’.⁵ In the absence of any objective job description or performance indicators, elections are the only real test of an MP’s success or failure. For most MPs their success is entirely dependent upon and defined by re-election.⁶ However, addressing the question of re-election should not necessarily be seen in narrow party political terms – promoting incumbency is increasingly a question of promoting the individual rather than the party. Indeed, our research suggests that the influence of political parties on the thinking and work priorities of MPs is decreasing. At the end of their first year as MPs the proportion of the 2005 intake who ranked their political party as the most important factor when carrying out their role had dropped from 17% to 9%. The proportion marking it as their second priority rose to 60%, and 32% now placed it last.⁷ In contrast, the proportion that ranked representing their constituents as their most important role rose from 81% to 90%.⁸ This compares with 74% of the new MPs after the 1997 general election who thought the same.⁹
5. Age, experience and expectations: an older MP who has been in place for many years may have a more traditional understanding of the role than a younger MP elected more recently. A new intake of MPs can also influence and shape how Parliament operates. The 2005 election, for example, brought in members who were experienced in technology and campaigning techniques. They want (and are expected) to facilitate communication with their constituents through the use of new technology which has cost and service provision implications that the office and IT costs system must take account of.

¹ G. Rosenblatt (2006), *A Year in the Life: From Member of Public to Member of Parliament* (London: Hansard Society), p.35.

² *Ibid.*, p.33.

³ *Ibid.*, p.32.

⁴ *Ibid.*, p.35.

⁵ *Ibid.*, p.36.

⁶ *Ibid.*, pp.48-49.

⁷ *Ibid.*, p.45.

⁸ *Ibid.*, p.44.

⁹ Unpublished research by the Study of Parliament Group, supported by ESRC Award No. R000222470, quoted in G. Rosenblatt (2006), *A Year in the Life: From Member of Public to Member of Parliament* (London: Hansard Society), p.44.

6. Family circumstances: our research shows that MPs found balancing their family time with their work could be difficult and the pressure on MPs varied according to their individual circumstances. Work tended to encroach on time with their partners when they returned to the constituency and weekends were often over-run by events and visits meaning some members were working seven days a week.¹⁰ MPs have very variable approaches to tackling the work-life balance. Some bring their families to live in London; others remain in the constituency. This has implications as to how they perceive their primary and second homes and what, by extension, the taxpayer may be funding in terms of housing provision.
7. Time commitments: the hours MPs work have increased considerably in the last quarter century. In 1982, MPs reported working an average of 62 hours per week, this translated to 69 hours when the House of Commons was sitting and 42 hours during recess.¹¹ Our research shows that by the end of their first year in office, the 2005 intake were reporting an average working week of 71 hours with the total range of hours worked varying from 50-100 hours in some cases.¹² In part, this may be because changes in technology mean that MPs are accessible to their constituents 24 hours a day regardless of the location of their constituency. Email in particular imposes new demands on MPs as constituents expect a swift response to their inquiries and MPs need resources to meet these demands.

Public perceptions, views and expectations

1. Satisfaction and trust: An opinion poll commissioned in 2008 on public perceptions of Parliament showed that only 19% of the public thought Parliament was 'working for them'.¹³ Similarly our latest *Audit of Political Engagement* showed that 17% of the public felt that they did not have influence in the political system because politicians are 'just out for themselves'.¹⁴ Research undertaken in November 2006 showed that 71% had not very much or no trust at all in politicians.¹⁵ Yet, despite public disillusion and cynicism, 53% of the public believed that contacting their MP is effective and those who have contacted their MP tend to have a higher level of satisfaction with the performance of their MPs than those who have not.¹⁶ Indeed, there is a considerable gap between the public's view of MPs generally and their view of their own MP individually.¹⁷
2. MPs - expenses: an opinion poll survey undertaken for our *Audit of Political Engagement* in November and December 2007 found that 74% of the public felt that MPs spent too much money on expenses.¹⁸ This was before the heightened coverage of MPs' expenses which followed from 2008 onwards and as such represents un-

¹⁰ G. Rosenblatt (2006), *A Year in the Life: From Member of Public to Member of Parliament* (London: Hansard Society), p.36.

¹¹ Review Body of Top Salaries (1983), *Report No.2: Review of Parliamentary Pay and Allowances*, Chair Rt Hon Lord Plowden, Vol.1 Report (London: HMSO).

¹² G. Rosenblatt (2006), *A Year in the Life: From Member of Public to Member of Parliament* (London: Hansard Society), pp.30-31.

¹³ S. Kalitowski (2008), *Parliament and the Public: Knowledge, Interests and Perceptions* (London: Hansard Society), p.11.

¹⁴ Hansard Society (2009), *Audit of Political Engagement 6* (London: Hansard Society), p.35.

¹⁵ Electoral Commission & Hansard Society (2007), *An Audit of Political Engagement 4* (London: Electoral Commission & Hansard Society), p.41.

¹⁶ Hansard Society (2009), *Audit of Political Engagement 6* (London: Hansard Society), pp.40-41.

¹⁷ See for example, Electoral Commission & Hansard Society (2007), *An Audit of Political Engagement 4* (London: Electoral Commission & Hansard Society), p.41. 30% of people reported to be 'very' or 'fairly satisfied' with the way MPs were doing their jobs. However, when asked how their own MP was doing his/her job, 41% reported to be 'very' or 'fairly satisfied'.

¹⁸ Hansard Society (2008), *Audit of Political Engagement 5* (London: Hansard Society), p.33. (Note: the opinion poll survey for this publication was undertaken in November-December 2007 before the heightened coverage of MPs' expenses which followed last year.)

qualified public perception. The emergence of qualified evidence about MPs' expenses in recent months would likely heighten the reaction to this question.

3. Representing and informing constituents: however, the same survey demonstrated that 66% of the public also agreed that MPs need sufficient resources to 'properly represent and inform' their constituents. Only 7% of the public disagreed with this concept.¹⁹ A significant social divide exists on this question however, with 79% of social group AB agreeing with the concept but only 59% of social group DE agreeing.²⁰ In contrast, there was no social group difference on whether or not MPs spend too much on their expenses.
4. Communication between MPs and the public: the latest *Audit of Political Engagement* demonstrates that 9% of the public have presented their views to an MP in the last two to three years.²¹ Contacting a political or elected representative such as the MP is regarded by many members of the public as an important part of being a good citizen. 75% report that they believe it is at least 'fairly important'.²² Taking part in a campaign or signing a petition are both viewed as an effective means of political participation by 47% of the public.²³ 36% report having actually signed a petition in the last two or three years, a result that was by a considerable distance the most popular form of political participation undertaken by the public when offered a list of eight options.²⁴ Only no participation at all in the process ranked more highly.
5. Barriers to knowledge and influence: a lack of knowledge about politics is one of the most important barriers to engagement between the public and politicians. Our most recent *Audit of Political Engagement* shows that 51% of the public report knowing 'not very much' or 'nothing at all' about politics.²⁵ Many members of the public lack even basic knowledge of their MP. In research conducted in November 2006, 49% of the public could not name their MP.²⁶ Most members of the public obtain their information from television (76%), national newspapers (56%), radio (34%), and local newspapers (33%). Increasingly the internet rivals all these options. In contrast, few members of the public report getting information via leaflets delivered through their door (7%).²⁷
6. How MPs should spend their time: the public rate MPs representing the views of their constituents in Parliament (43%) more highly than they do MPs holding the Government to account (31%), dealing with the problems of individual constituents (31%), representing the national interest (31%), making good laws (30%), participating in local public meetings and events (20%) or representing the views of their party (10%).²⁸ These results suggest that the public want MPs to undertake a broad range of activities and to achieve a balance, dividing their work between Westminster and the constituency. In light of this evidence it is not surprising that 90% of MPs see representing their constituents as their most important role.²⁹ However, this presents a

¹⁹ Ibid., p.33.

²⁰ Ibid., p.34.

²¹ Hansard Society (2009), *Audit of Political Engagement 6* (London: Hansard Society), p.23.

²² Ibid., p.43.

²³ Ibid., pp.39-40.

²⁴ Ibid., p.27.

²⁵ Ibid., pp.17-18.

²⁶ Electoral Commission & Hansard Society (2007), *An Audit of Political Engagement 4* (London: Electoral Commission & Hansard Society), p.19.

²⁷ Ibid., p.54.

²⁸ Ibid., p.57.

²⁹ G. Rosenblatt (2006), *A Year in the Life: From Member of Public to Member of Parliament* (London: Hansard Society), pp.44-45.

challenge because not only do MPs have to respond to the concerns and priorities of those they represent, but they also have to raise public awareness of how they are meeting these expectations. With a constituency in the range of 65,000-70,000 people this is not straightforward and cannot be done cheaply.

Guiding principles for reform

We support the Committee's Seven Principles of Public Life and the six guiding presumptions set out in the Committee's 'Issues and Questions' paper (paragraph 1.10). We believe that the new system for resourcing MPs must ensure, as a priority:

- That MPs are provided with sufficient financial and other resources to enable them to carry out their public duties both in Parliament and in their constituency and to support the staff needed to assist them in the carrying out of those duties.
- That MPs receive a salary that is independently determined and are reimbursed for reasonable expenses incurred in the undertaking of those parliamentary and constituency duties in such a way that public service in Parliament remains open to all. It would be highly undesirable if public anger about MPs' expenses resulted in a backlash that meant only those with sizeable private incomes were able to afford to become MPs. Such a development would reverse a century's progress in broadening the social base of representation.
- That any new system of financial support should ensure that MPs cannot derive personal financial advantage from it. In the event that any proposed reform might give rise even to the perception of possible personal financial advantage being derived, this too should be avoided.
- That the administration of payments is simple, transparent, accountable and subject to independent audit.
- That the system is unambiguous and reflects and conveys the clear difference that exists between on the one hand, resources allowing MPs to carry out their public duties, where no money passes directly to them and from which they derive no personal financial benefits (e.g. staff, office rental, stationery, office equipment); and on the other hand, personal reimbursement of expenses incurred to fulfill their public duties (for example for secondary accommodation).
- That the system be robust such that it can stand the test of time. Incremental changes can have unanticipated consequences and some of the problems with the administration of the expenses system have come about because of previous and sometimes regular tinkering with the system.

Recommendations

Accommodation

- Eligibility for second home provision should be reviewed to take account of changes that have been made in recent years to parliamentary sitting hours and the capacity of more MPs to commute between their constituency and Westminster.
- Separate overnight provision should be made for those rare and exceptional circumstances when those members within commuting distance have to make an overnight stay in London as a direct result of their parliamentary duties. (This should not

wholly be linked to sitting hours as members have other duties in Westminster beyond the chamber that should be taken into account.)

- Where a member's constituency is deemed too far for daily commuting purposes, provision should be made for secondary accommodation. In the interests of fairness, simplicity and transparency, MPs should be required upon election (or at the start of implementation of the new system for sitting MPs) to nominate their secondary accommodation and this designation should remain in place throughout their parliamentary career unless they can provide a justifiable reason (e.g. changing family circumstances) for changing it that is acceptable to the independent Parliamentary Standards Regulator. The Committee may find the Welsh experience on this matter to be of interest. Second homes in Wales are defined as being within five miles of the Welsh Assembly and there is no appeal mechanism.³⁰
- Detailed research - such as that undertaken by the Allowances Review Panel chaired by Sir Alan Langlands in Scotland in 2007-08 - is required to investigate the best approach for funding second homes.³¹ This research should explore the short and long term costs of leasing accommodation, making mortgage interest payments, hotel costs, or central provision of serviced apartments or flats. However, the cheapest option should not be the only defining factor in determining the final outcome. Securing best value for the taxpayer also needs to take into account public concerns about abuse of the system and the actual or perceived potential for MPs to personally profit from it.
- MPs' should be eligible to claim council tax and utility costs for their secondary accommodation. If the new support system permits the purchase of white goods and basic furnishings, these should be registered at the time of the claim on an asset register held by the independent Regulator.

Office costs

- MPs offices should be used for the purposes of supporting an MP's constituency role. Clearer guidance is needed to establish the division between an MP's work serving all constituents and his / her partisan party work on local issues and how this might be organised on a practical basis. It is legitimate for public money to be used to support the constituency work but not to be used to subsidise party political activities.

Staffing

- Staff should be employed on standard central contracts. Payments to staff should continue to be made directly to them and salaries should be automatically uprated in line with the annual staffing allowance cost of living increase.
- Recruitment of staff and the management of their employment should remain the responsibility of MPs. The employment of family members by MPs has raised serious issues in relation to the use of public money and the private financial gains derived by the MP and his/her family from such an arrangement, the degree to which proper employment practices are adhered to, and the potential for conflicts of interest that exist. Clear guidance is therefore needed to ensure that where they wish to employ a family member, any such arrangements continue to be transparently registered and the

³⁰ National Assembly for Wales (March 2009), The National Assembly for Wales (Assembly members and officers) salaries and allowances determination 2009.

³¹ Independent review of parliamentary allowances: report to the Scottish parliamentary corporate body on the reimbursement of expenses for members of the Scottish Parliament (March 2008).

recruitment process is demonstrably competitive with evidence of this provided to the independent Regulator.

Communications Allowance

- This allowance has been widely criticised for aiding incumbents, subsidising party political activity in constituencies and for being open to abuse. Many have called for its abolition. However, our research clearly suggests that constituents consider not just representation but also information from their MPs to be important. The lack of knowledge that many members of the public have about politics also underscores the importance of the provision of information. We acknowledge that the line between legitimate communication activity on constituency policy matters and party political campaigning on those same matters is often a very fine one for all MPs. More often than not there is no clear, bright line, merely a grey area. Reasonable minds can often differ on interpretation of these cases and a clear answer cannot readily be yielded. If funding to support communications and information provision were to be retained in some form, we would urge that clear guidance be provided to ensure that the allowance is utilised on a constituency wide basis, that the material should be of an explanatory and informative nature and not propaganda, that it should be subject to independent audit and that the authorisation and payments system should be supervised by the independent Regulator.
- There are also a number of anomalies in the system that should be ironed out in the context of information provision and political engagement. For example, at present MPs are not permitted to respond to individual petition signatories – even though signing a petition is one of the most popular forms of political activity by most members of the public and is seen as an effective means of participation by almost half the population. In contrast, there are no restrictions on responding to electronic petitions or similar campaigns. The only real difference between the two forms of petition is the cost incurred in responding and this differential treatment should therefore be addressed.
- Some thought needs to be given to what support / training might be provided to MPs and their staff to better integrate and embed electronic communication and information provision into their office set up. Our research suggests that some MPs are better at electronic communication than others.³² The availability and capacity of technology today suggests MPs could engage in more communication, on a more cost effective basis, if they were better equipped and better trained to do so. Additionally, this may be a more effective form of communication than traditional letters / leaflets delivered through the letterbox as our research demonstrates that only a very small proportion of the public gain information about politics from this form of communication.

Travel

- Provision for family travel may no longer be required given that MPs spend more time in their constituencies than ever before and in most cases will divide their week between Westminster and their constituency.

³² A. Williamson (2009), *MPs Online: Connecting with Constituents* (London: Hansard Society), pp.8-11. This research demonstrates that take-up of 'social network' platforms by MPs is lower than the more conventional or 'broadcast' forms.

- However, given the increasing amount of time MPs spend in their constituencies, our research suggests that perhaps greater flexibility and provision for staff travel between Westminster and the constituency may be required.

Transparency and accountability

- All MPs should be required to provide fully receipted claims which should then be published online on a quarterly basis subject only to redaction of personally confidential information such as, for example, bank account and national insurance numbers.
- There should be a clear distinction between: (a) resources made available to MPs for normal staff and office support paid centrally by the House authorities from which MPs derive no personal benefit; and (b) reasonable reimbursable expenses (not allowances) paid personally to the MP. To aid this distinction in the public domain the data for claims falling within categories (a) and (b) should be published at different times.
- A new Parliamentary Standards Regulator operating on a bicameral basis would provide the much needed independent external authority for the system. Self-regulation by MPs cannot continue. We would however, caution against establishing a body which contains both the authorisation and scrutiny functions. The principle of separating authorisation and enforcement is helpful as it avoids a blurring of responsibilities and a conflict of interest. Restricting members to a single, non-renewable term may also present unnecessary problems. Some of the decisions that those authorising payments and investigating decisions may need to make will necessarily be subjective interpretations of the rules and guidance. Providing some long-term continuity to this process would provide for greater coherence and consistency in decision-making.
- The independent Hansard Society Commission on the Communication of Parliamentary Democracy, chaired by Lord Puttnam in 2005, called for a fundamental restructuring of the way in which Parliament administers its affairs. It recommended that 'the administration of the House of Commons be headed by a Chief Executive, experienced in the realm of public management of complex organisations in the public realm, reporting directly to the House of Commons Commission'.³³ In light of the proposal to create an independent Parliamentary Standards Regulator body which will take over the duties of the House of Commons Fees Office, there is an opportunity to substantially reform and modernise the internal administrative organisation of the House of Commons. At present the House is managed by the Clerk of the House of Commons with the dual title of Chief Executive. However, Clerks are expert professional advisers on procedural and constitutional matters. Their expertise is not in the field of management, budgets and logistics. A Chief Executive should therefore be appointed to take over these administrative and organisational aspects of the House of Commons.

³³ Hansard Society (2005), *Members only? Parliament in the public eye* (London, Hansard Society), p.88.