



House of Commons Members Estimate Committee

First Report of Session 2004–05

Report, together with an appendix

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Introduction

1. The Committee was established on 29 January 2004, in the light of recognition that the governance arrangements for expenditure charged to the Estimate for House of Commons: Members required reform. There was a consensus that it was inappropriate to have to take up time on the floor of the House with minor or technical changes to the allowances regime. A body was required to take decisions on second level issues of detail and provide Member oversight equivalent to that provided by the House of Commons Commission of the administration of the House.¹

Meetings

2. The Committee met on eight occasions in 2004. From January 2005 the formal minutes of proceedings recording the Committee's principal decisions will be published to the internet soon after the relevant meeting.

Audit Committee

3. In June 2004 the Committee appointed a Members Estimate Audit Committee, with the same membership as the Administration Estimate Audit Committee, comprising Mr Oliver Heald MP (Chairman), Sir Archy Kirkwood MP, Sir Thomas Legg KCB QC, and Mr David Taylor.

Concordance

4. Standing Order No. 152D obliges the Committee to publish "not less than once a year" an updated set of the Resolutions relating to expenditure charged to the Estimate for House of Commons: Members, as codified and modified by the Committee. This "concordance" of the Resolutions governing the regime of Members allowances has been reported to the House and is now electronically available, via the Committee's website.² It will be printed as a stand-alone document and sent to all Members when the Green Book is next published. The Committee intends in future years to arrange for the publication of an updated concordance when the Green Book is printed, or as appropriate.

Publication of allowances

5. Much of the Committee's work in its first year has been concerned with arrangements for the publication in October 2004 of details of expenditure on Members' allowances, including the form and timing of their publication. The next such publication, covering the figures for financial year 2004-05, is planned for the autumn of 2005.

¹ HC Deb, 29 January 2004, cols 406-418

² www.parliament.uk/parliamentary_committees/mec/mec_reports_and_publications.cfm

Changes

6. The Committee has agreed to a number of changes to the Members allowances regime over the past year, recorded in detail in the concordance referred to in para 4 above and in the changes made to the electronic version of the Green Book. In addition to a number of technical changes, the Committee agreed over the course of the year—

- to permit Ministers and paid office-holders to designate their constituency home as their main home, where the facts allow, and so claim Additional Costs Allowance (ACA) for necessary overnight stays in London : and to establish a “20 mile” rule for constituency or Westminster homes for which ACA is claimed:
- to reduce from 6 months to 2 months the delay permitted in claiming allowances after the end of the relevant period [typically a financial year]:
- to permit 10 percent carry-forward of unspent Staffing Allowance or Incidental Expenses Provision, or similar payment in advance:
- to increase from 9 to 12 the maximum permitted return journeys per year by Members staff between the constituency and London:
- to extend the European Travel Scheme to cover the national parliaments of EFTA countries, EU applicant countries and all EU agencies:
- to outline rules on reclaiming parking costs.

Incidental Expenses Provision

7. On 3 November 2004 the House referred recommendation 8 of the Report of the Review Body on Senior Salaries on parliamentary pay and allowances³ to the Members Estimate Committee for further consideration.⁴ The SSRB recommended that the level of Incidental Expenses Provision should be increased to a maximum of £27,500: and that the amount of IEP that might be claimed should be abated by £7,500 for each permanent workstation occupied by Members’ staff on the Parliamentary Estate, with the proposed new maximum amount available only to those Members who had no permanent workstation for their staff on the Parliamentary Estate. **At its meeting on 13 December 2004 the Committee decided to recommend to the House that no further action should for the present be taken on Recommendation 8 of the SSRB Report.**

8. The current level of IEP (£19,325), uprated in line with inflation from 1 April 2005, will therefore continue to apply, with no abatements. The Committee is however aware of the pressures on the parliamentary estate, and of the Commission’s policy as recorded in its Annual Report that—

“Members should be encouraged as far as possible to locate constituency office staff away from Westminster because of the pressure on space and services.”⁵

³ CM 6354-1

⁴ Votes and Proceedings, 3 November 2004, page 917

⁵ HC791 of Session 2003-04, para 252

The Committee has therefore set in hand a paper audit of the numbers and categories of Members' staff working on the estate. It has also authorised the offer to Members of the services of property specialists to help locate reasonably-priced office accommodation in high-price areas.

Mileage

9. At its meeting on 13 December 2004, the Committee had before it figures provided by the Department of Finance and Administration on the effects of the new car mileage allowance regime agreed by the House on 3 November 2004. It decided to write to the Leader of the House to ask him to put a Motion before the House to enable Members to determine whether or not they would favour phasing in the new arrangements, and to decide on the appropriate level of the mileage threshold used in determining the rate payable. The text of this letter is appended to the Report.

APPENDIX

LETTER FROM THE SPEAKER TO THE LEADER OF THE HOUSE, 21 DECEMBER 2004

At its meeting on 15 December the Members' Estimate Committee discussed the detailed implementation of the various Resolutions on Members' Allowances agreed by the House on 3 November. The Committee had before it figures provided by the Department of Finance and Administration on the effects of the new car mileage allowance regime. These demonstrated that a substantial number of Members stood to suffer a cash loss in 2005-06 of well over £1,000, and those with the highest mileage claims a cash loss of around £3,000.

The Committee felt that, because the House was faced on 3 November with a straight choice between agreeing to the SSRB's recommendation and an amendment which amounted to approval of the status quo, the eventual decision may not have accurately reflected Members' wishes. It therefore considered that the House should be given an opportunity to vote on a proposal for phasing in the new arrangements, on a similar basis to the revised provisions on early retirement. The Committee is also conscious of the sense among some Members that there may be a case for preserving the existing lower rate threshold, which was not an option on which it was possible to take a separate decision.

These matters can only be decided by the House. The Committee would therefore be grateful if you would make the necessary arrangements for a Motion or Motions to be put before the House for its determination. If a proposal on phasing in the implementation were to be put before the House in fairly general terms, endorsing the principle of phasing, allowing for the question of the threshold to be decided, and setting out the desired timescale, and if the House were to agree to it, the Committee would be content to be charged by the House with determining the exact rates to be paid for the years in question.