



House of Commons
Members Estimate Committee

Review of Members' Allowances

First Special Report of
Session 2007–08

HC 368

*Ordered by The House of Commons
to be printed 25 February 2008*

HC 368
Published on date
by authority of the House of Commons
London: The Stationery Office Limited
£0.00

Members Estimate Committee

The Members Estimate Committee has the same Members as the House of Commons Commission:

Rt Hon Michael Martin MP, Speaker
Rt Hon Harriet Harman MP, Leader of the House
Rt Hon Theresa May MP, Shadow Leader of the House
Sir Stuart Bell MP
Nick Harvey MP
Rt Hon David Maclean MP

The Committee is appointed under Standing Order No 152D (*House of Commons Members Estimate Committee*):

152D.—(1) There shall be a committee of this House, called the House of Commons Members Estimate Committee.

(2) The members of the committee shall be those Members who are at any time members of the House of Commons Commission pursuant to section 1 of the House of Commons (Administration) Act 1978; the Speaker shall be chairman of committee; and three shall be the quorum of the committee.

(3) The functions of the committee shall be—

- (a) to codify and keep under review the provisions of the resolutions of this House relating to expenditure charged to the Estimate for House of Commons: Members;
- (b) to modify those provisions from time to time as the committee may think necessary or desirable in the interests of clarity, consistency, accountability and effective administration, and conformity with current circumstances;
- (c) to provide advice, when requested by the Speaker, on the application of those provisions in individual cases;
- (d) to carry out the responsibilities conferred on the Speaker by the resolution of the House of 5th July 2001 relating to Members' Allowances, Insurance, &c., except the responsibility of appointing the Advisory Panel provided for in paragraph (5)(1) of that Resolution.

(4) Paragraph (3)(b) above does not empower the committee—

- (a) to create a new form of charge on the Estimate for House of Commons: Members; or
- (b) to increase any rate of charge or payment determined by resolution of this House.

(5) The committee shall report to the House from time to time, and in any case not less than once a year, the provisions of the resolutions of this House relating to expenditure charged to the Estimate for House of Commons: Members, as codified and modified pursuant to paragraph (3) of this order.

(6) The committee shall have power to sit notwithstanding any adjournment of the House.

Committee staff

The staff of the Committee are Andrew Kennon, Jenny McCullough and Louise Sargent.

First Special Report

1. On 24 January, the House referred to the Members Estimate Committee recommendations on Members' allowances made by the Senior Salaries Review Body. The Committee is reporting to the House progress with the review announced on 4 February into both those recommendations and the recent matters raised in the Fourth Report from the Standards and Privileges Committee. The first meeting of the MEC took place on 20 February and was attended by Sir Stuart Bell MP, Nick Harvey MP and David Maclean MP. The full Members Estimate Committee, chaired by the Speaker, considered progress at its meeting on 25 February.

2. Our first priority is looking at radical options for restructuring pay and allowances. We are conscious of the need to establish a structure which will endure and will rebuild confidence. In doing this we will consider in detail the recommendations of the SSRB and review the Additional Costs Allowance.

3. As a first step, the Committee has agreed that the threshold of £250 for invoices and receipts should be reduced from the start of the next financial year.

4. The next priority is a robust and transparent process for claiming allowances and auditing them. Building on the recommendations of the Audit Committee and the SSRB we have asked the Department of Resources to draw up in consultation with the NAO and others several options for a better way of claiming and checking allowances. These will help identify a new system which is workable, in line with practice elsewhere and able to command public respect.

5. We will draw together the information which already exists about allowances from other bodies in the UK and from other Parliaments elsewhere. We will commission papers from the Department of Resources and others. The Committee will seek briefings on audit options from the NAO, HMRC, the Audit Commission and private firms of accountants.

6. Our programme for action will start with meetings to take views from Sir John Baker (former chairman of the Senior Salaries Review Body) and Sir Chris Kelly (chairman of the

Committee on Standards in Public Life). We will consult the Advisory Panel on Members Allowances, the PLP, 1922 Committee, Liberal Democrat Parliamentary Group and representatives of the DUP, SNP, Plaid Cymru and SDLP and other Members. We will welcome suggestions from outside the House.

7. The Members Estimate Committee shall work with the Standards and Privileges Committee on the registration of family members employed out of the staffing allowance.

8. To make the process of our deliberations open, we will publish our programme on the MEC website together with the papers we receive. We will publish an issues paper by the end of March and emerging conclusions in May. The Committee on Standards in Public Life and other outside bodies will be asked to comment on the emerging conclusions.

9. We will complete a report in time for debate in the House in July. All decisions will be made by the House itself.