



## 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.

## Second Report

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1. In this report the Members Estimate Committee sets out radical issues for our root and branch review of allowances. Nothing is ruled in and nothing is ruled out but leaving things as they are is not an option. Many of these issues will be controversial. We want to hear comments from within and outside the House on which are the best ideas to pursue. There may be other issues we have not yet considered which could be brought forward now. The next stage will be for us to produce emerging conclusions in May. We aim to report in time for a debate in the House in July. This report therefore contains no recommendations. The House itself will have to decide on any changes to the allowance system in July.

2. The House referred to the MEC, on 24 January 2008, 11 recommendations from the Senior Salaries Review Body on Members' allowances. Shortly afterwards MEC's work was extended following the Fourth Report from the Standards and Privileges Committee concerning the use of the staffing allowance to employ relatives.

3. The MEC therefore decided to conduct a root and branch review of the allowances system. On 26 February the Committee reported:

“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.

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.

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.”<sup>1</sup>

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<sup>1</sup> First Special Report, HC 368, paras 2–4.





### ***APPROACH TO OUR WORK***

10. Our aim is to put in place a system of allowances that will endure. For any future system of allowances—however similar to or different from the current one—the Committee is keen to establish direct comparisons with relevant examples in the private, public or third sectors. This would enable the House to base its practice on what works elsewhere. There is unlikely to be a single comparator and so several may be sought. As Members have pointed out to us, being an MP with a duty to serve involves a way of life different from most jobs, with irregular and long hours, extended travel to and from work and inevitable impact on family life.

11. The Committee is working on the basis that any root and branch changes to the structure of allowances will not involve any overall increase in the total cost. Equally, we do not expect that any Member will be put to a significant disadvantage in the short term. It may follow that any changes agreed by the House will have to be introduced in phases and with transitional arrangements.

### ***LIVING EXPENSES FOR WORKING AWAY FROM HOME***

12. How should Members whose job requires them to spend three or four nights a week away from home be reimbursed? MPs are not the only people whose occupation involves working away from home but there are probably few other jobs which require close contact with a wide constituency of people in one location and long hours of attendance in another. Which other jobs are comparable with that of an MP in this respect? There are certainly other public sector jobs which involve working in more than one place.

13. The current additional costs allowance (ACA) reimburses MPs for additional expenses necessarily incurred when staying overnight away from their main home for the purpose of performing parliamentary duties. It is spent either on maintaining a second home, whether in London or in the constituency or, for a few Members, on hotels. The SSRB reports that out of the 586 MPs reimbursed from ACA last year, 343 MPs claimed over 90



































