

Leader of the House of Commons, Harriet Harman's statement on Parliamentary Standards

23 June 2009

With permission Mr Speaker, I wish to update the House on the issue of parliamentary standards. But first, I would like to offer you congratulations on your election yesterday. I look forward to working with you to address the issues of concern to members of the public and to members of this House of Commons.

The public want to be able to have full confidence in the Parliamentary system.

Members want there to be full confidence in the system, so that the cloud of suspicion is lifted and so that the reputation of the House can be restored.

As you said yesterday, Mr Speaker, I strongly believe that the overwhelming majority of Members of Parliament are decent people who work hard to serve the public interest, not to serve their own self-interest. But that is not the impression that the public have and so we are taking action.

Summary of action

And it is those actions which are underway which I want to set out to the House today. They are;

- The changes to our allowances that we have already made
- The publication last week of our last 4 years' allowances
- The publication of our 08/09 allowances and then
- A revised Code of Conduct for Members – updated by the Standards and Privileges Committee and published today
- The introduction later this afternoon of the Parliamentary Standards Bill
- The proposal to be debated this Thursday for a new committee of the House – chaired by the Hon Member for Cannock Chase - to strengthen the role of parliament.
- A new registration system starting on July 1st for full transparency on Members second jobs
- the work of Sir Thomas Legg leading a team to establish what might need to be paid back from claims over the last 4 years
- The work of the Committee on Standards in Public Life to propose a new allowance system
- The new Independent Parliamentary Standards Authority to take over the whole of our allowance system and run it.

Interim changes

First, changes have already been made to our allowances system. Since May 19th this year and arising out of the meeting between the then Speaker and the Party leaders, there can now be

- No Claiming for furniture
- No changing the designation of main home
- a cap of £1250 on monthly rent or mortgage payments and
- Every claim must be backed up by a receipt
- And MPs who are couples can only claim for one second home

Publication

Last Thursday, every claim and payment to all members over the last 4 years was published by the House Authorities on the House of Commons Website.

Of course we must protect Members security but I can tell the House that for the publication of the 08/09 receipts this autumn, the question of redaction will be looked at again, considering the advice of the Information Commissioner.

Pay-back. Sir Thomas Legg

Work has begun by Sir Thomas Legg who has been contracted by the House Authorities to lead an reassessment of all claims over the last 4 years and having reconsidered each claim and the evidence submitted to support it, to report whether it was within the rules as they obtained at the time with a view to ensuring that where there has been overpayment then it must be paid back.

The public expect that overclaims will be paid back – and that will happen, together with any necessary disciplinary action.

Kelly Committee

Work is underway by the Committee on Standards in Public Life who – with Sir Christopher Kelly as chair - have taken on the task of undertaking a root and branch review of the allowances and to make recommendations. They are taking evidence and will complete their work in the autumn.

I have already given oral evidence to the Committee and set out the principles which I believe the House would want to underpin a new allowance system, namely

- That it should be simple
- Transparent
- That it should reduce the cost to the taxpayer
- That second home arrangements should be consistent as between the allowances system and the tax system
- That it should sustain the all-important constituency link
- And it should sustain our ability to work effectively on behalf of our constituents
- and communicate with them

- that it should support the inclusion as Members of this House of those with family responsibilities
- and those with disabilities
- that it should allow us to decide for ourselves how we do our work and not put us in a strait jacket.
- That it should protect the ability of those on low incomes to come into the House
- And it should command public confidence.

Publication of Parliamentary Standards Bill

This afternoon will see the publication of the Parliamentary Standards Bill which will establish a new and wholly independent authority to take over the role of the Fees Office in authorising Members' claims, overseeing a new allowance system, following proposals from the Committee on Standards in Public Life, and maintain the Register of Members' Interests.

I can assure the House that although there will be a new independent authority for allowances, we will work closely and sympathetically with the House Authorities on the future for the staff currently working in the Department of Resources.

The Bill will create new criminal offences for

- knowingly making a false claim for an allowance
- failing without reasonable excuse to register a relevant interest
- contravening without reasonable excuse the rules on paid advocacy

This will put MPs on the same footing as we have – in legislation - put local councillors and Members of the Scottish Parliament.

I shall set out in my Business Statement the date for second Reading of the Bill but the House should know that we intend that its committee stage as well as Report and Third Reading will be taken on the floor of the House and we hope that there is sufficient consensus – following the consultation which has been led by my Rt hon friend the Justice Secretary – for it to reach Royal Assent by the time the House rises for the summer recess so that it can be ready to start work with the Kelly Committee's recommendations by the end of the year.

The Justice Secretary and I are grateful for the constructive cross-party discussions that preceded the Bill's introduction. A number of those on the cross-party group, including the Government, are prepared to go further. This Bill is the first stage of legislation and covers the specific but important and urgent task of setting up an independent authority to run our expenses system.

There is likely to be further legislation should there be a consensus for further action.

The Prime Minister in his statement to the House on 10th June set out his concern that we make progress on strengthening the role of the House in holding the government to account.

Today, we will be tabling resolutions for debate on Thursday which will

- Establish a new parliamentary committee
- For a specific period of time
- With the Hon Member for Cannock Chase chairing it
- To look into and make recommendations on
- Enabling petitions from the public to find their way into debates and votes in this House
- Look at strengthening select committees
- Look at and make proposals for the House to choose non-government business.

Pay transparency

The public are entitled to know

- who is making payments to their MP,
- how much is being paid
- and what they are doing for that payment.

Following the resolution of the House on April 30th there will - from July 1st - be a new registration requirement so that any payment to an MP for services, whether in cash or kind, will have to be registered. Guidance from the Registrar of Members Financial Interest has been sent to all Members this morning.

This will mean that for the first time the public will be able to see all the payments that are made to Members. The public want to know who, other than them, is paying their MP.

And the Kelly committee is looking into this and will report on whether transparency is enough or whether we need to go further.

Conclusion

The abuse by some members of our allowance system has caused a high level of public concern and has required this comprehensive range of actions to ensure that we can say to the public – in the words of the Hon. member for Gloucester – we get it and we're sorting it.

Ends