

HOUSE OF LORDS

House Committee

3rd Report of Session 2009-10

**Financial Support for Members of
the House: Declaration of Principal
Residence and Publication**

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The House Committee

The House Committee is appointed each session to set the policy framework for the administration of the House and to provide non-executive guidance to the Management Board; to approve the House's strategic, business and financial plans; to agree the annual Estimates and Supplementary Estimates; to supervise the arrangements relating to Members' expenses; and to approve the House of Lords Annual Report.

Current membership

The members of the House Committee are:

- Lord Baker of Dorking
- Lord Brabazon of Tara
- Lord Bradley
- Lord Craig of Radley
- Baroness D'Souza
- Baroness Hayman (*Chairman*)
- Baroness Hollis of Heigham
- Lord McNally
- Baroness Royall of Blaisdon
- Lord Strathclyde
- Lord Tordoff
- Lord Wakeham

General information

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Contacts for the House Committee

All correspondence should be addressed to the Clerk of the House Committee, House of Lords, London SW1A 0PW.

The telephone number for enquiries regarding the Committee's work is 020 7219 6644.

**THIRD REPORT OF SESSION 2009-10
FROM THE HOUSE COMMITTEE**

**FINANCIAL SUPPORT FOR MEMBERS OF THE HOUSE:
DECLARATION OF PRINCIPAL RESIDENCE AND PUBLICATION**

1. On 14 December 2009¹, the House agreed to the principles and architecture of the recent report² by the Review Body on Senior Salaries (“SSRB”) on the financial support available to Members of the House of Lords. In line with the House’s decision on 14 December, this Committee on 15 December appointed an ad hoc group of Members (“the group”), chaired by Lord Wakeham³, “to consider and consult on issues in the report and to advise on their implementation.”
2. It was envisaged in December that, in light of the group’s recommendations, the House Committee would make a Report to the House setting out recommendations for a new scheme of financial support, based on the principles and architecture of the SSRB’s report, and that the Leader of the House would then table the necessary motions in the House for agreement before the end of the current Parliament.
3. In the event, it has not yet been possible for the group to finalise its report to the House Committee. In view of the limited time available in the last weeks of the current Parliament, this means that it will not now be possible to put a comprehensive package of proposals to the House before the end of the Parliament.
4. The Committee did however believe that we should make progress, given the commitment to bring the new scheme in at the beginning of the new Parliament. Therefore we propose that the House should agree to the introduction, from the start of the new Parliament, of new arrangements for the designation and certification of principal residences outside London. This will address a main weakness of the current scheme. In addition, the Committee recommends that the House agree to new proposals for quarterly publication of information relating to Members’ expenses from 1 April 2010. We believe that these two changes, coupled with the new arrangements relating to the Code of Conduct, and the appointment of an independent Commissioner for Standards, will constitute a significant move forward for the House.
5. The House Committee will make a further Report, early in the new Parliament, with further proposals for the new system of financial support.

Defining and declaring principal residence

6. A main weakness of the current scheme has been the inadequacy of the definition of what constitutes a Member’s principal residence outside London.

¹ HL Deb., 14 December 2009, cols. 1317-1384

² Review of Financial Support for Members of the House of Lords, 24 November 2009, Cm. 7746

³ The other members of the ad hoc group are Baroness O’Cathain, Baroness Scott of Needham Market, Baroness Symons of Vernham Dean, Lord Tomlinson and Lord Williamson of Horton.

7. **We invite the House to agree to the SSRB's main recommendation on principal residence – that “all Members seeking to claim financial assistance with overnight accommodation within London sign a declaration stating the location of their principal residence, and giving confirmation that it is outside Greater London” (recommendation 11).** The ad hoc group have indicated that they agree with this important SSRB recommendation.
8. **The required declaration should include a statement of where Members spend most of their time when the House is not sitting (including weekends), and in particular where they spend most nights.** Such a statement may also include any other circumstances which the Member deems relevant to his or her designation.
9. Members seeking to claim for overnight accommodation in London must support the declarations on their principal residence by providing the Finance Department with copies of documents from an approved list to verify that their principal residence is outside London. The declaration should be made on an annual basis, and should be revised if the Member's circumstances change.
10. **We also invite the House to agree that all principal residence declarations should be made publicly available on the Parliamentary website.** Under the Freedom of Information (Parliament and National Assembly for Wales) Order 2008, details of Members' addresses cannot be disclosed, but broader geographical information, such as the town or county of principal residence would be published subject to security advice in particular circumstances. Such a change would be an important and necessary step forward in transparency, combined with the new publication arrangements set out in paragraphs 13 -18 below.
11. The SSRB recommended that “fees and expenses paid to Members... should continue to be externally audited by the National Audit Office” and that “the audit process should also check Members' eligibility for financial assistance with overnight accommodation” (recommendation 23). Again, the group have indicated that they support this recommendation, and that it should extend to auditing Members' declarations of their principal residences, and to the supporting documentation referred to in paragraph 7. Therefore in addition to the publication of Members' declarations, **we invite the House to agree that the Accounting Officer should introduce a system of regular audit checks of the declarations of principal residence, both internally and by the National Audit Office.**
12. If the House agrees to the Report, the Administration will prepare standard declaration forms and communicate the new arrangements to Members at an early stage.

Publication

13. Currently the House publishes annually the totals claimed by each Member in each category of expenses, along with the total number of sitting days attended. Some, but not all, Members disclose the location of their principal residence by county or region.
14. Under the present arrangements the annual publication of information on expenses for 2009-10 is due to take place this autumn. The timetable for publication is dictated in large part by the fact that at present Members can submit expenses claims “within three months of the expense arising”. Once the information has been processed by the Finance Department, it is sent to Members to check. The three month claim period combined with the process of checking by Members, means that publication is necessarily delayed.
15. In the interests of greater transparency, and in line with the recommendations of the SSRB report, **we recommend that the House agree to quarterly publication of information relating to Members’ expenses, in the first instance broken down by the current categories of expenses.** This proposal should take effect from 1 April 2010, with the publication of the first quarter of the financial year 2010-11 in the autumn of 2010. This would be at the same time as the publication of the 2009-10 information.
16. We would propose that, for quarterly publication, Members will be sent the material prior to its publication for information purposes only.
17. If the House agrees to quarterly publication from April 2010, there are two related administrative changes which we believe will need to be made to achieve speedier publication. **We recommend that, from 1 April 2010:**

Expenses claims must be submitted within one month of the end of the month in which the expense arose⁴; and

The Finance Department will send the information on expenses to Members prior to publication for information purposes only.
18. Moving to quarterly publication from 1 April 2010 would be a significant change, and would place information in the public arena on a more frequent basis.

⁴ i.e. a claim for an expense incurred in April would have to be submitted by the end of May.

Summary of recommendations

19. We make the following recommendations to the House:

- **From the beginning of the new Parliament, we invite the House to agree to the SSRB's main recommendation on principal residence – that “all Members seeking to claim financial assistance with overnight accommodation within London sign a declaration stating the location of their principal residence, and giving confirmation that it is outside Greater London”.**
- **In addition, the required principal residence declaration should include a statement of where Members spend most of their time when the House is not sitting (including weekends), and in particular where they spend most nights.**
- **Members seeking to claim for overnight accommodation should supply the House of Lords Finance Department with copies of documentation from an approved list to verify that their principal residence is outside Greater London.**
- **All principal residence declarations should be made publicly available on the Parliamentary website.**
- **The Accounting Officer should introduce a system of regular audit checks of the declarations of principal residence, both internally and by the National Audit Office.**
- **From 1 April 2010, the House should move to quarterly publication for expenses claimed on or after April 2010, to coincide with the start of the new financial year.**
- **Expenses claims must be submitted within one month of the end of the month in which the expense arose.**
- **The Finance Department will send the information on expenses to Members prior to publication for information purposes only.**