

Action on Expenses

David Cameron and the Conservative Party are today announcing a series of measures on the issue of expenses paid to Members of Parliament.

IMMEDIATE ACTIONS

Between now and the launch of Sir Christopher Kelly's report, we will implement the following steps:

- Today, Shadow Cabinet members have agreed to pay back expenses claims that have caused concern.
- All claims made to the Fees Office will be published immediately online. This will start straightaway for the Shadow Cabinet. Arrangements will be put in place for Frontbenchers and all Conservative MPs as soon as possible.
- No Conservative MP will be allowed to re-designate their first and second homes for the purposes of the Additional Costs Allowance (ACA) without approval by the Chief Whip. This will deliver an immediate ban on so-called 'flipping'. Any decision to change designation, (which would have to be for genuine family reasons) must be published immediately with a full explanation.
- From now on, anyone selling a home for which mortgage interest is currently paid for by the ACA must confirm they will pay Capital Gains Tax on it.
- An immediate ban on all Conservative MPs claiming furniture, other household goods and daily subsistence allowance. Only rent, mortgage interest, overnight hotel bills, utility bills, service charges and council tax can be claimed by Conservative MPs from now on.
- Further to all of these interim reforms we are setting up a scrutiny panel for reviewing all excessive cases and to make arrangements for repayment of public funds where appropriate. The panel will include an independent member.

Previous Conservative calls for reform

We need a solution that is transparent, costs less than the current arrangements, and restores faith in the political process. Over the past few months Conservatives have called for a number of reforms.

Transparent Parliamentary Allowance. We would replace the current second homes allowance with a Transparent Parliamentary Allowance from 1 July - as an interim measure until the independent Committee on Standards in Public Life report. The allowance would be lower than current levels.

- Those living in Greater London/20 miles/within reasonable distance would not be able to claim.
- MPs who co-habit could only claim once.
- Mandatory annual public declarations by MPs justifying designation of primary and additional home (including all relevant details – i.e. parents'/family home).

Claims and receipts. Claims could only be made for rent, utility bills, council tax and mortgage interest payments, subject to a new cap. MPs would not be able to claim for stamp duty, TV bills, furniture or decorations. All claims and receipts must be published online within 28 days. Receipts would be required for all claims.

Reducing the cost of politics. We also want to abolish the communications allowance – worth £10,000 – and reduce the number of MPs.

No more unnecessary allowances. We will no longer allow Ministers with grace-and-favour residences to claim ACA. If elected, David Cameron has pledged that no Conservative member with a grace-and-favour residence in London – including himself – will be able to claim ACA.

Employment. MPs' staff should be employed centrally by the House of Commons.

Second jobs. We want greater transparency on remuneration from second jobs and tighter controls on ex-Ministers taking jobs.

Auditing. We are also calling for independent spot-checks and audits of expenses.