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THE PRIME MINISTER

Personal Minute

## **ALL MINISTERS**

### **Review of Parliamentary Expenses**

You will be aware that the review headed by Sir Thomas Legg is contacting all MPs to inform them of their initial findings in respect of previous claims of the Additional Cost Allowance.

These letters set out the review's initial findings and, in some cases request further information. As set out in Sir Thomas Legg's remit, the next stage of the process is to give Members three weeks to respond. These responses will then be considered before reaching a final conclusion. A report will be given to the Members Estimates Committee for publication before the end of the year.

In reaching his findings Sir Thomas Legg has applied new limits to past expenses, for example by setting new limits on expenses for cleaning and gardening. This means that Ministers who had previously abided by the rules at the time and had their expenses cleared by the Fees Office as compatible with those rules may now be asked by Sir Thomas to make repayments.

Ministers will want to be clear that this approach does not bring into question their conduct. I therefore asked the Cabinet Secretary to ask Sir Philip Mawer, the Independent Adviser on Ministers Interests, to consider this issue. He has replied to advise:

"a request from Sir Thomas for further information or for the repayment of any sum of money does not of itself constitute evidence of a breach of the particular obligations placed on Ministers by the Ministerial Code. In particular, the application by Sir Thomas of limits to existing categories of expense claims which were previously unrestricted within the overall

scope of the ACA allowance does not imply that those who now find their claims to be in excess of the limits he has adopted have breached the Ministerial Code.”

Where they are asked, I urge all Ministers to respond promptly and in full to any requests for further information and when the process is completed to make appropriate repayments.

The past system of expenses has comprehensively failed and we have taken action to completely replace it. Before the summer we changed the rules and legislated for the new independent Parliamentary Standards Authority to take the setting and adjudication of allowances out of the hands of MPs. We now await the outcome of Sir Christopher Kelly's review to set out a new system. Our actions will mean the discredited regime is completely replaced, that we prevent the problems of the past from happening again and help to restore public confidence.

I am copying this to all Ministers.

Gm

12 October 2009