

Summary of key recommendations of the Kelly report

- 1 The Kelly report did not examine the level of either pensions or pay. The Senior Salaries Review Body (SSRB) is currently undertaking a review of Members' pensions, which is due to report by the end of the year.**
- 2 Reimbursement for mortgage interest on second homes will be abolished with immediate effect for new Members and phased out over the life of the next Parliament (or five years) for existing Members. It is intended that the Assembly Commission will take a more pragmatic approach to the equivalent transitional arrangements in Wales.**
- 3 Any capital gain made during the transition period and attributable to support from public funds should be surrendered to Parliament. The review panel considered this option but rejected it on advice that such a requirement would be subject to legal challenge (with an uncertain outcome) and that there would be a reasonable expectation that the Commission should reimburse Members for any capital loss on the sale of their second homes.**
- 4 Members of Parliament who share accommodation should be entitled between them to claim up to a limit of one and a third times the maximum for a single person. This allowance is more generous than that proposed for Assembly Members, where the review panel took the view that two could live as cheaply as one in terms of the costs reimbursed for accommodation.**
- 5 Members of Parliament will no longer be able to change the designation of their second homes (known as 'flipping') in order to maximise their expenses claims. This has never been permitted in the Assembly.**
- 6 Members of Parliament will no longer be able to use the staffing allowance to fund the employment of family members. Transitional arrangements will allow existing family members to remain in their posts for one more Parliament. The review panel wished to ban Assembly Members from employing members of their family but accepted legal advice that if**

challenged in the courts, such a ban would be difficult to defend. The review panel recommended that Assembly Members should adopt fair and open recruitment procedures when employing support staff. This does not preclude family members applying for such posts.

- 7 The recommendations concerning travel are very similar to those in the review panel's report, with the exception that Members of Parliament will no longer be able to reclaim commuting costs. This will still be permitted for Assembly Members. The current arrangements for family travel are left unaltered, but these arrangements are more generous for Members of Parliament than for Assembly Members (30 single journeys for partners and children in Westminster compared with 12 single journeys in Wales).
- 8 Regarding the resettlement grant, the Kelly proposals are more generous than those recommended by the review panel: up to nine month's pay for Members of Parliament but only up to six month's pay for Assembly Members. Existing Assembly Members will remain covered by current arrangements but may opt to move to the new system. In Westminster, all Members will be subject to the new system. Also, in Westminster the resettlement grant may be withheld as a penalty for a Member found guilty of breaching the Code of Conduct.
- 9 The independent regulator in Westminster will continue to publish, at least quarterly, each individual claim for reimbursement made by Members, with accompanying receipts or documentary evidence. In contrast to the Assembly, the information published in Westminster will not be confined to claims actually reimbursed.
- 10 The Kelly report did not address the need to develop and enhance the skills of Members of Parliament. Neither did it address the issue of the capacity of Members to undertake committee work effectively. Both these matters were given a high priority by the review panel.