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MPS EXPENSES: THE LEGACY OF A SCANDAL TEN YEARS ON

Introduction:

The MPs Expenses Scandal took place ten years ago in 2009 – its anniversary presents an opportunity to reflect on its short, medium- and long-term impact on British Politics. Whilst the short-term impacts have been widely recognized – such as the resignation of several ministers and speaker of the House, arrests and the creation of Independent Parliamentary Standards Authority (IPSA) – its long-term effect on institutional and cultural changes both within the Houses of Parliament and beyond have yet to be thoroughly investigated. What the scandal ultimately failed to deliver was an honest discussion with the public about the cost of politics, and therefore of politicians, in order to support an inclusive and diverse Democracy.¹

I. The Scandal: A Brief History

The scandal emerged on 7th May 2009 when the Telegraph published an article that exposed how MPs use, and abused, the House of Commons Expenses system. This ‘abuse’ was viewed as betrayal against the British Taxpayer and as selfish acts that were undertaken for personal gain. This scandal infuriated a public that had already been sceptical about their politicians. Following the original article, the Telegraph amplified the fervour as they continued to publish and reveal further expenses that included duck houses, moat cleaning, a ‘John Lewis’ list and potential flipping of houses.

The immediate effects included the resignation of the speaker of the House, Michael Martin, and it was the first such resignation under duress since 1695. There were investigations into fraud and tax evasion and as a result of the scandal, ministers either resigned or stood down for the following 2010 general elections. Eventually, six MPs were arrested and convicted.

What may have amplified the public’s distrust of the scandal was the initial attempts by MPs to exempt their expenses from the Freedom of Information Act, which was then followed by long legal attempt to block the release of information and then efforts to release information in a highly redacted manner. When the expenses were eventually revealed, many politicians tried to justify their behaviour - which appears to only compound frustrations.

¹ During 2019 three BBC documentaries were commissioned and broadcast which re-interviewed prominent figures with some relationship to the scandal. Taken together these provided a rich source of new data. The first was the BBC Newsnight Special *Expenses: The Scandal that Changed Britain* (broadcast 25 March 2019), the second was a special edition of the BBC Radio 4 *The Reunion* programme (broadcast 25 March 2019), and the third was a major BBC Radio 4 documentary *MPs Expenses: Legacy of a Scandal* (broadcast 7 May 2019). One of the authors of this article was the writer and presenter of this latter programme and has therefore been able to access a large amount of interview data and insights that were not used in the final documentary.

By the time the 2010 General Election took place, many MPs stood down instead of running and the election saw a sizeable legislative turnover rate - one of the largest in the post-war era.

The expenses behaviour that led due to the scandal were the result of the Additional Costs Allowance (ACA) that had been introduced in 1971. It was viewed as an extension of the MP salary, that allowed them to perform their parliamentary duties. Viewed as an alternative to pay increases, it was encouraged to be used resulting in the abuse of the system. At the time of the scandal the ACA rate was £24,222 and it included mortgage interest payments, maintenance, utility bills and furniture. As receipts were not required, it was an honours-based system. By evading telling the public what MPs were claiming, and the abuse of expenses resulted in what was viewed as a secretive culture of entitlement. In a period increasing transparency and audit cultures that was being imposed across the public sector, the expenses system was interpreted as elitists and completely out of line with the contemporary attitudes to public spending.

II. Short- And Medium-Term Analyses:

ACA method of handling MPs expenses recounts a classically British way of ‘muddling through’ that no longer functioned after the government’s freedom of legislation was established in 2005. This compounded the scandal, which was then amplified by three contextual factors. The first is the nature of the scandal, in that it was systematic in and involved everyone from all parties rather than specific individuals. Secondly, it followed the wake of the global financial crisis at time when the government was introducing austerity measures and the supposed hypocrisy infuriated the public. The last factor has generally been overlooked in existing media and is the media and its role in generating what might be termed a ‘crisis creation’ in a climate of socio-political discord. As one former Labour MP put it,

Looking back, I can’t help feeling that to some extent we brought it on ourselves. We spent the 1980s and 1990s lobbing accusations of sleaze and corruption at the Tory governments and in some cases it was totally warranted. But it all came back to haunt us later on when the expenses issue exploded...we’d created a climate when most of the public already thought we were scumbags and so the expenses just confirmed what the public thought (MP, interview with one of the authors, April 2019).

The existing literature base informs us that the impact and legacy of the expenses scandal was slight, and the predicted revolution never occurred. This study seeks to question this conclusion on the scandal’s 10th year anniversary, especially as the majority of the literature was written 36 months after the scandal. The short- and medium-term impact identified by scholars can be identified as categories: *social* effects, *electoral* impacts and *institutional* reforms (see Table 1 below).

Table 1. The Impact of the MPs Expenses Scandal:

Landscape Review of Short- and Medium-Term Analyses

EFFECT	MEANING	ASSESSMENT
<i>Social</i>	Impact on public attitudes & framing	Moderate (negative but mainly in terms of reinforcing pre-existing negativity)

<i>Electoral</i>	Impact on electoral behaviour & recruitment	Minimal (Public anger did not have a major impact on 2010 General Election)
<i>Institutional</i>	Impact on governing structure & outreach	Minimal (Reform limited to the creation of IPSA)

The social effects of the scandal were negative, and a 2010 YouGov survey noted that 70% of the public felt that politicians were completely ‘out of touch ... with the day-to-day lives of their constituents’. However, scholars have noted that scandal confirmed the public’s suspicions about their politicians and confirmed pre-existing attitudes, which mitigated the overall impact of the scandal. The short and medium electoral effects were mitigated by the fact that many MPs chose not to stand for re-election in 2010, and political partisanship swayed voters over demands for electoral accountability. Even the immediate institutional effects have been interpreted as minimal, with the creation of the Independent Parliamentary Standards Authority (IPSA), as many scholars believed that IPSA was a hasty reaction and conceivably would not exist indefinitely as a long-term solution. But what does the new research say about these continuing effects of these initial outcomes - and what insights can a longer timeframe provide us?

III. A Medium- To Long-Term Analysis

The MPs Expenses Scandal was one of the biggest parliamentary scandals in recent memory, and remains a point of reference for public disaffection with politics today. The general consensus with academics is that the scandal has a limited impact. This view is supported by the fact that the electoral impact was limited by the resigning or standing down of MPs, and immediate discussions about constitutional reform dissipated quickly. However, with the benefit of hindsight, now is the time to consider the long-term social, electoral or institutional effects of the scandal. The 10-year period allows us to analyse the full effects of the scandal that was previously not possible.

Many of our arguments from our study rest on the perceptions given by key political actors as the beliefs and interpretations of actors play an important role in the impact of the scandal ten years later - especially as the negative perception of MPs was what drove the proliferation of the scandal. Whilst the immediate aftermath did not witness a political revolution there remains a legacy effect that is more extensive than what has previously been identified, as summarised in Table 2 (below).

Table 2. The Impact of the MPs Expenses Scandal:

Landscape Review of Medium- and Long-Term Analyses

EFFECT	MEANING	SHORT-/MEDIUM-TERM ASSESSMENT	MEDIUM-/LONGER TERM ASSESSMENT
<i>Social</i>	Impact on public attitudes & framing	Moderate	Significant (redefined dominant cultural reference points, shift in nature of anti-politics)
<i>Electoral</i>	Impact on electoral behaviour & recruitment	Minimal	Moderate (<i>demand</i> -side dynamics facilitated a culture shift and spill-over effects)
<i>Institutional</i>	Impact on governing structure & outreach	Minimal	Significant

			(election of new Speaker, Wright reforms, 'Right to Recall')
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There are two pieces of evidence that suggest a causal link does exist between the scandal in 2009 and current political sentiments. First, interviews with current MPs and political journalists inform us that the scandal continues to cast a dark shadow over parliament, as illustrated by the quotes below:

I came in to the House in 2010 and was therefore completely untainted by the scandal... and it was a scandal... but we don't seem to be able to leave the issue behind. To put it to bed... It's like a wound that just won't heal (MP, interview with one of the authors, April 2019).

Expenses remains a big issue... Of course it does...it was the system imploding and some of the things that came out were never going to be forgotten about quickly. It's also true that politicians have themselves not allowed the issue to rest...especially at the local level where the claims of the sitting MPs are frequently the focus of destructive but completely immature attacks by opposition parties (journalist, interview with one of the authors, April 2019).

Public cynicism about politicians is *not* particularly new but that *it is* possible to identify a distinctive shift in the tone and nature of anti-political sentiment following the MPs expenses scandal, as expressed by Lord Blunket's description of resonance of the scandal today:

That finger still lies on us today...where people are deeply suspicious and worried about whether their MP is on the make (Lord Blunkett, Interview with one of the authors, April 2019).

Longer-term electoral effects can be seen with populist parties' use of the MPs Expenses scandal to further their 'us' and 'them' narrative. Evidenced especially by UK Independence Party (UKIP), populists tried to funnel political disaffection into electoral support by using the scandal as a lightning rod to highlight the so-called widening gulf between politicians and those they represent. The immediate public frustration with politicians that emerged after the scandal was employed by UKIP in their 2010 election, whose main poster depicted the leaders of the three main parties above the slogan 'Sod the Lot'. Tim Aker – who was Head of Policy at the Taxpayer's Alliance but would go on to become a member of the European Parliament for UKIP – argues that the scandal in fact created 'an opening':

Breath-taking, absolutely astonishing... people claiming for moats, for gardeners but the things that most people phoned-up about were the trivial and small things...buying biscuits ... remembrance wreaths... It was not so much the big ticket items... but when they [the public] see figures that relate to them they went absolutely ballistic at it. And for the first time all of the Westminster parties were tarred with it, no one got away. (Tim Aker, MPs Expenses: Legacy of a Scandal 2019).

Whilst UKIP did not succeed in the 2009 European elections or the 2010 General election, they helped facilitate the emergent fracturing of the party system by using the scandal to fuel public disaffection. What the 2010 General Elections did witness was one of the highest post-war turnover rates in the post-war era. This created the foundation for a new type of politician as the scandal exposed a space for a distinctive cohort of MPs to enter the Commons. At the same time, voters continued to vote according to party

allegiance but this new cohort of MPs represented a new generation (or ‘fresh wave’ as several interviewees termed it) who rejected elements of the pre-existing parliamentary culture. For example, coalition MPs rebelled in over a third of divisions (35%) which trumped the previous record of 28% held by the previous 2005-2010 parliament. Several interviews also drew attention to the fact that a majority of those MPs that broke away in February 2019 to establish *ChangeUK* were also members of the ‘Class of 2010’.

Moreover, the Recall of MPs Act 2015 has emerged as a long-term institutional legacy. In the immediate aftermath of the scandal, the three main parties suggested that a form of recall mechanism had to be in place, this idea was included as a promise in their 2010 General Election manifestos. Following the general election, the Conservative and Liberal Democrats’ Coalition Agreement included a commitment to

‘bring forward early legislation to introduce a power of recall, allowing voters to force a by-election where an MP was found to have engaged in serious wrongdoing and having had a petition calling for a by-election signed by 10% of his or her constituents’ (Conservatives and Liberal Democrats 2011).

The most obvious institutional legacy of the scandal is the creation, and continuation of IPSA. Many academics believed that IPSA was short-term solution and would quickly be abolished. Not only has it remained, it has also found relevance on the international stage. The creation of the Australian Independent Parliamentary Expenses Authority in 2017 was directly inspired by the perceived success of IPSA, as IPSA has come to be viewed as an example of good governance and ‘best practice’ for managing and processing parliamentary expenses. Moreover, a long term effect of IPSA is the balance between pay and expenses and the broad sense, expressed by interviewees, that the system had become more punitive in the wake of the MPs expenses scandal.

Another institutional legacy was the changes brought in by the introduction of a new speaker, John Bercow, following the resignation of Michael Martin. The MPs Expenses Scandal created an environment where Bercow was able to come in with a reform agenda. ‘I wanted it because I felt that there was a task to be undertaken’, John Bercow has acknowledged, especially in relation to ‘helping parliament get off its knees’ (*The Guardian* 2014). Natascha Engel, who was MP for North East Derbyshire between 2005 and 2017 and was Deputy Chair of Ways and Means from June 2015 to June 2017, noted,

[Bercow] has made a huge difference an absolutely huge difference and Parliament is very different under his speakership than it was previously... I think he has had a huge impact in terms of the image of parliament. (Interview with one of the authors, April 2019).

Conclusion: Still on it’s knees?

The legacy of the MPs expenses scandal highlights three unfinished opportunities to have an open discussion with the public about the cost of doing politics - especially in relation to MPs. Debates concerning public confidence and trust have failed to highlight what MPs actually do, why they do it and why that inevitably came with a financial cost. One of the critical findings from this project and interviews with MPs and parliamentary staff is that the public expect a ‘sackcloth and ashes’ approach. Fearful of repercussions, a recent IPSA survey suggest that around nine out of ten MPs do not claim their full expense

allowance. This does not promote an inclusive or welcoming way of doing politics. Professor Sarah Childs reflected upon why presumptions MPs expenses matters:

The scandal threw up new questions but I never got the sense that the debates around how we support MPs really addressed those issues of under-representation and too often it would say 'but there is enough women trying to get into politics so we don't have to think about expenses regimes in the context of the diversity of parliament' and I think that was a mistake (MPs Expenses: Legacy of a Scandal 2019).

It is a mistake to equate MPs who charge little to their expenses with the idea that they are good at their jobs. As Alexandra Kelso stated in her 2009 article *Parliament on its Knees*, 'A good MP is not one who makes a minimal claim on public funds, but one who can illustrate just how effectively they use the funds they do claim'.

Ten years later, with its *social, electoral* and *institutional* impacts, the MP expenses scandal highlights the importance of the need for an honest conversation about the value of democracy, which includes the price of politics and therefore the cost of politicians.