



HOUSE OF LORDS

CLERK OF THE PARLIAMENTS  
HOUSE OF LORDS  
LONDON SW1A 0PW

## **COMPLAINTS RELATING TO MEMBERS' EXPENSES**

This document includes my responses to four complaints over Members' expenses claims.

The responses cover:

Lord Bhatia  
Viscount Falkland  
Baroness Goudie  
Lord Sheldon

**Michael Pownall**  
**Clerk of the Parliaments**  
**31 March 2010**

## **I. Lord Bhatia – response to Angus Robertson MP**

On 26 July 2009 you submitted a complaint to me about the expense claims of Lord Bhatia. The Committee for Privileges has agreed that in complex or serious cases I may refer complaints about expense claims to the Sub-Committee on Lords' Interests. This letter is to inform you that I have conducted an initial investigation and have now referred the complaint to the Sub-Committee for further investigation.

In line with our publication policy, we will make this letter available on the Parliamentary website.

MICHAEL POWNALL

## **2. Viscount Falkland – response to a member of the public**

On 17 November 2009 you submitted a complaint to me about the expense claims of Viscount Falkland. I have investigated the complaint and I am now in a position to inform you of my conclusion. In line with our publication policy, we will make this letter available on the Parliamentary website.

I should first indicate that in June 2009 the House Committee (a Committee whose responsibilities include supervision of the system of financial support for Members) took the decision to refer the current system of financial support for Members, who as you will be aware are unsalaried, for external review by the independent Review Body on Senior Salaries (SSRB). The SSRB published its report on 26 November 2009 (Cm 7746) – [http://www.ome.uk.com/Parliamentary\\_Pay\\_\\_Allowances.aspx](http://www.ome.uk.com/Parliamentary_Pay__Allowances.aspx). On 14 December 2009 the House of Lords debated and agreed to take forward the proposals submitted by the SSRB. In the course of 2010, the current scheme will, therefore, be replaced by a new scheme with clearer definitions and rules.

I should also indicate that under a new Code of Conduct, which was agreed by the House of Lords on 30 November 2009 and amended on 30 March 2010 which will take effect from the start of the new Parliament, complaints about Members' expenses will be considered by an independent House of Lords Commissioner for Standards.

My responsibility as Accounting Officer is to ensure that the Members' reimbursement scheme is administered in accordance with the resolutions of the House on which it is founded, taking account of decisions by the House Committee. It is not for me retrospectively to devise rules for the current scheme which have not been in place to-date.

As with my investigations into other complaints, I have examined Viscount Falkland's expense claim forms from the date from which the House of Lords' Administration retains them (April 2006) to July 2009, when he stopped claiming night subsistence and travel reimbursement in respect of a designated main residence in Kent. According to his pattern of travel claims, Viscount Falkland was resident in Kent every weekend during Parliamentary terms over this period. He has assured me in writing that his claims are an accurate record of his stays in this property; and that he also spent part of each Easter and Summer recess in Kent. He neither owned nor leased the Kent property (which is owned by a relative) but he had sole use of it in the period in question and was partly responsible for its furnishing.

In coming to a conclusion on this complaint, I am relying on the assurances which Viscount Falkland has given me about the frequency of his stays in Kent as reflected in his travel claims. I should also indicate that when the allegation was made that the residence was not a proper main residence, Viscount Falkland, in a statement, accepted that the absence of criteria for what constituted a main residence had enabled him to claim overnight subsistence for the Kent property, and he accepted that this might be seen as a loop-hole in the system. This has caused me some concern. However, for me the key factor in determining this complaint has been the

frequency of stays in the property – every weekend without exception in term time.  
With this in mind, I have decided that the complaint should not be upheld.

MICHAEL POWNALL

### **3. Baroness Goudie – reply to a member of the public**

On 29 October 2009 you submitted a complaint to me about the expense claims of Baroness Goudie. I have investigated the complaint and I am now in a position to inform you of my conclusion. In line with our publication policy, we will make this letter available on the Parliamentary website.

I have made a report of my investigation to the House Committee (a Committee whose responsibilities include supervision of the system of financial support for Members). I have decided that the complaint should be upheld in part; and the House Committee has agreed that Baroness Goudie should be asked to repay some of the expenses claimed for overnight subsistence. Baroness Goudie has agreed to do so. It is for the Committee for Privileges and Conduct to consider Baroness Goudie's conduct; and it will consider the complaint and my finding early in the new Parliament. The Committee will ultimately produce a report, which I will make available to you.

MICHAEL POWNALL

#### **4. Lord Sheldon – reply to Chris Galley, Sunlight Centre for Open Politics**

On 10 August 2009 you submitted a complaint to me about the expense claims of Lord Sheldon. I have investigated the complaint and I am now in a position to inform you of my conclusion. In line with our publication policy, we will make this letter available on the Parliamentary website.

I should first indicate that in June 2009 the House Committee (a Committee whose responsibilities include supervision of the system of financial support for Members) took the decision to refer the current system of financial support for Members, who as you will be aware are unsalaried, for external review by the independent Review Body on Senior Salaries (SSRB). The SSRB published its report on 26 November 2009 (Cm 7746) – [http://www.ome.uk.com/Parliamentary\\_Pay\\_\\_Allowances.aspx](http://www.ome.uk.com/Parliamentary_Pay__Allowances.aspx). On 14 December 2009 the House of Lords debated and agreed to take forward the proposals submitted by the SSRB. In the course of 2010, the current scheme will, therefore, be replaced by a new scheme with clearer definitions and rules.

I should also indicate that under a new Code of Conduct, which was agreed by the House of Lords on 30 November 2009 and amended on 30 March 2010 and which will take effect from the start of the new Parliament, complaints about Members' expenses will be considered by an independent House of Lords Commissioner for Standards.

My responsibility as Accounting Officer is to ensure that the Members' reimbursement scheme is administered in accordance with the resolutions of the House on which it is founded, taking account of decisions by the House Committee. It is not for me retrospectively to devise rules for the current scheme which have not been in place to-date.

As with my investigations into other complaints, I have examined Lord Sheldon's expenses claim forms from the date from which the House of Lords' Administration retains them (April 2006) to April 2009 when he stopped claiming night subsistence and travel reimbursement from a designated main residence in Manchester.

Lord Sheldon designated a property in Manchester as his main residence until April last year – a property he and his wife had owned for many years. He indicated that he is still involved in the family business in the Manchester area; is still on the electoral roll there; and still involved in local politics. His immediate family regularly use the Manchester house as “an extended family home”. In 2003 he transferred the title of the property to his son, although he has retained a contractual entitlement to dwell there.

In November 2007 Lord Sheldon's wife suffered a serious illness and he therefore travelled less regularly to Manchester until in April 2009 he decided to designate his London flat as his main residence. He indicated that until April 2006 he had travelled to Manchester three or four times a month; and thereafter two or three times a month until November 2007. In fact, his travel claims for 2007 (for rail travel) suggest that he travelled rather less frequently, and I accordingly asked him to comment on this apparent discrepancy. I also asked him whether the utility bills relating to the Manchester property, which he had previously indicated had been in his name, had been paid by him.

On frequency of travel, Lord Sheldon replied that on occasions when he travelled with his son to Manchester he did so without claiming the costs from the House. He therefore confirmed the frequency of his stays as previously indicated. On payment of utility bills, Lord Sheldon confirmed that they were paid directly by his business and subsequently charged to his personal account.

The House Committee has endorsed my view that where a property is occupied by a relative other than a spouse or partner there could be specific circumstances in which it could be designated as a main residence depending on the frequency of stays and the Members' connection with the property. I am satisfied that Lord Sheldon's connections with the property, including some financial responsibility for it, were sufficiently strong. On the frequency of stays, he stayed in Manchester less often after his wife's illness in November 2007 and until he designated his London flat as his main residence in April 2009. However, his travel claim forms and the subsequent assurances I received about the frequency of his stays indicate a frequency around or above the minimum threshold which I have established and which the House Committee has endorsed. With the benefit of hindsight, it may have been appropriate for Lord Sheldon to have designated his London residence as his main residence rather earlier than April 2009, but I accept that it was difficult for him to anticipate his future circumstances at the time.

I have accordingly decided that the complaint should not be upheld.

MICHAEL POWNALL