

ACA Repayment Appeals

The Rt Hon Sir Paul Kennedy

Rt Hon Frank Field MP
House of Commons
Westminster
London
SW1A 0AA

28 January 2010

Dear Mr. Field,

The ACA Review states that you were paid a total of £19,885 over the 5 year review period for the services of a housekeeper, cleaning and gardening. The information which you gave to the Review showed that some housekeeping services were recoverable under heads other than cleaning and gardening, and some were not. The Review imposed its own limits, as applied to others, of £2,000 per annum and £1,000 per annum for cleaning and gardening. That, over 5 years, produced a figure of £15,000, and it regarded as acceptable 50% of the remainder of your claim, namely £2,442.50. It recommended repayment of the remaining £2,442.50.

The Review also states that between July and December 2004 you received £800 for petty cash and that between June and December 2005 you received £1,000 for unspecified incidental costs and sundry expenses. As petty cash in any form is not recoverable as ACA, the Review recommends repayment of £1,800.

Finally, for present purposes, the Review states that you were paid a total of £228.55 for 3 BT bills which did not relate to your second home (December 2004 £80.79; April 2007 £75.35 and August 2007 £72.41). There is also a finding in relation to utility bills and another item which you do not challenge.

As to the housekeeping claim you say to me that you should have relief because the Review approach depends upon the arbitrary imposition of an unprecedented retrospective limit and is therefore unfair. I understand entirely your sense of indignation. So far as I am aware the claims represented expenditure actually incurred, and which was reasonably considered by you to be recoverable when each claim was made. But I am sure that you would accept that, even if unspecified at the time, there had to be a limit on what could reasonably be claimed against the public purse. The Review has set the limit at £2,000 per annum for cleaning and £1,000 per annum for gardening. No doubt if those limits had been set before your claims were made you would not have exceeded them, but my Terms of Reference have been carefully restricted (for your convenience a copy of my Terms of Reference is enclosed). I can only interfere if I find special reasons in your individual case showing that it would not be fair and equitable to require repayment. In relation to your housekeeping expenses, I can find no such reasons. The approach adopted by the Review has been applied to all Members' cleaning and gardening claims, and the Review's treatment of the balance of your housekeeping claim does seem to be a realistic attempt to distinguish between allowable and non-allowable items.

Turning to the claims for petty cash made in 2004, you say that the total should be £600 not £800. The records which I have seen indicate that you are right. Claims for £200 were made in July, September and October. A fourth claim made in November was disallowed, and on 8 December 2004 a letter was written to you to say that you could not claim petty cash. In

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December you made a claim for £200 for household sundries. That was paid because it was apparently an ACA claim, and the edition of the Green Book then in force only required invoices or receipts for items of expenditure of £250 or more.

As to the £600, you say that you should not have to repay because it was simply entered under the wrong allowance heading. It should have been claimed as Incidental Expenses, but I can find nothing in the Green Book to suggest that petty cash of itself was recoverable as IEP. At paragraph 5.10.1 the July 2004 edition states (as in relation to ACA) "Evidence in the form of invoices or receipts must be provided for all items of expenditure of £250 or more". It seems to me to follow that if you had made IEP claims for "petty cash" you would have had to be in a position to explain (and indeed should have explained in the claim) the nature of the expenditure to show that it was recoverable as Incidental Expenses, something which you have not done at any stage. I therefore find no special reasons in your case showing that it would not be fair and equitable to require repayment of £600.

I turn now to the claims totally £1,000. From the information available to me, the details of your claims seem to have been as follows –

- 1) Invoice 026892, June 2005, £200, sundry costs/expenses.
- 2) Invoice 030880, July to September 2005, £400, incidental costs.
- 3) Invoice 033642, October to December 2005, £400, incidental costs.

I accept that the first invoice may have related to expenditure within the scope of ACA, but the second and the third invoices should have been supported, at least to the extent of £150, by proof of expenditure. I therefore find no special reasons in your individual case showing that it would not be fair and equitable to require repayment of £1,000. There is insufficient evidence to show that any part of it was expenditure properly recoverable as ACA.

As to the telephone expenditure of £228.55, you accept that the expenditure should have been claimed as Incidental Expenses and not as ACA, and if so claimed it would have been paid, because it was all connected with your duties as an MP, so there has been no loss to the public purse. I agree, so in relation to that expenditure I do find special reasons in your case showing that it would not be fair and equitable to require any repayment.

My conclusion is that overall you should repay –

Housekeeping expenses	£2,442.50
Petty cash claimed in 2004	£ 600.00
Incidental expenses, etc. in 2005/2006	<u>£1,000.00</u>
	£4,042.50

To a limited extent, therefore, I would allow your appeal.

My report to the MEC will be in the form of an introductory section, followed by copies of my replies to the individual appellants, so this reply will form part of my report.

Yours sincerely,



Sir Paul Kennedy

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KENNEDY REVIEW TERMS OF REFERENCE

To consider written submissions made by any Member against a recommendation of the Legg review of past ACA claims in his or her case to require a repayment, and showing cause why there are special reasons in the individual case that it would not be fair and equitable to require repayment either at all, or at the level recommended.

To reach conclusions on such submissions in the light of any further evidence as may be required and to report in writing as soon as possible to the Members Estimate Committee.