

CONSTITUTIONAL REFORM AND GOVERNANCE ACT 2010

EXPLANATORY NOTES

BACKGROUND

Part 3 Background – Parliamentary Standards etc

37. The Government introduced the Parliamentary Standards Bill in June 2009 in response to public concerns over the issue of MPs' expenses. The Bill received Royal Assent on 21 July 2009.
38. The Parliamentary Standards Act 2009 ("the 2009 Act"):
- established the Independent Parliamentary Standards Authority ("the IPSA") with responsibility for:
 - paying the salaries of MPs in accordance with the relevant resolutions of the House of Commons;
 - drawing up the MPs' allowances scheme and authorising and making payments to MPs under the scheme; and
 - preparing a code of conduct relating to MPs' financial interests:
 - established a Commissioner for Parliamentary Investigations with powers to investigate any overpayments under the allowances scheme and failures to comply with the requirements in the code relating to the registration of financial interests; and
 - created a Speaker's Committee for the Independent Parliamentary Standards Authority responsible for approving the selection of the members of the IPSA and scrutinising the IPSA's estimate of the use of resources.
39. The Committee on Standards in Public Life launched a review of MPs' expenses on 23 April 2009. The Committee's report "MPs' expenses and allowances – supporting Parliament, safeguarding the taxpayer" (Cm 7724) was published on 4 November 2009. The report contained 60 recommendations, the majority of which related to the details of the allowances scheme and, as such fell to the IPSA to implement as part of its responsibility for preparing an allowances scheme. However, a number of the recommendations relate to the role and functions of the IPSA and, as such, required primary legislation.
40. The Government announced in a Written Ministerial Statement of 10 December 2009¹ that it proposed to bring forward legislation to implement ten of the 60 recommendations. The relevant recommendations dealt with the following matters:

¹ Hansard, col. 33WS-38WS:

These notes refer to the Constitutional Reform and Governance Act 2010 (c.25) which received Royal Assent on 8th April 2010

- Ensuring that the House of Commons is empowered to remove an MP's right to receive a resettlement grant in cases of significant abuse (recommendation 33);
 - The IPSA to be under statutory duties as to efficiency, cost-effectiveness and transparency (recommendations 41, 49 and 60);
 - Abolition of the IPSA's functions in respect of the regulation of MPs' financial interests and the associated code of conduct (recommendation 42);
 - Responsibility for determining MPs' pay and pensions to be transferred to the IPSA (recommendation 43);
 - Replacement of the Commissioner for Parliamentary Investigations with a Compliance Officer (recommendation 44);
 - Enforcement powers of the Compliance Officer (recommendation 45);
 - The appointment of lay members of the Speaker's Committee (recommendation 48); and
 - Repeal of the sunset provisions in section 15 of the 2009 Act (recommendation 53).
41. [Part 3](#) of this Act gives effect to these recommendations.