

CODE GOVERNING EXPENSES AND ALLOWANCES FOR CONSERVATIVE MEPS

The Delegation of British Conservative MEPs in the European Parliament is committed to the highest standards of propriety in public life.

Each Conservative MEP undertakes to abide by the Rules governing the Payment of Expenses and Allowances to Members (PEAM) of the European Parliament.

Conservative MEPs will meet additional common requirements for transparency and accounting regarding their allowances and expenses.

These are set out in this Code, which will be appended to the Standing Orders of the Delegation. It will take effect on 1 September 2008.

Declaration of Financial Interests: Conservative MEPs will publish, as part of their Declaration of Financial Interests:

- Names of staff employed, position and where based.
- The names of any family members employed and their salary within bands of £10,000.
- The name of their Paying Agent or Service Provider.

This Declaration must be kept up to date, and any changes notified within 30 days. A link to this Declaration for each Member will be provided on the website of the Delegation of British Conservative MEPs in the European Parliament.

'Right to Know' Form: Twice a year, each Conservative MEP will publish on the website of the Delegation of British Conservative MEPs in the European Parliament a breakdown of their expenditure under their European Parliament allowances in the preceding period. This will be based on the [attached] *'Right to Know'* form.

Annual Statement: At the end of the European Parliament's current financial year (31 December 2008), and thereafter annually, each Conservative MEP shall submit, for certification, an Annual Statement of expenses to an independent, professionally qualified accountant, who must not be related to them. This Statement will include a summary of the amounts claimed and reimbursed as expenses and allowances under the provision of the Payment of Expenses and Allowances to Members (PEAM) of the European Parliament. Any bonuses paid to MEPs' staff shall not exceed 15% of their annual salary and this Statement shall include confirmation of this.

In addition to the existing annual reporting requirements of the European Parliament, Conservative MEPs shall include in the Annual Statement expenditure incurred under the General Expenditure Allowance (GEA), the Secretarial Assistance Allowance (SAA), the travel allowances, the Daily Allowance and confirmation of the voluntary pension reimbursement.

A copy of each Member's Annual Statement, certified by the accountant, shall be submitted to the Delegation's Compliance Officer (see below) by 31 March each year (but by 1 March in the year of a European Parliament election). This statement must be certified as complying with the relevant rules of the European Parliament and this Code.

European Parliament Allowances

The rules on use of allowances are set out in Articles 13 and 14 of the European Parliament Rules Governing the Payment of Expenses and Allowances to Members (PEAM).

General Expenditure Allowance (GEA): Article 13 sets out in detail the office costs that can be funded from the General Expenditure Allowance (GEA).

This allowance is intended to cover, *inter alia*, the following expenses incurred in the Member State of election:

- travel and ancillary expenses.
- office management and running costs, in particular rent and related charges (heating, lighting, insurance, cleaning),
- the cost of purchasing or renting office equipment,
- telephone and postage,
- the purchase of office supplies,
- the cost of purchasing books, periodicals and newspapers,
- the cost of using public data consultation networks,
- the expenses involved in equipping Members of Parliament with communications equipment, for example the purchase or rental of a computer, a modem or communications card, a printer, communications, word processing, file management and spreadsheet, etc. software packages and any other related equipment, and the cost of maintaining such equipment,
- the cost of a subscription to the Internet and to databases,
- the cost of purchasing, using or maintaining a telecopier.

Conservative MEPs shall include in their Annual Statement of expenses expenditure incurred under this allowance.

Secretarial Assistance Allowance (SAA): Article 14 describes the provisions for the use of the secretarial allowance "to cover the expenses arising from the employment or of the engagement of one or more Assistants".

Where the amount remitted from the Parliamentary authorities has exceeded the costs incurred under the Secretarial Assistance Allowance or the General Expenditure Allowance, a surplus may arise. This surplus must be repaid to the Parliamentary authorities in accordance with the Rules and Regulations of the European Parliament. No provisions for unspent amounts are to be carried forward to later periods unless a legal liability to pay has arisen at the date of the statement.

Conservative MEPs shall include, in their Annual Statement of expenses, expenditure incurred under the Secretarial Assistance Allowance and the General Expenditure Allowance, the amount of any surplus, and confirmation that it has been re-paid.

Travel allowances: Article 10 describes the provisions for the use of these allowances to meet expenses incurred in connection with travel (outside the UK) undertaken in the performance of their official duties. In addition, members receive an allowance for travel to and from Parliament. Conservative MEPs will publish twice a year their expenditure under this allowance. Members shall also include in their annual statement their expenditure under this allowance in the preceding period.

Pension: Every MEP who contributes to the European Parliament voluntary pension scheme has their personal contribution to this scheme paid from the General Expenditure Allowance (GEA). Conservative MEPs shall include confirmation of reimbursement in their annual statement of expenses.

Daily Allowance: Under PEAM Article 11, Members are entitled to a subsistence allowance for the days or part days that they are present in the Parliament. Members shall publish in their twice-yearly 'Right to Know' forms and include in their annual statements the total amounts they claimed under this allowance in the preceding period.

Paying Agents and Service Providers

From 1 September 2008, only professionally qualified accountants may be retained in connection with the employment of members of staff of MEPs acting either as paying agents or service providers and, as indicated above, they must be named in the Member's Declaration of Financial Interests. The paying agent or service provider must not be related to the Member. Service companies may no longer be used.

Annual Certification of Members' accounts

Conservative MEPs will be required to have their Annual Statement examined and certified annually by an independent, professionally qualified accountant. The accountant will be provided with a copy of these guidelines and the rules of Parliament to ensure that all expenditure complies.

Compliance

An independent Compliance Officer, to be appointed by the Chairman of the Delegation and accountable to him/her and to the Head of Compliance of the Conservative Party, will oversee the implementation of this Code. Conservative MEPs are expected to abide by this Code. All Conservative candidates wishing to contest the 2009 European Elections will sign up to it. Breaches will be subject to disciplinary measures.

The Conservative Delegation supports the reform of allowances/expenses rules in the new Members' Statute, for which they have campaigned, and which is due to take effect

Draft July 2008

from June 2009. This Code will be updated to take account of the changes it will bring, for example in relation to the travel allowances.

9 July 2008 REV