

## **There's a recession on, you know**

*MPs continue to feather their nests, even as voters feel the pinch*

The steady drip-drip of sleaze stories in recent years was not enough to make MPs clean up their lax expenses regime. The current deluge is forcing them to. On March 29<sup>th</sup> it was revealed that Jacqui Smith, the home secretary, already under parliamentary investigation for claiming the so-called second-home allowance on a property some suspect is her main residence, had also asked taxpayers to pay for her television package. Her receipts include pay-per-view films watched by her husband, two of which were pornographic. She has apologised and has returned the money.

Outrage at politicians playing fast and loose with public funds had already been stoked by revelations about Tony McNulty, a welfare minister embroiled in a second-home controversy of his own. The twin scandals, along with official figures showing that MPs' total expenses had risen by 6% to £93m in 2007-08, prompted Gordon Brown to ask the independent Committee on Standards in Public Life to bring forward its inquiry into MP's finances. Its still-leisurely report is now expected towards the end of this year. The prime minister himself favours replacing the vexed allowance (worth up to £24,000 a year) with a flat-rate payment for overnight stays.

The Smith story may be unusually eye-catching (some say the real scandal is less the blue movies than her husband's enthusiasm for "Ocean's 13", which he mystifyingly ordered twice), but the prevalence of such feather-bedding is striking. Fear that they too have scandals waiting to be exposed explains the Conservatives' muted criticism of Ms Smith, not any generosity of spirit. Even Eric Pickles, the party chairman who notionally provides a common touch, seemed tin-eared during a television debate on March 26<sup>th</sup> as he tried to justify his need for a second home even though he lives only 37 miles from London.

Both parties also sense that popular disquiet doesn't stop at parliamentary expenses and allowances; a public sector grown rich after a decade of pay rises is provocative to private-sector workers who increasingly face redundancies and frozen salaries. George Osborne, the shadow chancellor, wants to curb the remuneration of public-sector "fat cats" such as quango bosses. The government is casting a beady eye over severance terms and early retirement in the civil service. Local authorities are to be forced to reveal more about pay and perks.

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