

# TIN EARS and TOP HATS

**T**HE MPS' EXPENSES SCANDAL OF 2009 ROCKED British politics like no other story. Nearly 10 years on, it still sends a chill down the corridors of Westminster. Some even draw a direct line from its corrosive effect on public confidence in political institutions to the Brexit vote of 2016.

Some MPs went to jail as a result. The Speaker of the House of Commons, the late Michael Martin, was forced to resign – the first Speaker to be effectively forced from office since 1695. Former Prime Minister Gordon Brown puts part of the blame for his defeat in the 2010 General Election on the scandal. It was, in short, a big deal.

The timing could not have been worse. Just as the financial crisis of 2008 had begun to bite and people were beginning to feel the pain, stories about parliamentarians making dodgy expense claims against the public purse began to swirl around Westminster.

As pressure mounted, the authorities announced that five years' worth of MPs' expenses claims would be prepared for public scrutiny. This turned out to be a complete joke. The claims were redacted – that is effectively blacked out – and so rendered virtually meaningless. Privacy and security reasons were proffered in defense of the cover-up.

Admirably, not all thought the redactions were in the public interest. So, in a watershed moment for British politics, a disk containing the unredacted expense claims of every MP found its way to the offices of The Daily Telegraph, where I was working as Political Editor. We thought we would encounter examples of boozy, expensive lunches being claimed for by parliamentarians who like a decent claret.

The missteps of the 2009 UK expenses scandal cast a long shadow, says Brunswick's

**ANDREW PORTER.**

What we were not expecting to find was that some MPs using their expenses to fund Downton Abbey-style lifestyles.

Sir Peter Viggers, a wealthy Tory MP for Gosport in Hampshire, in his own handwriting claimed £1,645 for a “pond feature.” Backing up this claim was an invoice for a “floating duck island.” That duck house became the symbol of the expenses scandal.

Every political party was implicated. And it became painfully serious for a couple of Labour MPs – notably Elliot Morley, who went to prison for claiming £16,000 for a mortgage that did not exist. Similarly, his Labour colleague David Chaytor was jailed for false accounting.

But, while Messrs. Morley and Chaytor and their ilk provoked anger, public ridicule tended to be reserved for the toffs – the MPs who thought we should pay for their castles and country piles. Anthony Steen was the MP for the delightful constituency of Totnes in Devon. He felt obliged to claim £90,000 over four years for the upkeep of his country estate – including a woodland expert to inspect his 500 trees, tag his shrubs and assess the need to guard against potentially dangerous rabbits.

Seeking to get on the front foot in a BBC interview, Mr. Steen said, “I think I behaved, if I may say so, impeccably. I have done nothing criminal, that's

the most awful thing. And do you know what it is about? Jealousy. I have got a very, very large house. Some people say it looks like Balmoral, but it's a merchant house of the nineteenth century.

“It's not particularly attractive, it just does me nicely ... and it's got room to actually plant a few trees. As far as I'm concerned as of this day ... I don't know what all the fuss is about. What right does the public have to interfere with my private life? None ... Do you know what this reminds me of? An episode of Coronation Street.”

You do not need to be a communications expert to realize that these words left Mr. Steen as political toast. Attack as the best means of defense was the worst

possible media strategy. Mr. Steen happened to be one of the country's foremost campaigners against the evil trade of human trafficking – proof that even fundamentally decent and intelligent people can do and say incredibly stupid things.



Then-Prime Minister Gordon Brown took the crisis personally and his response missed the mark as a result. Instead of getting ahead of the story, he locked himself away scrutinizing his own expenses to establish his innocence. Mr. Brown should have grasped the wider implications of an utterly legitimate journalistic investigation. Instead, all around he saw conspiracy.

For many, it became a textbook case study in how not to handle a crisis. Instead of realizing that the full truth would out and getting ahead of the story, the instinct was to double down on the cover up and blame journalists. It proved catastrophic – and the political ramifications still resonate a decade on. ♦

**ANDREW PORTER**, a former Political Editor at The Daily Telegraph, is a Partner in Brunswick's London office.

# Tone Deaf DEFENSE

**S**OME CRISES COME OUT OF THE BLUE – SUDDEN, unexpected, transforming the horizon and leaving everyone struggling with a new reality, such as when an explosion or earthquake tragically interrupts lives and business routines.

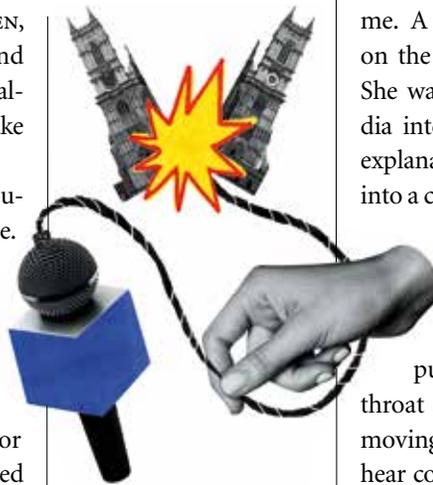
But most crises are not like that. More likely, trouble has bubbled below the surface for some time. Through a mix of inertia, a hope it will go away and the distraction of other priorities, opportunities are lost to deal with problems before they become a crisis.

So it was in 2009, with the scandal over expenses claims by British Members of Parliament. For over a year, parliamentary authorities had resisted efforts by campaigners to force full disclosure of the claims. If the parties had anticipated the inevitable publication, and worked together on how to rebuild public trust afterward, they might well have avoided some of the damage that they eventually suffered.

From my position at 10 Downing Street, I had a front row seat on the crisis' handling and mishandling. I came away with three broad lessons.

**A sounding board is crucial.** As the crisis broke, it quickly became clear that the politicians involved found it hard to think objectively about the storm engulfing them. The MPs, including senior Cabinet ministers, felt as though they were being hounded unfairly. After all, they had only been following the rules, hadn't they? Most had their individual arrangements confirmed through the Commons Fees Office. MPs' salaries had been flat in recent years and increases in expenses had been seen as an unofficial alternative.

The sense of injustice was real and sincerely felt. Perhaps it was even justified. It was also irrelevant. Everyone else, including those of us advising the politicians, thought that something had gone badly wrong. Before we could bring about change, the



Missed opportunities opened the door to more damage, says Brunswick's **STUART HUDSON.**

**STUART HUDSON** is a Brunswick Partner in London and a former Special Adviser to the UK Prime Minister.

elected politicians on both sides of the aisle had to change their mindset.

**You need to show you "get it."** I remember the moment that the depth of public anger first hit me. A senior Minister was preparing to appear on the BBC's flagship "Question Time" program. She was a real pro, confident and reliable in media interviews. Yet her attempt to give a rational explanation for what had happened quickly turned into a car crash. The audience jeered and booed and shouted out their objections. For the first week of the scandal, it was impossible to communicate any message publicly until we had shown that we "got" the level of public anger. This could not simply be a bit of throat clearing at the start of the interview before moving into a justification. The public needed to hear contrition. Then they needed to hear it again. Only once we had successfully conveyed that with sincerity were we given any right to be heard on proposed solutions.

**The crisis is not the only thing happening.** The country was in the midst of a recession and the immediate aftermath of the global financial crisis. Labour was deeply unpopular. There was dissatisfaction over Mr. Brown's leadership. The Cabinet was divided on economic policy. The wider party was split over issues such as the proposals to bring private capital into the state-owned Royal Mail.

This context had two specific impacts. First, given these other demands, the expenses scandal could never take up more than a small proportion of the Prime Minister's time.

Second, the government's options were politically constrained. Any appropriate course of action also needed sufficient parliamentary and cross-party support to be sustainable.

This applies to any crisis: Proposed solutions should not simply be an unrealistic ideal. They can be ambitious – but they must also be practical and deliverable. ♦