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Parliamentary Pay and Allowances: Current Rates

This Paper summarises the current levels of pay and allowances of Members of Parliament, Members of the House of Lords and Ministers in both Houses. It provides some background on the formulae used to set levels of pay and allowances. This Paper is not comprehensive; for example, pension arrangements are not covered. Generally the figures given are maximum entitlements and are not necessarily those being claimed by an individual Member.

Members seeking advice and information on the calculation of or arrangements relating to any item of salary or allowance should consult the Fees Office handbook, *Parliamentary Salaries, Allowances and Pensions* (the “Greenbook”), or contact the Fees Office, which produces a 'quick guide' that is updated regularly.

This edition replaces Research Paper 01/43 of 3 April 2001.

Chris Sear

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Summary of main points

This Paper is intended to provide a quick checklist of the current rates of the major parliamentary and related salaries and allowances, together with references to the appropriate formulae for their calculation for present and future years, and to relevant parliamentary proceedings. Each section of this Paper is designed to be self-contained unless otherwise indicated.

Some significant changes were agreed to the remuneration package for MPs in a debate on 5 July 2001.¹ This followed a report by the Senior Salaries Review Body (SSRB) published in March 2001.²

Further background briefings on the history and development of Members' and ministers' pay, the office costs allowance, and finance for opposition parties are provided in the following papers:

- *Members' pay*, Research Paper 93/98, November 1993
- *Parliamentary pay, allowances and pensions: the reviews of July 2001*, Research Paper 01/86, November 2001
- *Members' office costs: the new system*, Research Paper 01/88, November 2001
- *Financial assistance for opposition parties*, Library Standard Note, July 2000
- *Ministerial and Other Salaries Bill*, Research Paper 97/95, July 1997
- *Parliamentary pay and allowances: UK Devolved Legislatures and European Parliament*, Research Paper 98/86, August 1998
- *Parliamentary pay and allowances*, Scottish Parliament Research Note 00/96, November 2000

The Fees Office provides details of pay and allowances for Members in its publication, *Parliamentary salaries, allowances and pensions*, May 1999, (summarised in a *Quick Guide* – both of which are available on the Parliamentary Intranet³), and by notices to Members.

¹ HC Deb 5 July 2001 Vol 371 cc421-77

² *Review of Parliamentary Pay and Allowances*, Review Body on Senior Salaries report no 48, Cm 4997

³ <http://cfinw01/fanda/greenbk/newbk/mempayr.htm>

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I Introduction

Since 1996 MPs' pay has been linked to Senior Civil Service pay bands, which are uprated annually in line with inflation. In February 1996 the Government had asked the SSRB to conduct a full review of parliamentary pay and allowances.⁴ The SSRB reported on 3 July 1996⁵ and the House debated pay and allowances on 10 July.⁶ Members' pay was accordingly set at £43,000 from July 1996 (an increase of some 26% over the previous salary of £34,085), with the provision for an annual uprating. Further details on the 1996 review are available in Library Research Paper 96/79 – *The review of parliamentary pay and allowances*.⁷

The SSRB had also included in its 1996 report a recommendation that a review of salary levels should be carried out every three years. Thus in October 2000 the Prime Minister commissioned a further review.⁸ The report, published in March 2001,⁹ included the finding that Members' pay had fallen behind that of their comparators, and the SSRB recommended that the parliamentary salary, in addition to the usual formula increase, should be **increased by £2,000 in both 2001 and 2002**.¹⁰ (The rate of the annual formula pay increase for 2001-02 was 3%, based on the SSRB report on senior salaries in 2001,¹¹ which sets the increase for Senior Civil Service bands, and to which the pay of Members is linked. The Prime Minister confirmed in February 2001 that the 3% increase would also apply to Members' and ministers' pay.¹²)

The SSRB also recommended that the salaries of **House of Lords Ministers** and other office holders be similarly increased by £2,000 in the next two years, in addition to the usual increase,¹³ and that the **Prime Minister and Cabinet Ministers** should draw their full salary entitlement (which they did not then do) so as to remedy the perceived distortion in the parliamentary pay system.¹⁴ Significant changes to the **Office Costs Allowance** were also proposed.

Following the 2001 SSRB review, the House debated a series of motions relating to parliamentary pay, allowances and pensions and to related issues on 5 July 2001.¹⁵ The resolutions agreed by the House that day made significant changes to the rates of

⁴ HC Deb 6 Feb 1996 Vol 271 cc101-2W

⁵ *Review of Parliamentary Pay and Allowances*, Cm 3330

⁶ HC Deb 10 July 1996 Vol 281 cc488-543. See Research Paper 96/79

⁷ July 1996; on intranet at <http://hcl1.hclibrary.parliament.uk/rp96/rp96-079.pdf>

⁸ HC Deb 23 Oct 2000 Vol 355 cc68-9W

⁹ *Review of Parliamentary Pay and Allowances*, Review Body on Senior Salaries report no 48, Cm 4997

¹⁰ *ibid*, para 2.13

¹¹ Review Body on Senior Salaries twenty third report on senior salaries, Cm 4995

¹² HC Deb 9 Feb 2001 Vol 362 c701W

¹³ *ibid*, para 2.21

¹⁴ *ibid*, para 2.17

¹⁵ HC Deb 5 July 2001 Vol 371 cc421-77

parliamentary pay, pensions and some allowances (further details of the changes are given in a Library Research Paper¹⁶). Fundamental changes were made to the way in which Members are reimbursed for their office expenses, abolishing the Office Costs Allowance and replacing it with a radically different system (further details given in a separate paper¹⁷). The texts of the resolutions are given at the appropriate points in the paper.

Parliamentary pay and allowances are set in accordance with the specific resolutions cited in this Paper. The Fees Office provides details of pay and allowances for Members in its publication *Parliamentary salaries, allowances and pensions* (summarised in a *Quick Guide*) and by notices to Members. Appendix 1 to this note sets out a summary of the 2001-02 rates of parliamentary pay and allowances before the resolutions agreed on 5 July 2001, together with revised figures, incorporating the changes agreed during the debate.

For comparative purposes, the pay rates for the devolved assemblies are included, but not the rates for the various allowances.

II Salary Entitlement

A. Members' pay

Up-rating formula: Pay increases for Members are linked automatically to the increase in pay bands for the Senior Civil Service. This follows the recommendation of the Review Body on Senior Salaries (SSRB) report of 4 July 1996.¹⁸

Resolution debated & agreed: *10 July 1996, no division*¹⁹

- (1) In respect of service in the period starting with 1st July 1996 and ending with 31st March 1997, the salary of a Member shall be at a yearly rate of £43,000.
- (2) For each year starting with 1st April, from 1997 onwards, the yearly rate shall be increased by the average percentage by which the mid-points of the Senior Civil Service pay bands having effect from 1st April of that year have increased compared with the previous 1st April.
- (3) The mid-point of a Senior Civil Service pay band is the point half way between the maximum and the minimum.

¹⁶ *Parliamentary Pay, Pensions and Allowances: the 2001 Review*, Research Paper 01/86

¹⁷ *Members' Office Costs: the new system*, Research Paper 01/88

¹⁸ Report no. 38, *Review of Parliamentary Pay and Allowances*, Cm 3330

¹⁹ HC Deb 10 July 1996 Vol 281 cc488-543, at c533 (motion approving SSRB report including these proposals agreed to 279-154, c530)

Members' pay since 1994	
1.1.94 – 31.12.94	£31,687
1.1.95 – 31.12.95	£33,189 ²⁰
1.1.96 – 30.6.96	£34,085 ²¹
1.7.96 – 31.3.97	£43,000 ²²
1.4.97 – 31.3.98	£43,860 ²³
1.4.98 – 31.3.99	£45,066 ²⁴
1.4.99 – 31.3.00	£47,008 ²⁵
1.4.00 – 31.3.01	£48,371 ²⁶
1.4.01 – 19.06.01	£49,822 ²⁷
20.6.01 – 31.3.02	£51,822²⁸
Subsequent years	Previous year's salary + formula increase + £2,000 in April 2002, then previous year's salary + formula increase.

(All amounts, unless otherwise stated, are yearly rates.)

In addition, the House agreed in July 2001 to increase Members' pay by £2,000 in 2001-02 and by a further £2,000 in 2002-03, over and above the normal formula increase for these years.

Resolution debated & agreed: 5 July 2001, on division (276 to 42)²⁹

Resolved, That, in the opinion of this House, the following provision should be made with respect to the salaries of Members of this House-

²⁰ The linkage with civil service pay agreed in the 1987 settlement was suspended on 25 November 1992, when Members voted to maintain Members' pay for 1993 at the same level as for 1992. This linkage was re-instated on 3 November 1993 when Members voted for an increase of 2.7% for the 1994 salary. This resulted in a final figure for 1994 of £32,538, which was subsequently increased by 2% in 1995

²¹ This represents a formula increase of 2.7% over the 1995 figure

²² See the resolution of 10 July 1996, reproduced above

²³ This was a 2% increase in accordance with the formula. John Major had announced on 6 February 1997 that Members' pay would be increased in line with that of senior civil servants following the pay review published that day [Cm 3540] – 2% from 1 April and the balance (0.75%) on 1 December [HC Deb Vol 289 c700]. The 2% increase from April 1997 was implemented. The December increase, would, however, have required amendment or replacement of the existing formula, and, following the change of government in May 1997 no such action was taken. Therefore, the second stage took effect as part of the formula increase from 1 April 1998

²⁴ This is made up of the second stage of the 1997 increase (giving a notional salary of £44,183) and the first stage of the 1998 increase of 3.5%, ie 2%. Tony Blair announced on 29 Jan 1998 that Members' pay would be increased in line with that of senior civil servants following the pay review published that day [Cm 3837] – 2% on 1 April 1998 and the balance (1.5%) on 1 April 1999 [HC Deb Vol 305 c309]

²⁵ The April 1999 increase is made up of the second stage of the 1998 increase of 3.5%, ie 1.5% (giving a notional salary of £45,729) and the appropriate formula increase for 1999 (2.8%). [SSRB 21st report – Cm 4245; HC Deb 1 Feb 1999 Vol 324 cc421-2W]

²⁶ An increase of 2.9% [SSRB 22nd report, Cm 4567; HC Deb 15 Feb 2000 Vol 344 c461-2W]

²⁷ Formula increase of 3%

²⁸ Made up of the formula increase of 3% to £49,822 plus £2,000, applied from 20 June 2001 (meeting of new Parliament)

²⁹ HC Deb 5 July 2001 cc469-71

(1) In respect of service in the period starting with 20th June 2001 and ending with 31st March 2002 the salary of a Member shall be increased by £2,000 per annum.

(2) That salary shall be increased by a further £2,000 per annum from 1st April 2002.

(3) The increases referred to above shall be additional to any increase resulting from the operation of paragraph (2) of the Resolution of this House of 10th July 1996.

B. Dual Mandate MPs and Devolved Legislative Members

Members of Parliament who are also members of devolved legislators or the European Parliament, receive a full parliamentary salary, currently £51,822 per annum. In addition, they receive a reduced salary in respect of their membership of the devolved legislature or European Parliament. Although at present there are no dual mandate MPs in any of the legislative assemblies except for the Northern Ireland Assembly, the figures available are detailed below:³⁰

European Parliament	£16,607
National Assembly for Wales	£12,167
Northern Ireland Assembly	£13,437
Scottish Parliament	£14,165

The standard levels of pay of the Members of the Devolved Assemblies is as follows:

1. National Assembly for Wales³¹

With effect from 1 April 2001 the salary payable to Members of the National Assembly for Wales is £38,000 p.a.³². In addition, Members who hold any of the following offices are entitled to receive an additional salary as follows:

Assembly First Secretary	£68,158
Assembly Secretary/Presiding Officer/Leader of the largest party not represented in the Assembly Cabinet	£35,357
Deputy Presiding Officer	£22,145
Chairs of Subject Committees established in accordance with s57 of the Act ³³	£5,150

³⁰ Sources: European Parliament, Northern Ireland Assembly, National Assembly for Wales, Scottish Parliament

³¹ *The National Assembly for Wales (Assembly Members and Officers) (Salaries, Allowances, etc.) (No 2) Determination 2001*

³² Assembly Members who are also Members of Parliament or Members of the European Parliament will have their Assembly salary reduced by two-thirds in accordance with the *National Assembly for Wales (Assembly Members)(Salaries)(Limitation)Order 1999* (SI 1999 No 1083)

³³ *Government of Wales Act 1998* (Cap 38)

A Member who holds more than one of these offices is entitled to receive only one of these salaries and the salary payable shall be that in respect of the higher or, as the case may be, highest paid office.

Details of allowances available to Members of the National Assembly for Wales are available in the *The National Assembly for Wales (Assembly Members and Officers) (Salaries, Allowances, etc.) (No 2) Determination 2001*, available on the National Assembly's website.³⁴

2. Northern Ireland Assembly³⁵

With effect from 1 April 2001 the salary payable to Members of the Northern Ireland Assembly is £39,139 p.a. In addition, Members who hold any of the following offices are entitled to receive an additional salary as follows:

First Minister	£66,173
Deputy First Minister	£66,132
Any other Minister	£34,327
Any junior Minister	£17,807
Presiding Officer	£34,327
Deputy Presiding Officer	£7,718
Member of the Assembly Commission	£10,290
Chairperson of any Statutory Committee	£10,290
Deputy Chairperson of any Statutory Committee	£5,145

Details of allowances available to Members of the Northern Ireland Assembly are available in *The Northern Ireland Assembly (Members' Allowances) Determination 2000*.

3. Scottish Parliament

With effect from 1 April 2001, the salary payable to Members of the Scottish Parliament is £42,493. In addition, Members who hold any of the following offices are entitled to receive an additional salary as follows:

³⁴ available at:

http://www.wales.gov.uk/newsite.dbs?37B1A026000BF4FD0000436C0000000+current+3B4C343A0004FBAF000065CC00000000+cur_date+07_2001

³⁵ Source: Northern Ireland Assembly Fees Office

First Minister	£68,159
Ministers	£35,358
Junior Ministers	£18,342
Presiding Officer	£35,358
Deputy Presiding Officer	£18,342

Details of allowances available to Members of the Scottish Parliament can be found in the Scottish Parliament Official Report³⁶.

4. European Parliament

With effect from 1 April 2001, the salary payable to Members of the European Parliament is the same as for Members of Parliament, ie £51,822.

C. Parliamentary salary for ministers etc.

Ministers' pay is currently made up of two elements, the parliamentary salary (Members' pay) and a ministerial salary. Until 1 July 1996 ministers received a *reduced* parliamentary salary. Since then they have received the full rate.

Up-rating formula: Parliamentary salary, see Section I.A; ministerial salary, see Section I.D.

Parliamentary salary for ministers from 1994	
1.1.94 - 31.12.94	£23,854
1.1.95 - 31.12.95	£24,985 ³⁷
1.1.96 - 30.6.96	£25,660 ³⁸
1.7.96 - 31.3.97	£43,000 ³⁹ (ie, full parliamentary salary)
1.4.97 - 31.3.98	£43,860 (ie, full parliamentary salary)
1.4.98 - 31.3.99	£45,066 (ie, full parliamentary salary)
1.4.99 – 31.3.00	£47,008 (ie, full parliamentary salary)
1.4.00 – 31.3.01	£48,371 (ie, full parliamentary salary)
1.4.01 – 19.06.01	£49,822 (ie full parliamentary salary)
20.6.01 – 31.3.02	£51,822⁴⁰(ie full parliamentary salary)
subsequent years	Previous year's salary + formula increase + £2,000 in April 2002, then previous year's salary plus formula increase (ie, full parliamentary salary).

³⁶ SPOR 21 June 2001 cc1907-17

³⁷ See note 21 above. This figure represents the final salary for 1994 (ie £24,495) increased by 2%

³⁸ This represents a formula increase of 2.7% over the 1995 figure

³⁹ from July 1996 the full Parliamentary salary has been payable to ministers

⁴⁰ Made up of the formula increase of 3% to £49,822 plus £2,000 applied from 20 June 2001 (meeting of the new Parliament)

D. Ministers' pay

Uprating formula: Pay increases for ministers are linked automatically to the increase in pay bands for the Senior Civil Service, under a formula set out in section 1 of the *Ministerial Salaries Act 1997*.⁴¹ This is, in effect, the same formula that is used for uprating Members' pay:

- (1) For each year starting with 1st April, from 1998 onwards, the annual amount, or maximum or minimum annual amount, of any salary payable under section 1(1) or (3) of this Act shall be increased by the relevant percentage.
- (2) The relevant percentage is the average percentage by which the mid-points of the Senior Civil Service pay bands having effect from 1st April of the year concerned have increased compared with the previous 1st April.
- (3) The mid-point of a Senior Civil Service pay band is the point half way between the maximum and the minimum.

Previously, ministerial salaries had been uprated by Order in line with Members' salaries but this had not been enshrined in legislation or parliamentary resolution.⁴² However the 1996 SSRB report,⁴³ which was accepted by the Commons,⁴⁴ recommended that the uprating formula and 1 April implementation date should also apply to ministers and other paid office holders.

Salary entitlement

The salary entitlements of ministers and other paid office-holders for various relevant periods are set out in the tables overleaf.⁴⁵ The tables show maximum annual salary entitlements. These may not be the amounts actually paid, as in some cases individuals have opted for less than their full salary. For example, the Prime Minister and Cabinet Ministers did not draw their full salaries between the 1997 and the 2001 elections. After the 2001 election, the Prime Minister announced that they would accept the 1997 increase and therefore take their full entitlement.

The various periods take account of:

⁴¹ This inserted a new s1A into the *Ministerial and other Salaries Act 1975*, as from 1 April 1998. Power to make further alterations to ministerial salaries, or to the relevant formula, is contained in new s1B

⁴² Such an Order would have been required for an 'uprating' increase from 1 April 1997, but there was no such Order, and therefore no uprating for the year beginning 1 April 1997

⁴³ Cm 3330

⁴⁴ See the resolution reproduced in the Introduction to this Paper

⁴⁵ Applied by *Ministerial and other Salaries Act 1975* as amended by *Ministerial and other Salaries Order 1996*, SI 1996/1913 (draft order - the 'no.2 Order' - approved by the Commons on a division 253-49, HC Deb 10 July 1996 Vol 281 c534, and by the Lords, HL Deb 16 July 1996 Vol 574 cc743-753, no division)

- the decision of the Commons to grant Commons Ministers and paid office-holders the *full* parliamentary salary as from 1 July 1996;
- increases to certain ministers, etc during the ‘interim period’, ie from 24 July 1996 to polling day of the following general election;⁴⁶ and
- increases to certain ministers etc. from the end of the ‘interim period’ ie the day after polling day, ie 2 May 1997. This is described as the ‘next Parliament’ in the tables in the schedules in the Order.

In its 2001 review of parliamentary pay and allowances the SSRB drew attention to the research done by their consultants which indicated that the pay of ministers had fallen behind such comparators as there were. These comparators included senior Civil servants and Chief Constables⁴⁷. As ministers would benefit from the SSRB’s recommended £2,000 increase in parliamentary salary over the next two years (if implemented), the SSRB did not recommend an additional increase in their office holder salaries. It did, however, express the view that the Prime Minister and Cabinet Ministers should draw their full salary entitlement so as to remedy their perceived distortion in the parliamentary pay system.⁴⁸

A full list of the current salaries drawn by ministers and other office holders is maintained by the Cabinet Office.⁴⁹

⁴⁶ ie 1 May 1997. See SI 1996/1913, especially art 6

⁴⁷ *Review of Parliamentary Pay and Allowances*, Review Body on Senior Salaries report no 48, Cm 4997, Vol 2, part 1, sections 3.1 - 3.3

⁴⁸ Cm 4997, Vol 1, paras 2.14 - 2.17

⁴⁹ Available on the Cabinet Office website - <http://www.cabinet-office.gov.uk/civilservice/min-mp-pay/minsal.htm>

Salary entitlement for ministers and other office-holders (£)⁵⁰

	Before 1 July 1996	From 1 July 1996	From 24 July 1996	From 2 May 1997	From 1 April 1998	From 1 April 1999	From 1 April 2000	From 1 April 2001	From 20 June 2001
Ministers and office-holders in Commons: Ministerial salary only									
Prime Minister (a)	58,557	58,557	58,557	100,000	102,750	107,179	110,287	113,596	113,596
Cabinet Minister (a)	43,991	43,991	43,991	60,000	61,650	64,307	66,172	68,157	68,157
Minister of State	31,125	31,125	31,125	31,125	31,981	33,359	34,326	35,356	35,356
Parliamentary Under Secretary	23,623	23,623	23,623	23,623	24,273	25,319	26,053	26,835	26,835
Government Chief Whip (b)	36,613	36,613	36,613	36,613	37,620	64,307	66,172	68,157	68,157
Government Deputy Chief Whip	31,125	31,125	31,125	31,125	31,981	33,359	34,326	35,356	35,356
Government Whip	20,029	20,029	20,029	20,029	20,580	21,467	22,090	22,753	22,753
Assistant Government Whip	20,029	20,029	20,029	20,029	20,580	21,467	22,090	22,753	22,753
Leader of the Opposition (c)	40,332	40,332	40,332	55,000	56,513	58,949	60,659	62,479	62,479
Opposition Chief Whip	31,125	31,125	31,125	31,125	31,981	33,359	34,326	35,356	35,356
Deputy Chief Opposition Whip (d)	20,029	20,029	20,029	20,029	20,580	21,467	22,090	22,753	22,753
Assistant Opposition Whip (d)	20,029	20,029	20,029	20,029	20,580	21,467	22,090	22,753	22,753
Speaker	46,156	46,156	46,156	60,000	61,650	64,307	66,172	68,157	68,157
Chairman of Ways and Means	31,125	31,125	31,125	31,125	31,981	33,359	34,326	35,356	35,356
First Deputy Chairman	27,355	27,355	27,355	27,355	28,107	29,318	30,168	31,073	31,073
Second Deputy Chairman	27,355	27,355	27,355	27,355	28,107	29,318	30,168	31,073	31,073
Attorney General (f)	46,745	46,745	46,745	63,756	65,509	68,332	In Lords	In Lords	In Lords
Solicitor General (g)	38,329	38,329	38,329	In Lords	In Lords	56,031	57,656	59,386	59,386
Advocate General for Scotland						56,031	57,656	59,386	59,386

⁵⁰ NB These figures relate to *entitlement*, not actual salary drawn. The tables should be read with the explanatory notes above and below.

	Before 1 July 1996	From 1 July 1996	From 24 July 1996	From 2 May 1997	From 1 April 1998	From 1 April 1999	From 1 April 2000	From 1 April 2001	From 20 June 2001
Ministers and office-holders in Commons: including Parliamentary salary (£51,822 for 20.6.01 to 31.3.2002)⁵¹									
Prime Minister (a)	84,217	101,557	101,557	143,860	147,816	156,776	159,959	163,418	165,418
Cabinet Minister (a)	69,651	86,991	86,991	103,860	106,716	111,434	114,543	117,979	119,979
Minister of State	56,785	74,125	74,125	74,985	77,047	80,367	82,697	85,178	87,178
Parliamentary Under Secretary	49,283	66,623	66,623	67,483	69,339	72,327	74,424	76,657	78,657
Government Chief Whip (b)	62,273	79,613	79,613	80,473	82,686	111,434	114,543	117,979	119,979
Government Deputy Chief Whip	56,785	74,125	74,125	74,985	77,047	80,367	82,697	85,178	87,178
Government Whip	45,689	63,029	63,029	63,889	65,646	68,475	70,461	72,575	74,575
Assistant Government Whip	45,689	63,029	63,029	63,889	65,646	68,475	70,461	72,575	74,575
Leader of the Opposition (c)	65,992	83,332	83,332	98,860	101,579	105,957	109,030	112,301	114,301
Opposition Chief Whip	56,785	74,125	74,125	74,985	77,047	80,367	82,697	85,178	87,178
Deputy Chief Opposition Whip (d)	20,029	20,029	20,029	20,029	20,580	68,475	70,461	72,575	74,575
Assistant Opposition Whip (d)	45,689	63,029	63,029	63,889	65,646	68,475	70,461	72,575	74,575
Speaker	71,816	89,156	89,156	103,860	106,716	111,315	114,543	117,979	119,979
Chairman of Ways and Means	56,785	74,125	74,125	74,985	77,047	80,367	82,697	85,178	87,178
First Deputy Chairman	53,015	70,355	70,355	71,215	73,173	76,326	78,539	80,895	82,895
Second Deputy Chairman	53,015	70,355	70,355	71,215	73,173	76,326	78,539	80,895	82,895
Attorney General (f)	72,405	89,745	89,745	107,616	110,575	115,340	In Lords	In Lords	In Lords
Solicitor General (g)	63,989	81,329	81,329	In Lords	In Lords	103,039	106,027	110,208	111,208
Advocate General for Scotland						103,039	106,027	110,208	111,208

	Before 1 July 1996	From 1 July 1996	From 24 July 1996	From 2 May 1997	From 1 April 1998	From 1 April 1999	From 1 April 2000	From 1 April 2001	From 20 June 2001
Ministers and office-holders in Lords⁵²									
Cabinet Minister (a)	57,161	57,161	58,876	77,963	80,107	83,560	85,983	88,562	88,562
Minister of State	50,328	50,328	51,838	51,838	53,264	64,426	66,294	68,283	68,283
Parliamentary Under Secretary	42,361	42,361	43,632	43,632	44,832	55,631	57,244	58,961	58,961
Government Chief Whip	50,328	50,328	51,838	51,838	53,264	64,426	66,294	68,283	68,283
Government Deputy Chief Whip	42,361	42,361	43,632	43,632	44,832	55,631	57,244	58,961	58,961
Government Whip	38,313	38,313	39,462	39,462	40,547	51,161	52,645	54,224	54,224
Leader of the Opposition	42,361	42,361	43,632	43,632	44,832	55,631	57,244	58,961	58,961
Opposition Chief Whip	38,313	38,313	39,462	39,462	40,547	51,161	52,645	54,224	54,224
Lord Chancellor (e)	132,906	132,906	133,406	140,665	148,850	160,011	167,760	173,875	173,875
Chairman of Committees	50,328	50,328	51,838	51,838	53,264	64,426	66,294	68,283	68,283
Principal Deputy Chairman	46,349	46,349	47,739	47,739	49,052	60,032	61,773	63,626	63,626
Lord Advocate	57,241	57,241	58,958	78,072	80,219				
Solicitor General (g) (h)	In Commons	In Commons	In Commons	78,072	80,219	In Commons	In Commons	In Commons	In Commons
Attorney General (f)	In Commons	In Commons	In Commons	In Commons	In Commons	87,585	90,125	92,826	92,826
Minister in neither House									
Solicitor General (Scotland)	48,985	48,985	50,455	66,811	68,648				

⁵¹ **NB These figures relate to entitlement, not actual salary drawn.** The tables should be read with the explanatory notes above and below.

⁵² **NB These figures relate to entitlement, not actual salary drawn.** The tables should be read with the explanatory notes above and below.

Notes on ministers' pay tables:

- (a) On 8 May 1997 the new Government stated that the Prime Minister and Cabinet Ministers would not take the post-election increases. The postholders drew a reduced ministerial salary.

In 1999-2000 the ministerial salary entitlement for the Prime Minister was £110,287 but he drew £64,580 (plus the parliamentary salary of £47,008). Cabinet Ministers were entitled to £66,172 (plus parliamentary salary of £47,008, Commons) and £85,983 (Lords); they drew £48,516 and £72,729 in ministerial salary respectively

In 2000-2001 the Prime Minister received £112,951 (ie £64,580 ministerial salary + £48,371 parliamentary) and a Cabinet Minister £96,887 (ie £48,516 ministerial salary + £48,371 parliamentary, Commons) or £72,729 (Lords). (The entitlement for the ministerial salary element was - £110,287, £66,172 and £85,983 respectively).

Following the election in May 2001 the Government announced that ministers would take their full salary entitlement.

- (b) Government Chief Whip in Cabinet as from 28 July 1998, so receives Cabinet Minister's salary.
- (c) The then Leader of the Opposition declined an increase from 1 Jan 1995 and accepted an increase of only 3% in his total remuneration, including the London supplement, from July 1996. The result is that, from 23 July 1996 until the General Election in June 1997 his total remuneration was £67,456 per annum [Source: Office of Leader of Opposition, Jan 1997].
- (d) Before general election: (Labour) 2 Assistant Whips. After general election: (Conservative) 1 Deputy Chief Whip and 1 Assistant Whip.
- (e) From 1 April 1997, in line with the staged increase for the Lord Chief Justice. The *Ministerial and other Pensions and Salaries Act 1991*, as amended by the *Ministerial and Other Salaries Order 1996* [SI 1996/1913], determined that the Lord Chancellor should receive £2,500 a year more than the salary for the time being payable to the Lord Chief Justice. The Lord Chancellor receives £24,343 (14%) of his salary from the House of Lords in respect of his Speaker's salary. The remainder of £149,533 (86%) is paid from the Consolidated Fund.
- (f) Office in Lords from 29 July 1999 [*Attorney General's Salary Order 2000*, SI 2000/1827] - implementing 1996 SSRB recommendation that the salary should have same differential over the rate for a Cabinet Minister in Lords as it had in the Commons. From April to July 1999, the Commons ministerial salary was £68,332.
- (g) Office in Commons in 1992-1997 Parliament, and as from 28 July 1998.
- (h) As from 27 June 1997 [*Solicitor General's Salary Order*, SI 1997/1500]. Until then the salary was £52,278, the rate for the office when held in the Commons.

III Members' Allowances

A. Office Costs Allowance (OCA)

The Office Costs Allowance was intended to provide Members with the necessary funds to set up and run a parliamentary office, including the purchase of equipment and the payment of secretarial and research assistance.

The March 2001 Review Body on Senior Salaries (SSRB) report on Members' pay and allowances⁵³, examined a number of other issues in addition to recommending an increase in MPs' pay. One of these was the Office Costs Allowance (OCA). The report recommended fundamental changes to the way in which Members of Parliament are reimbursed for their office expenses. The proposals were adopted by the Government and debated by the House on 5 July 2001, together with other motions on Members' pay, etc.⁵⁴ Further details on the new system are available in a separate Library Research Paper⁵⁵; the main points are:

- The Office Costs Allowance will be phased out by 31 March 2003. New Members elected in June 2001 will come under the new arrangements; existing Members can choose whether to switch to the new system immediately, or remain with the old OCA until some point in the future.
- Under the new system, staff salaries are paid centrally by the House Authorities, although staff remain the employees of MPs. New staff will be employed on agreed pay scales and standard contracts, and existing staff should be moved to these as soon as possible, although with transitional arrangements.
- The annual staffing allowance per Member varies between £60,000 and £70,000 maximum. This is designed to pay for between two and three full-time equivalent staff.⁵⁶ Members with London constituencies are eligible for the £70,000 maximum. Members with constituencies outside London can receive £60,000 plus an enhanced allowance of £3,500 for each member of staff whose work is mainly in London, up to a maximum of £70,000 in total.
- Members can now claim central provision and maintenance of certain IT equipment for their offices. Each Member is entitled to a standard package of 3 PCs, 1 laptop computer, 2 combined printers/scanners/copiers/answer machines (or dedicated printers) and associated software. This includes provision for constituency offices.

⁵³ Review Body on Senior Salaries, Report No 48, *Review of parliamentary pay and allowances*, Cm 4997, 2 volumes

⁵⁴ HC Deb 5 July 2001 c421-77

⁵⁵ *Members' office costs - the new system*, Research Paper 01/88

⁵⁶ This compares with a notional allowance for 2.5 members of staff within the previous OCA.

- A new Incidental Expenses Provision of £18,000 is available for other expenses involved in running an office (e.g., office rents and rates).
- A new General Services Budget has been established to provide central funding for such items as: training of Members and their staff; appropriate insurance provision; exceptional expenses incurred by MPs who have constituencies with particular problems; additional payments in respect of safety precautions; reimbursing disabled Members for additional expenses.
- A Speaker's Advisory Panel has been set up to supervise the transition and advise on the implementation of the new system. The Leader of the House announced membership of the new Panel on 19 July 2001.⁵⁷

Uprating formula: the figures for staffing budgets between £60,000 and £70,000 are to be updated annually to reflect changes in pay levels for equivalent jobs outside the House.

Resolution debated & agreed: 5 July 2001, as amended, agreed to⁵⁸

Resolved, That, in the opinion of this House-

(1) Provision should be made, with effect from 5th July 2001, to implement Chapter 3 of the report of the Review Body on Senior Salaries on parliamentary pay and allowances (Cm 4997-1) a copy of which was laid before this House on 16th March, to establish a General Services Budget under the Members' Vote, and with regard to related matters;

(2) These provisions should be applied as follows (subject to transitional arrangements under (6) and (7) below, and any directions which may from time to time be given by Mr Speaker with regard to their application):

(a) the salaries of staff employed by Members to help them in their duties as Members of Parliament, and pensions contributions equivalent to ten per cent. of each employee's salary, should be paid centrally by the Department of Finance and Administration;

(b) all such staff who become employed by a Member should be employed on pay rates to be linked to job descriptions and standard contracts prepared by the Department of Finance and Administration;

(c) the total costs of employing such staff, attributable to a particular Member, excluding the pension contribution outlined in (a) above should not in any financial year exceed-

⁵⁷ HC Deb 19 July 2001 Vol 372 c317W

⁵⁸ HC Deb 5 July 2001 c463

(i) £70,000 in the case of a Member representing a London constituency;
and

(ii) £60,000 in the case of any other Member, plus £3,500 in respect of each full-time (or full-time equivalent) staff person employed by that Member whose duties are wholly or mainly required to be performed within Greater London, provided that the aggregate sum payable in respect of any Member shall not exceed £70,000,

these figures to be updated annually to reflect changes in pay levels for equivalent jobs outside the House.

(d) a new provision called an Incidental Expenses Provision should be established (at a rate of £18,000 per year for each Member, and updated annually in line with the Retail Prices Index), to meet any other expenditure which Members may incur wholly necessarily and exclusively in discharging their duties as Members.

(e) specific financial provisions should be made for the supply and maintenance of a standard package of information technology equipment and services for each Member to be used exclusively in discharging their duties as Members; and

(f) the Office Costs Allowance should be abolished after a transitional period ending on 31st March 2003.

(3) The House of Commons Additional Costs Allowance should be increased by the same proportion as that proposed for the House of Lords Overnight Allowance under Recommendation 16 of the Review Body on Senior Salaries Report No. 48.

General Services Budget

(4) Central funding by way of a General Services Budget should provide for:

(a) relevant training of Members and Members' staff in connection with their parliamentary duties;

(b) any appropriate insurance provision;

(c) any additional reimbursement of exceptional expenses incurred by Members who have constituencies with particular problems;

(d) reasonable adjustments to the working conditions and equipment of Members with particular needs because of disability, and for necessary additional continuing costs;

(e) any additional payments to Members in respect of safety precautions to safeguard their staff, their office equipment and themselves, where such safety precautions have been recommended by the police; and

(f) other appropriate expenditure within the ambit of the Vote, under the authority of the Speaker.

Advisory Panel

(5)-(1) It should be the responsibility of a Panel appointed by Mr Speaker to advise him on:

(i) directions he may give as to the application of the provisions of this Resolution under paragraphs (2) and (4) above;

(ii) his authorisation of expenditure not otherwise specified in this Resolution but within the ambit of the Vote, pursuant to paragraph (4)(f) thereof; and

(iii) the application of the provisions of this Resolution to individual cases of difficulty.

(2) The Panel should advise Mr Speaker and the Leader of the House on the potential development of the arrangements made by or under the Resolutions in force from time to time regarding Members' allowances &c.

Transitional Provisions

(6) The following provisions should be made regarding the allowances of Members who, having sat in the previous Parliament, are returned to the present Parliament (subject to directions which may be given from time to time by Mr Speaker with regard to application):

(a) Members may, whether or not they take advantage of central Information Technology provision, opt to retain their entitlement to the Office Costs Allowance, payable at the level and subject to provisions for uprating in force at 1st April 2001;

(b) Any reasonable contractual commitments entered into by Members who transfer to the new provisions in respect of staff and IT should be honoured through central funding until they can reasonably be terminated;

But these provisions should cease to have effect from 1st April 2003.

(7) Transitional provisions for all Members transferring to the new arrangements in 2001-02 should be determined by Mr Speaker, having taken advice where appropriate from the Panel set up under paragraph (5) of this Resolution.

Winding Up Allowance

(8) In relation to the Winding Up Allowance, Subsection (3) of Part E of the Resolution of 13th July 1994 shall apply to Members who benefit from the provisions of paragraphs 2(a) to 2(d) of this Resolution as if for the words 'office costs allowance' there were substituted the words 'sum of the incidental Expenses

Provision and the relevant staff employment cost limit in force at the time they ceased to be a Member’.

Members with disabilities

(9) When provision is made in respect of any Members in accordance with the provisions of paragraph (4)(d) of this Resolution, any Resolution of this House entitling that Member to claim a multiple of the Office Costs Allowance shall cease to have effect.

B. Supplementary London Allowance

The Supplementary London Allowance (“London Supplement”) is payable to Members for Inner London seats, and certain others, to reflect higher costs in London. It is not paid to Ministers with an official residence in London.⁵⁹

Uprating formula: The London Supplement is uprated annually on 1 April by the percentage increase in the RPI (the general index for all items) in the year to March.

Resolution debated & agreed: *13 July 1994, no division*⁶⁰

Part B. Supplementary London allowance

- (1) The annual rate of the supplementary London allowance -
 - (a) for the period of three months beginning with 1st January 1994, should be the amount obtained by increasing the annual rate at which the allowance was paid immediately before that period by 1.5 per cent;
 - (b) for the year beginning with 1st April 1994, should be the amount obtained by increasing the annual rate determined in accordance with sub-paragraph (a) of this paragraph by 0.4 per cent; and
 - (c) for any subsequent year, should be the amount obtained by increasing the rate for the immediately preceding year by the percentage by which the retail prices index for March in that immediately preceding year has increased compared with the retail prices index for the previous March.
- (2) Any rate determined in accordance with this part of this Resolution should be calculated to the nearest pound.
- (3) In this Part of this Resolution -

“the supplementary London allowance” means the allowance payable in accordance with paragraph (1) of the Resolution of 20th December 1971 relating to Parliamentary expenses;

“year” means a period of twelve months beginning with 1st April.

⁵⁹ currently: Prime Minister, Deputy Prime Minister, Chancellor, Foreign Secretary, Minister for the Cabinet Office and Chancellor of the Duchy of Lancaster, Education & Skills Secretary, President of the Council and Leader of the House of Commons

⁶⁰ HC Deb 13 July 1994 Vol 246 cc1105-1114. The basis of the formula, and the previous arrangements, were explained by the Leader of the House, Tony Newton, at cc1107-9.

- (4) The references in paragraph (1)(c) of this Part of this Resolution to the retail prices index are references to the general index of retail prices (for all items) published by the Central Statistical Office; but if that index is not published for a month which is relevant for the purposes of this Part of this Resolution, those references in that paragraph shall be construed as references to any index or index figure published in place of that index.

The House resolved on 27 June 1997 that with effect from 2 May 1997, the following constituencies are specified as "Inner London constituencies":⁶¹

Battersea; Bethnal Green and Bow; Camberwell and Peckham; Cities of London and Westminster; Dulwich and West Norwood; Eltham; Greenwich and Woolwich; Hackney North and Stoke Newington; Hackney South and Shoreditch; Hammersmith and Fulham; Hampstead and Highgate; Holborn and St. Pancras; Islington North; Islington South and Finsbury; Kensington and Chelsea; Lewisham, Deptford; Lewisham East; Lewisham West; North Southwark and Bermondsey; Poplar and Canning Town; Putney; Regent's Park and Kensington North; Streatham; Tooting; Vauxhall

London Supplement since 1994	
1.4.94 - 31.3.95	£1,245 pa
1.4.95 - 31.3.96	£1,289 pa
1.4.96 - 31.3.97	£1,324 pa
1.4.97 - 31.3.98	£1,358 pa
1.4.98 - 31.3.99:	£1,406 PA
1.4.99 - 31.3.00	£1,436 pa
1.4.00 - 31.3.01	£1,473 pa
1.4.01 – 31.3.02	£1,507 pa
subsequent years	previous year's rate + 'March RPI%'

C. Additional Costs Allowance

The Additional Costs Allowance (ACA) reimburses Members with constituencies outside inner London for expenses incurred in staying overnight away from home whilst performing parliamentary duties.

Uprating formula: Since 1994, the ACA was uprated annually on 1 April by the percentage increase in the RPI (the general index for all items) in the year to March.

Resolution debated & agreed: 13 July 1994, no division⁶²

⁶¹ HC Deb 27 July 1997 Vol 296 c1130

Part C. Additional costs allowance

- (1) The annual limit on the additional costs allowance
 - (a) for the year beginning with 1st April 1993, should be the amount obtained by increasing the relevant limit by 1 per cent;
 - (b) for the year beginning with 1st April 1994, should be the amount obtained by increasing the annual limit determined in accordance with sub-paragraph (a) of this paragraph by 1.81 per cent; and
 - (c) for any subsequent year, should be the amount obtained by increasing the limit for the immediately preceding year by the percentage by which the retail prices index for March in that immediately preceding year has increased compared with the retail prices index for the previous March.
- (2) For the purposes of paragraph (1)(a) of this Part of this Resolution the relevant limit is the amount equal to 144 times the Class A(i) London rate for a night's subsistence which took effect in the Civil Service on 1st August 1992.
- (3) Any limit determined in accordance with this Part of this Resolution should be calculated to the nearest pound.
- (4) In this Part of this Resolution
 - "the additional costs allowance" means the allowance payable in accordance with paragraph (2) of the Resolution of 20th December 1971 relating to Parliamentary expenses;
 - "year" means a period of twelve months beginning with 1st April.
- (5) The references in paragraph (1)(c) of this Part of this Resolution to the retail prices index are references to the general index of retail prices (for all items) published by the Central Statistical Office ; but if that index is not published for a month which is relevant for the purposes of this Part of this Resolution, those references in that paragraph shall be construed as references to any index or index figure published in place of that index.

Exceptionally, during the debate on pay and allowances on 5 July 2001, a backbench amendment was agreed which increased the ACA by some 42%.

Resolution debated and agreed: *5 July 2001, on division (229 to 117)*⁶³

The House of Commons Additional Costs Allowance should be increased by the same proportion as that proposed for the House of Lords Overnight Allowance under Recommendation 16 of the Review Body on Senior Salaries Report No. 48.

⁶² Debated: HC Deb 13 July 1994 Vol 246 cc1105-1114, no division. The basis of the formula, and the previous arrangements, were explained by the Leader of the House, Tony Newton, at cc1107-9.

⁶³ HC Deb 5 July 2001 Vol 371 cc464-6

Maximum Additional Costs Allowance since 1994	
1.4.94 - 31.3.95	£11,268
1.4.95 - 31.3.96	£11,661
1.4.96 - 31.3.97	£11,976
1.4.97 - 31.3.98	£12,287
1.4.98 - 31.3.99	£12,717
1.4.99 - 31.3.00	£12,984
1.4.00 - 31.3.01	£13,322
1.4.01 – 31.3.02	£19, 469 pa (£18,009 pro rata from 5.7.01, date of uprating)
subsequent years	previous year's limit + 'March RPI%'

D. Motor Mileage Allowance

The Motor Mileage Allowance reimburses Members for the cost of travel by car between Westminster and Members' constituencies and homes and for other approved journeys on parliamentary business. The current scheme, introduced on 1 April 1997, introduced flat rates for all engine sizes.

Uprating formula: the Motor Mileage Allowance is uprated annually on 1 April by the percentage increase in the RPI (the general index for all items) in the year to March.

Resolution debated & agreed: *10 July 1996, on a division (376-39)*⁶⁴

Resolved, That, in the opinion of this House, the following provision should be made with respect to the rates of the car mileage allowance payable to Members in respect of journeys-

- a) by Members, or
- b) by spouses or persons in respect of whom the secretarial and research allowance is payable-
 - 1) In respect of journeys commenced in the year starting with 1st April 1997, the allowance shall be payable to any Member at the higher rate up to a total of 20,000 miles and at the lower rate thereafter.
 - 2) The higher rate is 47.2 pence per mile increased by the percentage (if any) by which the retail prices index for March 1997 has increased compared with the index for March 1996.
 - 3) The lower rate is 21.7 pence per mile increased by the percentage (if any) by which the retail prices index for March 1997 has increased compared with the index for March 1996.

⁶⁴ HC Deb 10 July 1996 Vol 281, cc488-542

- 4) For each subsequent year starting with 1st April, the rates shall be increased by the percentage (if any) by which the retail prices index for the previous March has increased compared with the index for the March before that.
- 5) The rates shall be calculated to the nearest tenth of a penny (with exactly one twentieth being rounded up).
- 6) Arrangements shall be made by the Fees Office for ensuring that claims are supported by appropriate particulars.
- 7) In this Resolution “the retail price index” means the general index of retail prices (for all items) published by the Office for National Statistics (or any index or figures published by that Office in place of that index).

Mileage Rates since 1996			
	Engine size	First 20,000 miles	Additional mileage
1.4.96 - 31.3.97	Up to 1300 cc	31.3.pence per mile	16.3 pence per mile
	1301-2300 cc	47.2 pence per mile	21.7 pence per mile
	Over 2300 cc	74.1 pence per mile	37.1 pence per mile
1.4.97 - 31.3.98 ⁶⁵	All sizes	48.8 pence per mile	22.3 pence per mile
1.4.98 - 31.3.99	All sizes	50.1 pence per mile	23.1 pence per mile
1.4.99 - 31.3.00	All sizes	51.2 pence per mile	23.6 pence per mile
1.4.00 - 31.3.01	All sizes	52.5 pence per mile	24.2 pence per mile
1.4.01 – 31.3.02	All sizes	53.7 pence per mile	24.8 pence per mile
Subsequent years	previous year's rates + 'March RPI%'		

E. Bicycle Allowance

This is a relatively new allowance, which first took effect from 1 April 1998. Following representations from Members, the then Leader of the House, Ann Taylor, announced in

⁶⁵ 'March RPI%' increase on 47.2p and 21.7p

November 1997 that she had asked the SSRB to examine the issue.⁶⁶ The SSRB report in January 1998 contained the following proposal:⁶⁷

Bicycle Allowance 118. The Government asked us to consider the merits of a Bicycle Allowance for Members of both Houses of Parliament and to recommend an appropriate level. We understand that such allowances are commonly available in the public sector to reimburse the cost of using bicycles on official business and are becoming increasingly common in the private sector. We have advised the President of the Council, therefore, that it would be appropriate to introduce such an allowance for both Houses along the lines of those available elsewhere in the public sector, to apply to journeys for which Members can currently claim the motor mileage allowance or reimbursement of fares.

Uprating formula: The Bicycle Allowance is uprated annually on 1 April by the percentage increase in the RPI (the general index for all items) in the year to March.

Resolution agreed formally: *20 March 1998, no debate or division*⁶⁸

Resolved,

That, in the opinion of this House, the following provision should be made for the payment of a bicycle allowance to honourable Members in respect of journeys which they have undertaken by bicycle while on Parliamentary duties within the United Kingdom-

(1) In respect of journeys commenced in the year starting with 1st April 1998, the allowance shall be paid at a rate of 6.2 pence per mile increased by the percentage (if any) by which the retail prices index for March 1998 has increased compared with the index for March 1997.

(2) For each subsequent year starting with 1st April, the rate shall be increased by the percentage (if any) by which the retail prices index for the previous March has increased compared with the index for the March before that.

(3) The rate shall be calculated to the nearest tenth of a penny (with exactly one twentieth being rounded up).

(4) Arrangements shall be made by the Fees Office for ensuring that claims are supported by appropriate particulars.

(5) In this Resolution 'the retail price index' means the general index of retail prices (for all items) published by the Office for National Statistics (or any index or figures published by that Office in place of that index).

⁶⁶ HC Deb 24 Nov 1997 Vol 301 c409W

⁶⁷ Twentieth report on senior salaries, report no. 40, Cm 3837 pp 25-26

⁶⁸ HC Deb 20 March 1998 Vol 308 c1597

Bicycle Allowance since 1998	
1.4.98 - 31.3.99	6.4p per mile ⁶⁹
1.4.99 - 31.3.00	6.5p per mile
1.4.00 - 31.3.01	6.7p per mile
1.4.01 – 31.3.02	6.9p per mile
subsequent years	previous year's rate + 'March RPI %'

F. Temporary Secretarial Allowance

A Temporary Secretarial Allowance (TSA) is available to meet the extra cost of obtaining temporary secretarial/research assistance while salaried permanent secretary/RA is absent from work through illness or pregnancy.

Resolution debated & agreed: *5 June 1981, no division*⁷⁰

That in the opinion of this House-
[...]

Provision should be made under arrangements approved by Mr Speaker to enable a Member in receipt of the allowance to incur further expenses for his parliamentary duties by obtaining temporary secretarial or research assistance while a person to whom a salary is paid by him is prevented through illness from providing such assistance.

The underlying purpose of the allowance is to meet additional cost for a Member who incurs expenses in respect of his/her Parliamentary duties in obtaining secretarial or research assistance while his/her employee is absent from work due to illness or pregnancy.

Standard contracts of employment that embody good employment practice allow sick pay for 26 weeks at full pay and a further 26 weeks at half pay, and in periods of extended absence this has, in the past, caused problems for Members in remaining within OCA limits.

These new arrangements provide for a cash allowance for Members that are more generous than previous arrangements and are designed to give Members more flexibility within a finite budget.

In order to qualify for payment of the allowance a Member's secretary or researcher for whom the temporary cover is being provided must:

⁶⁹ 6.2p per mile, as in the resolution, increased by the 'March RPI%'

⁷⁰ HC Deb 5 Jun 1981 Vol 5 cc1201-1260. See brief explanation by the then Leader of the House, Mr Pym, at c1205. Based on proposal in TSRB report no. 17, Cmnd 8244, para 13

- ♣ be absent from work because of pregnancy, or
- ♣ be absent on sick leave for **more** than two continuous weeks
- ♣ continue to receive a salary paid from the Member's OCA
- ♣ submit supporting medical certificates or a MATB1 form
- ♣ have a valid contract of employment specifying the periods of paid absence

In the case of sickness absence, once the "more than two week" rule has been met TSA will be retrospective to the first day of absence if applicable.

The maximum entitlement will be based on the amount of the absent employee's salary for the following periods:

Sickness - 12 months salary (available to be used over a period of 4 years)

Maternity - 24 weeks salary (available for each maternity absence)

These arrangements provide for an allowance, which is completely separate from the Office Costs Allowance (OCA). Where a member of staff is absent on half-pay, part of the OCA will be used towards the cost of the replacement. Likewise, when the permanent employee reaches their contractual limits for salary entitlement the costs of the replacement will no longer be additional to the normal salary costs and full costs will come from the OCA.

More than one claim for temporary assistance may be admitted in relation to an employee's absence on sick leave provided the limit of 52 weeks sick pay in any four years is not breached.⁷¹

G. Winding Up Allowance

An allowance equivalent in value to one third of the current level of the Office Costs Allowance is available to meet the cost of completing outstanding parliamentary and constituency business undertaken by or on behalf of a former Member in the event of their death, defeat or retirement.

Uprating formula: Until 2001 the maximum amount was expressed in terms of multiples of the Office Costs Allowance (OCA): four-thirds of the quarterly OCA payable in the year in which the person ceases to be a Member maximum (in effect, annual OCA x $\frac{1}{3}$).

Resolution debated & agreed: *13 July 1994, no division*⁷²

⁷¹ Fees Office Guidance Note, July 2001

⁷² HC Deb 13 Jul 1994 Vol 246 cc1105-14, no division. Mr Newton, Leader of the House, explained the basis of the formula during his remarks at cc 1109-10. See Section III.A of this Paper for uprating formula for the OCA.

Part E. Winding-up allowance

- (1) The following provisions of this Part of this Resolution should have effect with respect to Members of this House who cease to be Members after 31st March 1994.
- (2) Provision should be made under arrangements approved by the Speaker for allowance to be made in respect of the expenses which, after a person has ceased to be a Member, are still required to be incurred in connection with his Parliamentary duties.
- (3) The limit on that allowance should be four-thirds of the amount which, for the year in which that person ceases to be a Member, is the limit for that Member on the office costs allowance for a quarter in that year.
- (4) The allowance should be paid to the person who has ceased to be a Member or, if he has died, to his personal representatives or a person nominated by him or selected under the arrangements approved by the Speaker.
- (5) Any limit determined in accordance with this Part of this Resolution should be calculated to the nearest pound.
- (6) In this Part of this Resolution-
"quarter" means a period of three months beginning with 1st April, 1st July, 1st October or 1st January;
"year" means a period of twelve months beginning with 1st April.

Following the abolition of the OCA, the Winding Up Allowance has been redefined. It is now one third of the sum of the staffing provision and the Incidental Expenses Allowance (IEP).

Resolution debated and agreed: 5 July 2001⁷³

In relation to the Winding Up Allowance, Subsection (3) of Part E of the Resolution of 13th July 1994 shall apply to Members who benefit from the provisions of paragraphs 2(a) to 2(d) of this Resolution as if for the words 'office costs allowance' there were substituted the words 'sum of the incidental Expenses Provision and the relevant staff employment cost limit in force at the time they ceased to be a Member'.

⁷³ HC Deb 5 July 2001 Vol 371 c466

Maximum Winding Up Allowance since 1994	
1.4.94 - 31.3.95	£13,769
1.4.95 - 31.3.96	£14,251
1.4.96 - 1.3.97	£15,454
1.4.97 - 31.3.98	£15,856
1.4.98 - 31.3.99	£16,411
1.4.99 - 31.3.00	£16,755
1.4.00 - 31.3.01	£17,191
1.4.01 – 31.3.02	£17,587
subsequent years	One third of sum of maximum staffing allowance and IEP

H. Reimbursement of costs due to recall during a recess

This allowance was introduced in 1994 to cover the necessary expenses of Members returning to Westminster in the event of a recall of Parliament during a recess. Members can reclaim any “extra costs” they may incur due to a parliamentary recall.

Resolution debated & agreed: *13 July 1994, no division*⁷⁴

Part F. Recall of House during a recess

- (1) The following provisions of this Part of this Resolution should have effect with respect to any occasion on which, during a recess, this House is recalled before the expected end of the recess.
- (2) Members who attend the House during the recall should be reimbursed in respect of such extra costs which are wholly and exclusively attributable to the recall as are necessarily incurred by them in connection with travelling-
 - (a) from any place to London; and
 - (b) during any further recess immediately following the recall, from London to any place (provided that the purpose is to fulfil, before the expected end of that further recess, plans which were in existence before the recall).
- (3) For the purposes of this part of this Resolution-
 - (a) "recess" means not only a period when Parliament stands prorogued to a specified date but also any period when this House stands adjourned to a specified date, and the references to the expected end of a recess are references to that specified date;
 - (b) "reimbursement", in the case of a Member, means the payment to the Member of the amount of the extra costs concerned and the payment to the Inland Revenue, on account of the income tax liability of the Member, of the difference between that amount and such a sum as,

⁷⁴ HC Deb 13 Jul 1994 Vol 246 cc1105-14. Tony Newton, then Leader of the House, explained the basis of this new allowance during his remarks in the 13 July 1994 debate, c1110.

- after deduction of tax at the marginal rate applicable to the Member, is equal to that amount; and
- (c) "extra costs", in the case of a Member means costs in respect of which the Member cannot be reimbursed otherwise than by virtue of this Part of this Resolution.

I. Members' Resettlement Grant

A person who is a Member immediately before the dissolution of Parliament and does not stand for re-election or is defeated may claim a Resettlement Grant to assist with the costs of 'adjusting to non-parliamentary life'. The grant was introduced in 1991 following a Top Salaries Review Body (the TSRB, which was the predecessor of the Senior Salaries Review Body) recommendation.

Resolution debated & agreed: 22 May 1991, *no division*⁷⁵

The grant is calculated as a proportion of final salary; the proportion payable depends both on age and length of service. The relevant percentages are shown in the table below. Only whole years of service are counted, and any period of service which was taken account of in the payment of a previous Resettlement Grant is not counted.⁷⁶

Resolved,

That in the opinion of this House, on the dissolution of the present or any future Parliament-

(1) A grant should be payable to any person who is a Member of this House immediately before the dissolution and at the general election consequent upon the dissolution either does not stand for election to this House or, if he does, is not elected.

(2) The amount of the grant in the case of any such person should be equal to the relevant percentage of a year's salary at the highest rate payable to Members of this House immediately before the dissolution, the relevant percentage for this purpose being that shown in the following Table in relation to-

- (a) his age at the dissolution ; and
- (b) the number of years for which he has served as a Member of this House before the dissolution.

(3) In calculating for the purposes of paragraph (2) the number of years for which a person has served as a Member of this House before the dissolution, there should be disregarded-

- (a) any fraction of a year for which he has so served ; and

⁷⁵ HC Deb 22 May 1991 Vol 191 cc1033-1038

⁷⁶ Any period of service which was *disregarded* when a previous Resettlement Grant was paid is also disregarded when any subsequent claim is made

(b) if a grant was payable to him under this Resolution or any of the former resettlement grant Resolutions on any previous occasion, any period of service which was taken into account or disregarded on that occasion ; and in this paragraph the former resettlement grant Resolutions' means the second Resolution of 20th December 1971, the fourth Resolution of 4th March 1980 and the third Resolution of 19th July 1983.

The SSRB was asked to look at the calculation of the Resettlement Grant in its review that commenced in October 2000. It considered evidence arguing that the calculation should not be based on full years' service, as small differences in length of service could result in significant variations between Members. It concluded, however, that no change was warranted.⁷⁷

Resettlement Grant: Percentages of yearly salary							
<i>Number of Completed Years</i>							
Age	under 10	10	11	12	13	14	15 or over
Under 50	50	50	50	50	50	50	50
50	50	50	52	54	56	58	60
51	50	52	55	58	62	65	68
52	50	54	58	63	67	72	76
53	50	56	62	67	73	78	84
54	50	58	65	72	78	85	92
55 to 64	50	60	68	76	84	92	100
65	50	58	65	72	78	85	92
66	50	56	62	67	73	78	84
67	50	54	58	63	67	72	76
68	50	52	55	58	62	65	68
69	50	50	52	54	56	58	60
70 or over	50	50	50	50	50	50	50

⁷⁷ *Review of Parliamentary Pay and Allowances*, Review Body on Senior Salaries report no 48, Cm 4997, chapter 5

J. Ministers' severance payments

Generally, 3 months of annual ministerial salary is payable when a minister ceases to hold office. Full details are set out in section 4 of the *Ministerial and other Pensions and Salaries Act 1991*, as amended:⁷⁸

4 Grants to persons ceasing to hold ministerial and other offices

- (1) Where a person who has not attained the age of sixty-five-
 - (a) ceases at any time ("the material time") after the passing of this Act to hold a relevant office; and
 - (b) does not again become the holder of a relevant office within the period of three weeks beginning at the material time,he shall be entitled to a payment under this section.
- (2) Subject to subsection (3) below, the amount of the payment to which a person who has ceased to hold a relevant office is entitled under this section is an amount equal to one-quarter of the annual amount of the salary which was being paid to that person in respect of that office immediately before the material time.
- (3) If that person was immediately before the material time a Member of the House of Commons the amount mentioned in subsection (2) above shall be reduced by an amount equal to one-quarter of the difference between-
 - (a) the annual amount of the salary which was then being paid under a Resolution of that House to Members who are Officers of that House or receiving a salary under the Ministerial and other Salaries Act 1975 or a pension under section 26 of the Parliamentary and other Pensions Act 1972; and
 - (b) the annual amount of the salary which was then being paid under that Resolution to other Members.
- (4) A payment under this section shall not be made until the end of the period mentioned in subsection (1)(b) above.
- (5) No payment shall be made under this section where a person has ceased to hold a relevant office on his death.
- (6) In this section 'a relevant office' means-
 - (a) any office, other than that of Prime Minister and First Lord of the Treasury, in respect of which a salary is payable in accordance with Schedule I to the Ministerial and other Salaries Act 1975 (ministerial salaries);
 - (b) any position in respect of which a salary is payable in accordance with Schedule 2 to that Act (Opposition Leaders and Whips);

⁷⁸ s.4, *Ministerial and other Pensions and Salaries Act 1991*, as amended

- (c) the office of Chairman of Ways and Means and any office of Deputy Chairman of Ways and Means in respect of which a salary is payable out of money provided by Parliament; and
 - (d) the office of Chairman of Committees of the House of Lords and any office of Deputy Chairman of Committees of the House of Lords in respect of which a salary is payable out of such money.
- (7) Where a person ceases to hold a relevant office while Parliament is dissolved subsection (3) above shall have effect as if for the words 'Immediately before the material time' there were substituted the words 'immediately before the dissolution'.
- (8) Where a person ceases on a dissolution of Parliament to hold any such position as is mentioned in subsection (6)(b) above, subsection (1)(b) above shall have effect in relation to his ceasing to hold that position on the dissolution as if for the words 'three weeks' there were substituted the words 'six weeks'.

K. Former Prime Ministers' Public Duties Allowance

The Public Duties Allowance (PDA) is a financial allowance, paid from the Cabinet Office vote, to help former Prime Ministers to meet the continuing additional office costs which they are liable to incur because of their special position in public life.⁷⁹ The allowance is equivalent in amount to the Office Costs Allowance⁸⁰ and is payable in respect of office and secretarial expenses incurred in connection with former Prime Ministers' public duties. The allowance is not payable to a former Prime Minister occupying the position of Leader of the Opposition and therefore in receipt of "Short money" (see Section V below).

The allowance was introduced in April 1991. It was not subject to a resolution of the House but was announced by the then Prime Minister, John Major:⁸¹

Former Prime Ministers

Sir Anthony Durant: To ask the Prime Minister whether he has any plans to assist former Prime Ministers with their office and secretarial expenses.

Prime Minister: I propose to establish, with effect from 1 April 1991, a financial allowance to help former Prime Ministers to meet the continuing additional office costs which they are liable to incur because of their special position in public life. The new allowance, which will be equivalent in amount to the parliamentary office costs allowance, will be payable in respect of office and secretarial expenses incurred in connection with their public duties. It will be paid from the Cabinet Office vote. The allowance will not be payable to a former Prime Minister

⁷⁹ HC Deb 27 Mar 1991 Vol 188 c428W

⁸⁰ See part 4 for updating formula for OCA

⁸¹ HC Deb 27 Mar 1991 Vol 188 c428W

occupying the position of Leader of the Opposition and therefore in receipt of "Short" money.

Following the changes to Office Costs Allowance made on 5 July 2001 the Prime Minister, Tony Blair, made the following announcement about the PDA:

Public Duties Allowance

Andrew Bennett: To ask the Prime Minister what effect the abolition of the Office Costs Allowance will have on the Public Duties Allowance payable to former Prime Ministers.

The Prime Minister: The Public Duties Allowance can be claimed by former Prime Ministers for expenses incurred for their continuing work for the public service and charity. The allowance, which was formerly linked to the Office Costs Allowance, will from 5 July 2001 be set at the same level as the ceiling under the new centralised arrangements for the payment by the House Authorities of the support and secretarial staff of Members of Parliament with London constituencies. This is currently £70,000.⁸²

PDA since 1994	
1.4.94 - 31.3.95	£41,308 (+ £4,131 for office staff pension contributions)
1.4.95 - 31.3.96	£42,754 (+ £4,275 for office staff pension contributions)
1.4.96 - 31.3.97	£46,364 (+ £4,636 for office staff pension contributions)
1.4.97 - 31.3.98	£47,568 (+ £4,757 for office staff pension contributions)
1.4.98 - 31.3.99	£49,232 (+ £4,923 for office staff pension contributions)
1.4.99 - 31.3.00	£50,264 (+ £5,026 for office staff pension contributions)
1.4.00 - 31.3.01	£51,572 (+ £5,157 for office staff pension contributions)
1.4.01 - 4.7.01	£52,760 (+ £5,276 for office staff pension contributions)
5.7.01 – 31.3.02	£70,000
Subsequent years	equivalent to the ceiling for the payment of the support and secretarial staff of Members of Parliament with London constituencies

IV Allowances for Members of the House of Lords

The main allowances for Peers were debated and agreed on 20 July 1994.⁸³ The Lords ministers' night subsistence allowance was introduced by s5 of the *Ministerial and other Pensions and Salaries Act 1991*, and the Lords ministers' and office holders' secretarial

⁸² HC Deb 19 July 2001 Vol 372 c318W

⁸³ HL Deb Vol 557 cc235-250. For a detailed explanation, see Viscount Ullswater's speech (cc235-238).

allowance by an HL resolution of 22 July 1980.⁸⁴ On 27 November 1996, the then Leader of the House, Viscount Cranborne, announced a new facility for the reimbursement of travel expenses of peers' spouses "in connection with attendance at parliamentary occasions".⁸⁵

⁸⁴ HL Deb Vol 412 cc201-6

⁸⁵ HC Deb Vol 576 c273

Main Peers' allowances: current rates (October 2001)⁸⁶

	<u>Backbench Peers</u>	<u>Lords Ministers and paid office holders</u>
Subsistence	Day £60 Overnight £120 for every day the House sits (usually 150 days) (20 June 2001 - 31 July 2002)	Lords Ministers' Night Subsistence Allowance of £26,840 for those who maintain a second home in London. (wef 1 August 2001)
London Allowance	Not eligible	London Supplement £1,507 (except those with an official residence ⁸⁷ or in receipt of Lords Ministers' Night Subsistence Allowance) (wef 1 April 2001)
Travel	When House sitting, claim travel to and from House and on Parliamentary business in UK and/or Motor mileage allowance of 53.7 pence per mile up to 20,000 miles 24.8 pence per mile further Bicycle Allowance of 6.9p per mile ⁸⁸ (wef 1 April 2001) Peers' spouse able to claim expenses for up to 2 return journeys per calendar year in respect of journeys made by a Peer in connection with attendance at a Parliamentary occasion.	When House is sitting, claim travel incurred on Parliamentary business in UK and/or: Motor mileage allowance of 53.7 pence per mile up to 20,000 miles 24.8 pence per mile further (a) Departments reimburse home to Westminster travel (b) Official car for Departmental duties Bicycle Allowance of 6.9p per mile (wef 1 April 2001) Spouse and children (those under 18 years of age) able to claim expenses for up to 15 return journeys per calendar year between Westminster and constituency, or, Westminster and Minister's registered home.
Office and Secretarial Assistance	(a) £50 per day the House sits (b) Active backbench Peers may claim £50 per day for up to 40 days when House not sitting (20 June 2001 - 31 July 2002)	Not eligible for the £50 per day, but receive £4,539 per annum Lords Ministers and Office Holders Secretarial Allowance (wef 1 August 2001)

⁸⁶ Based on Cabinet Office Note. Detailed notes on the various allowances are set out on the reverse of the Lords' claim form

⁸⁷ Currently: Lord Chancellor

⁸⁸ Introduced as a new allowance as from 1 April 1998, HL Deb 20 May 1998 Vol 589 cc1649-50

The SSRB review, published in March 2001, included the following recommendations on Lords allowances:⁸⁹

House of Lords allowances

Recommendation 14: We recommend that the House of Lords authorities publish a guide to the reimbursement allowances which sets out the basis of entitlement and the costs which can be reclaimed. (Paragraph 4.14)

Recommendation 15: The day subsistence allowance should be raised to a maximum of £60 a day. (Paragraph 4.23)

Recommendation 16: The overnight allowance should be increased to a maximum of £120. It should be payable for the night following each day of attendance, and for the preceding night, where the Member certifies his or her need to stay in London. This would mean that if the House sat on a Friday it could be claimable for up to six nights that week. (Paragraph 4.26)

Recommendation 17: The House should consider whether to set up a mechanism to decide annual upratings of the overnight allowance, whether on the basis of information provided by the House of Commons Library or on some other appropriate basis. (Paragraph 4.28)

Recommendation 18: If the overnight allowance continues to be increased annually on the basis of increases in the RPI, it should be reviewed every three years. (Paragraph 4.29)

Recommendation 19: The secretarial allowance should be raised to a maximum of £50 a day. It should be payable on the basis of expenditure certified by the Member as being made on secretarial and other claimable costs, including for days when the House is not sitting or the Member does not attend, up to a maximum of 40 days a year plus the number of days the peer attends the House, an official delegation or a Committee visit away from the House. (Paragraph 4.35)

Recommendation 20: Peers should have access to free postage on House of Lords business matters. (Paragraph 4.37)

The Lords debated the SSRB recommendations on 5 July 2001 and agreed a motion to increase the maxima for allowances for day subsistence, overnight attendance and secretarial support and to extend the range of circumstances in which member of the House would be eligible for them.

⁸⁹ *Review of Parliamentary Pay and Allowances*, Review Body on Senior Salaries report no 48, Cm 4997

Resolution debated and agreed: 5 July 2001 agreed, no division⁹⁰

That this House approves the following proposals with respect to expenses incurred by Members of this House after 19th June 2001—

(1) For the purposes of paragraph (1) of the resolution of 20th July 1994 (office, secretarial and research allowance), the appropriate amount for expenses incurred in the period beginning with 20th June 2001 and ending with 31st July 2001 should be £50; and paragraph (3)(b) of the 1994 resolution should apply as if that were the appropriate amount for expenses incurred in the year preceding 1st August 2001.

(2) In paragraph (1) of the 1994 resolution, the reference to attendance at relevant sittings or meetings should include a reference to attendance on visits away from the House—

- (a) as a member of an official delegation; or
- (b) as a member of a committee of this House.

(3) The days which a Lord may specify under paragraph (4) of the 1994 resolution--

- (a) should include days on which this House sits but which are not days of attendance by him; and
- (b) should be subject to a maximum of 40.

(4) In determining, in accordance with paragraph (2) of the resolution of 25th July 1991, the limit on the expenses which a Lord may recover under paragraph (1)(a) of that resolution (day subsistence), the maximum daily amount for a day in the period beginning with 20th June 2001 and ending with 31st July 2001 should be £60; and paragraph (7)(b) of the 1994 resolution should apply as if that were the maximum daily amount for a day in the year preceding 1st August 2001.

(5) In determining, in accordance with paragraph (4) of the 1991 resolution, the limit on the expenses which a Lord may recover under paragraph (1)(b) of that resolution (night subsistence), the maximum daily amount for a day in the period beginning with 20th June 2001 and ending with 31st July 2001 should be £120; and paragraph (8)(b) of the 1994 resolution should apply as if that were the maximum daily amount for a day in the year preceding 1st August 2001.

(6) For the purposes of paragraph (4) of the 1991 resolution there should be added to the maximum daily amount for the days referred to there the maximum daily amount for each other day which falls immediately before a day of attendance at a sitting of this House if the Lord incurs expenses in staying overnight away from his only or main residence

⁹⁰ HL Deb 5 July 2001 Vol 626 cc875-85

before the sitting and it is necessary for him to do so for the purpose of attendance at the sitting.

V Financial Assistance for Opposition Parties⁹¹

A. Commons: ‘Short money’

The scheme for financial assistance to opposition parties at Westminster was introduced by the Labour Government in 1975, and has become commonly known as ‘Short money’ after the then Leader of the House, Edward Short. The purpose of these payments is to assist Opposition parties in the Commons in carrying out their essential parliamentary duties. It is largely spent on research support for front-bench spokesmen, assistance in the Whips’ offices and staff for the Leader of the Opposition. Short money is funded through the House of Commons Members’ Salaries, etc Vote.

The amount of assistance is set by a formula based on a party’s votes and seats gained at the previous general election. The figures set in 1975 were periodically updated until, in 1993, they were linked to changes in the retail price index (RPI). In 1987 the overall maximum was removed. In 1993, a travel fund for opposition frontbenchers was set up; again, the expenditure has to be related to parliamentary business. Initially, £100,000 was provided. This sum is divided between the parties in the same proportion as their share of Short money.

In 1999 a new scheme was introduced, taking into account the recommendations in the Neill Committee report on *The Funding of Political Parties in the United Kingdom*.⁹² The Government announced on 6 May 1999 that it had agreed to increase basic Short money by 270%.⁹³ In addition, the travel fund for party spokesmen would be increased in line with inflation and a specific allocation of £500,000 a year would be introduced for the Leader of the Opposition’s office.

The funding is available to qualifying parties, ie one which:

- has two Members who were elected as candidates for that party at the last general election; or
- has one such Member and the party received at least 150,000 votes at the last election

⁹¹ for further details, see PCC Standard Note – *Financial Assistance to Opposition Parties*

⁹² Committee on Standards in Public Life, Cm 4057

⁹³ HC Deb 6 May 1999 Vol 330 c427W

A table showing the amounts paid to each of the qualifying opposition parties during the year 2001-02 following the General Election in June 2001, according to the formulae set out below, appears as Appendix 2.⁹⁴

Resolution debated and agreed: 26 May 1999, no division⁹⁵

That, in the opinion of this House, the provisions of this Resolution should have effect in relation to the giving of financial assistance to opposition parties in this House:

1.--(1) Financial assistance to assist an opposition party in carrying out its Parliamentary Business shall be available under this paragraph at any time on or after 1st April 1999 if at that time one of the following conditions is satisfied with respect to the party, that is to say

(a) there are at that time at least two Members of this House who are members of the party and who were elected at the previous General Election after contesting it as candidates for the party; or

(b) there is at that time one such Member who was so elected and the aggregate of the votes cast in favour of all the party's candidates at that Election was at least 150,000.

The current scheme has three components:

- 1) funding to assist an opposition party in carrying out its parliamentary business
- 2) funding for the opposition parties' travel and associated expenses
- 3) funding for the running costs of the Leader of the Opposition's office

1. General funding

The amount payable to qualifying parties is calculated on (a) a sum for every seat won at the last Election, plus (b) a sum for every 200 votes gained by the party. The figures are updated annually on 1 April by the percentage increase in the RPI in the year to March.

⁹⁴ Note that the sums below for each period are rounded to the nearest penny, and therefore may not correspond exactly with actual allocations, as set out in the Fees Office tables. It has been the practice from time to time for some of the allowance to be allocated by the parties to their Lords' colleagues for their parliamentary duties. The creation of the new Lords scheme ('Cranborne money': see below) may mean that this may no longer happen, at least to the same degree as previously, although the Government's memorandum of 6 May 1998 to the Neill Committee's review of party funding appeared to assume that this practice could continue (para 10)

⁹⁵ HC Deb 26 May 1999 Vol 332 cc427-9

Maximum amounts for qualifying parties since 1995	
1.4.95 - 31.3.96	£3,644.92 per seat + (£7.28 x votes x 1/200)
1.4.96 - 31.3.97	£3,743.33 per seat + (£7.48 x votes x 1/200)
1.4.97 - 30.4.97	£315.67 per seat + (£0.63 x votes x 1/200) ⁹⁶
1.5.97 - 31.3.98	£3,524.98 per seat + (£7.04 x votes x 1/200) ⁹⁷
1.4.98 - 31.3.99	£3,975.07 per seat + (£7.94 x votes x 1/200)
1.4.99 - 31.3.00 ⁹⁸	£10,732.69 per seat + (£21.44 x votes x 1/200)
1.4.00 - 31.3.01	£11,011.73 per seat + (£21.99 x votes x 1/200)
1.4.01 - 6.6.01	£2,067.82 per seat + (£4.13 x votes x 1/200) ⁹⁹
7.6.01 – 31.3.02	£9,197.18 per seat + (£18.37 x votes x 1/200) ¹⁰⁰
Subsequent years	previous year's limit + 'March RPI%'

2. Travel expenses

First introduced in 1993, the total amount payable under this component of the scheme for is apportioned between each of the Opposition parties in the same proportion as the amount given to each of them under the basic funding scheme set out above. The allowance is updated annually on 1 April by the percentage increase in the RPI in the year to March.

⁹⁶ Part-year, due to general election, ie 30/365 of £3,840.65 and £7.67 respectively, according to the formula for apportionment during an election year (para 4)

⁹⁷ Part-year, due to general election, ie 335/365 of £3,840.66 and £7.67 respectively, according to the formula for apportionment during an election year (para 4)

⁹⁸ Large increase (270%) in 1999: see above and further details in PCC Standard Note on *Financial assistance to opposition parties*

⁹⁹ Part-year, due to general election, ie 67/365 of £11,265 and £22.50 respectively, according to the formula for apportionment during an election year (para 4)

¹⁰⁰ Part-year, due to general election, ie 298/365 of £11,265 and £22.50 respectively, according to the formula for apportionment during an election year (para 4)

Aggregate maximum for opposition parties' travel expenses since 1992	
27.4.92 - 31.3.94	£100,000
1.4.94 - 31.3.95	£102,301
1.4.95 - 31.3.96	£105,800
1.4.96 - 31.3.97	£108,657
1.4.97 - 30.4.97	£9,162.91 ¹⁰¹
1.5.97 - 31.3.98	£102,319.09 ¹⁰²
1.4.98 - 31.3.99	£115,471
1.4.99 - 31.3.00	£117,896
1.4.00 - 31.3.01	£120,961
1.4.01 - 06.06.01	£22,714.48 ¹⁰³
07.06.01 – 31.03.02	£101,028.62¹⁰⁴
Subsequent years	previous year's total + 'March RPI%'

3. Leader of the Opposition's Office

Under the third component of the scheme, £500,000 was first made available for the running costs of the Leader of the Opposition's Office for the financial year commencing on 1 April 1999.

The scheme makes provision for General Election years to be split into before and after-election periods in order to accommodate changes in the parties' strengths in the Commons. Parties claiming Short money must furnish the Accounting Officer of the House of Commons (the Clerk of the House) with an auditor's certificate to the effect that all expenses claimed were incurred exclusively in relation to the party's Parliamentary business. The allowance is updated annually on 1 April by the percentage increase in the RPI in the year to March.

Maximum amount for running of Leader of Opposition's Office	
1.4.99 - 31.3.00	£500,000
1.4.00 - 31.3.01	£513,000
1.4.01 – 31.3.02	£524,799
Subsequent years	previous year's total + 'March RPI%'

¹⁰¹ Part-year, due to general election, ie 30/365 of £111,482, according to the formula for apportionment during an election year (para 4)

¹⁰² Part-year, due to general election, ie 335/365 of £111,482, according to the formula for apportionment during an election year (para 4)

¹⁰³ Part-year, due to general election, ie 67/365 of £123,743.10, according to the formula for apportionment during an election year (para 4)

¹⁰⁴ Part-year, due to general election, ie 298/365 of £123,743.10, according to the formula for apportionment during an election year (para 4)

B. Lords: ‘Cranborne money’¹⁰⁵

This scheme was introduced in 1996 and is so-called after the then Leader of the House, Lord Cranborne.¹⁰⁶ It was intended to establish a scheme similar to Short money in the Commons, and thereby provide financial assistance for Opposition parties in the House of Lords. The scheme is much simpler than its Commons equivalent: a fixed sum is allocated for the Official Opposition and smaller sums for the second largest Opposition party and (since 1999) the convenor of the Cross-Bench Peers. Each sum is updated annually on 1 April by the percentage increase in the RPI in the year to March.

The scheme is administered under the Resolution of the House of Lords of 27 November 1996,¹⁰⁷ as amended by the Resolution of 29 July 1999:¹⁰⁸

That, in the opinion of this House, the provisions of this resolution should have effect in relation to the giving of financial assistance to opposition parties and to the Convenor of the Crossbench Peers in this House:

(1) The resolution of the House of 27th November 1996 shall have effect as if paragraph (2)(b) provided for £216,842 and £65,052 respectively to be the maximum amounts of financial assistance which may be given for the year beginning with 1st April 1999.

(2) Financial assistance shall be available to assist the Convenor of the Crossbench Peers in carrying out parliamentary business on behalf of the Crossbench Peers.

(3) The maximum amounts of financial assistance which may be given to the Convenor under this resolution shall be-

(a) for the period beginning with 1st October 1999 and ending with 31st March 2000, £10,000;

(b) for the year beginning with 1st April 2000, £20,000, but increased by the percentage (if any) by which the retail prices index for March 2000 has increased compared with the index for March 1999, and (if the resulting amount is not a whole number of pounds) rounded to the nearest pound; and

(c) for each subsequent year, the maximum amount for the previous year but increased by the percentage (if any) by which the retail prices index for the previous March has increased compared with the index for the

¹⁰⁵ *Source:* House of Lords Accountant’s Office

¹⁰⁶ In the 27 November 1996 debate, Lord Richard, the Leader of the Opposition, dubbed it ‘Cranborne money’ after the Leader of the House, Viscount Cranborne, and this term is used throughout the Government’s recent memorandum to the Neill review (see above). It is, perhaps, too early to judge whether the new scheme will become generally known by this name

¹⁰⁷ HL Deb Vol 576 cc267-272

¹⁰⁸ HL Deb Vol 604 cc1679-86

March before that, and (if the resulting amount is not a whole number of pounds) rounded to the nearest pound.

(4) Any claims for financial assistance under this resolution are to be made to the Accounting Officer of the House; and, in claiming such assistance, the Convenor shall-

- (a) furnish that officer with a statement of the facts on which the claim is based;
- (b) certify to that officer that the expenses in respect of which the assistance is claimed have been incurred exclusively in relation to parliamentary business on behalf of the Crossbench Peers; and
- (c) as soon as practicable after each 31st March following the passing of this resolution furnish that officer with the certificate of an independent professional auditor to the effect that all expenses in respect of which the financial assistance was claimed during the period ending with that day were incurred as mentioned in sub-paragraph (b) above.

(5) In this resolution-

- (a) "the retail prices index" means the general index of retail prices (for all items) published by the office for National Statistics (or any index or figures published by that Office in place of that index); and
- (b) "year" means a year beginning with 1st April.

Maximum amounts for qualifying parties		
	Official Opposition	Second largest Opposition Party
1.10.96 - 31.3.97	£50,000 (Labour)	£15,000 (Liberal Democrats)
1.4.97 - 30.4.97	£8,433 (Labour)	£2,530 (Liberal Democrats) ¹⁰⁹
1.5.97 - 31.3.98	£94,167 (Conservative)	£28,250 (Liberal Democrats) ¹¹⁰
1.4.98 - 31.3.99	£106,191 (Conservative)	£31,857 (Liberal Democrats)
1.4.99 - 31.3.00	£216,842 (Conservative)	£65,052 (Liberal Democrats) and £10,000 (Cross Bench Peers)
1.4.00 - 31.3.01	£222,480 (Conservative)	£66,743 (Liberal Democrats) and £20,520 (Cross Bench Peers) ¹¹¹
1.4.01 – 31.3.02	£227,597 (Conservative)	£68,278 (Liberal Democrats) and £20,992 (Cross Bench Peers)
Subsequent years	previous year's limit + 'March RPI%'	

¹⁰⁹ Part-year, due to general election, ie 30/365 of £102,600 and £30,780, according to the formula for apportionment in an election year (para (4))

¹¹⁰ Part-year, due to general election, ie 335/365 of £102,600 and £30,780, according to the formula for apportionment in an election year (para (4))

¹¹¹ Funds made available to Cross Bench Peers from 1 October 1999 – HL Deb 29 July 1999 Vol 604 cc1679-80

Appendix 1 – Pay and allowances: summary of current rates

MEMBERS' PAY AND ALLOWANCES: Summary of revised rates (2001-02)		
	to 5 July	revised rate
Members' Parliamentary Salary	£49,822	£ 51,822
Members' Office Costs Allowance (max pa)	£52,760	OCA abolished after the first quarter of 2001/02 – a budgetary allowance of £13,190 (25% of the full OCA will be available)
New allowances:		
Staffing Allowance		£60,000-£70,000 per annum = £45,000 - £52,000 pro rata
Incidental Expenses Allowance (IEP)		£18,000 per annum = £13,500 pro rata
IT equipment (centrally provided)		[worth circa £3,000]
Pension provision for Members' staff (max)	£ 5,276	10% of employee's gross salary
Supplementary London Allowance	£ 1,507	£ 1,507
Additional Costs Allowance (max)	£ 13,628	£ 19,469 per annum £ 18,009 pro rata
Winding up Allowance (max)	£ 17,587	one third of the sum of the staffing provision and the IEP
Motor Mileage Allowance (per mile)	53.7p (higher)	53.7p (higher)
	24.8p (lower)	24.8p (lower)
Bicycle allowance (per mile)	6.9p	6.9p

Appendix 2 – Short money allocation 2001-02¹¹²

Party	Seats	Value	Votes	Votes/200	Value	TOTAL	Apportionment	Leader of Opposition	TOTAL	Per Month (Total/12)	Travel Allocation
		£11,265		(rounded down)	£22.50 per V/200	£					£
Conservative	166	£1,869,990	8357622	41788	£940,230.00	£2,810,220.00	0.6483	£524,799.00	£3,335,019.00	£277,918.25	£80,222.65
Lib Democrats	52	£585,780	4812833	24064	£541,440.00	£1,127,220.00	0.2600		£1,127,220.00	£93,935.00	£32,178.47
SNP	5	£56,325	464305	2321	£52,222.50	£108,547.50	0.0250		£108,547.50	£9,045.62	£3,098.68
Plaid Cymru	4	£45,060	195892	979	£22,027.50	£67,087.50	0.0155		£67,087.50	£5,590.62	£1,915.13
Ulster Unionist	6	£67,590	216839	1084	£24,390.00	£91,980.00	0.0212		£91,980.00	£7,665.00	£2,625.73
Dem Unionist	5	£56,325	181999	910	£20,475.00	£76,800.00	0.0177		£76,800.00	£6,400.00	£2,192.39
SDLP	3	£33,795	169865	849	£19,102.50	£52,897.50	0.0122		£52,897.50	£4,408.12	£1,510.05
Totals	241	£2,714,865		71995	£1,619,887.50	£4,334,752.50		£524,799.00	£4,859,551.50	£404,962.62	£123,743.10
This Excel spreadsheet shows the calculations for the 2001-2002 Financial Assistance to Opposition Parties.											
The calculations are in accordance with the Resolution of the House of 26 May 1999 and increased by 2.3%											

Source: House of Commons Fees Office, October 2001

¹¹² Revised following General Election, 7 June 2001