



RESEARCH PAPER 05/42
9 JUNE 2005
(Replaces Research Paper 04/40)

Parliamentary pay and allowances

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, and reports on the work of the Senior Salaries Review Body and the Members Estimate Committee.

In general, the figures given are maximum entitlements and are not necessarily the amounts actually claimed. In the autumn of 2004, both Houses published details of the allowances claimed by individual Members: these details are made available as a result of the *Freedom of Information Act 2000*. Background to the publication of this information is given.

Members seeking advice and information on the calculation of, or arrangements relating to, their salaries or allowances should contact the Operations Directorate, Department of Finance and Administration or refer to the handbook, *Parliamentary Salaries, Allowances and Pensions* (the “Green Book”).

This edition replaces Research Paper 01/10 of 18 May 2004.

Richard Kelly

PARLIAMENT AND CONSTITUTION CENTRE

Adam Mellows-Facer

SOCIAL AND GENERAL STATISTICS SECTION

HOUSE OF COMMONS LIBRARY

Recent Library Research Papers include:

05/27	Direct taxes: rates and allowances 2005-06	24.03.05
05/28	The <i>Equality Bill</i> [Bill 72 of 2004-05]	24.03.05
05/29	The Middle East Peace Process: prospects after the Palestinian Presidential Elections	29.03.05
05/30	The Quango Debate	05.04.05
05/31	The <i>International Organisations Bill [HL]</i> [Bill 2 of 2004-05]	06.04.05
05/32	Unemployment by Constituency, March 2005	13.04.05
05/33	General Election 2005	17.05.05
05/34	By-election results 2001-05	11.05.05
05/35	Unemployment by Constituency, April 2005	18.05.05
05/36	The <i>Transport (Wales) Bill</i> [Bill 4 of 2005-06]	23.05.05
05/37	The <i>Consumer Credit Bill</i> [Bill 2 of 2005-06]	01.06.05
05/38	<i>Crossrail Bill</i> [Bill 1 of 2005-06]	01.06.05
05/39	The <i>Natural Environment and Rural Communities Bill</i> [Bill 3 of 2005-06]	02.06.05
05/40	Economic Indicators, June 2005	06.06.05
05/41	The <i>National Lottery Bill</i> [Bill 6 of 2005-06]	09.06.05

Research Papers are available as PDF files:

- *to members of the general public on the Parliamentary web site,
URL: <http://www.parliament.uk>*
- *within Parliament to users of the Parliamentary Intranet,
URL: <http://hcl1.hclibrary.parliament.uk>*

Library Research Papers are compiled for the benefit of Members of Parliament and their personal staff. Authors are available to discuss the contents of these papers with Members and their staff but cannot advise members of the general public. Any comments on Research Papers should be sent to the Research Publications Officer, Room 407, 1 Derby Gate, London, SW1A 2DG or e-mailed to PAPERS@parliament.uk

Summary of current rates With effect from 1 April 2005

Table 1: Summary of current rates: House of Commons

With effect from April 2005

Members' Parliamentary Salary	£59,095
Staffing Allowance	£84,081 (maximum)
Incidental Expenses Provision (IEP)	£20,000
IT equipment (centrally provided)	[worth circa £3,000]
Pension provision for Members' staff	Group Stakeholder Arrangement
London Supplement	£2,613
Additional Costs Allowance	£21,634
Winding up Allowance	£34,694 (maximum - one third of staffing provision plus IEP)
Car Mileage First 10,000 miles	40p per mile
In excess of 10,000 miles	25p per mile
Motorcycle allowance	24p per mile
Bicycle allowance	20p per mile

CONTENTS

I	Introduction	7
II	Salary Entitlement	7
	A. Members' pay	7
	B. European Parliament and Devolved Legislature Members	9
	1. Dual Mandate MPs	9
	2. National Assembly for Wales	10
	3. Northern Ireland Assembly	11
	4. Scottish Parliament	12
	5. European Parliament	12
	C. Parliamentary salary for ministers, etc.	13
	D. Ministers' pay	13
	E. Parliamentary salary for select committee chairmen	16
III	Members' Allowances	17
	A. Members Estimate Committee	17
	1. Establishment	17
	2. Work of the Committee in 2004/05	18
	B. Reviews of pay and allowances	19
	1. The 2001 Review	20
	2. The 2004 Review	21
	C. Allowances and rates	23
	1. Staffing allowance	23
	2. Incidental expenses	23
	3. Supplementary London Allowance	24
	4. Additional Costs Allowance	25
	5. Motor Mileage Allowance	25
	6. Motorcycle Allowance	26

7. Bicycle Allowance	26
8. Temporary Secretarial Allowance	27
9. Winding Up Allowance	28
10. Summary of trends in allowance rates	28
11. Reimbursement of costs due to recall during a recess	28
12. Members' Resettlement Grant	29
13. Travel by Members to National Parliaments and European Union Institutions	30
14. Travel by a Member's spouse, children and staff	31
D. Allowances for ministers	31
1. Ministers' severance payments	31
2. Former Prime Ministers' Public Duties Allowance	31
IV Allowances for Members of the House of Lords	32
V <i>Freedom of Information Act 2000</i> and the publication of Members' allowances	35
A. House of Commons	35
B. House of Lords	36
Appendix – SSRB Review 2004 Summary of recommendations	38

I Introduction

This Research Paper provides details of Members' and Ministers' pay and allowances in both the House of Commons and House of Lords. Comparisons with the pay of Members of the European Parliament, the Scottish Parliament, the National Assembly for Wales and the Northern Ireland Assembly are given in Section II.¹

Members' pay and allowances are periodically reviewed by the Review Body on Senior Salaries (SSRB). In its 1996 review, the SSRB recommended an automatic review mechanism for Members' salaries. The House of Commons adopted this recommendation when it debated the SSRB's report on 19 July 1996. Since its 1996 review, the SSRB has published further reviews of Members' pay and allowances in March 2001 and October 2004.

Brief details of these reviews are given in section III.B. Section III.C sets out the current rates of Members' allowances and summarises previous rates. Section III also describes the establishment and work of the Members Estimate Committee.

Section IV outlines the allowances available to Members of the House of Lords.

In October 2004, in advance of the implementation of the *Freedom of Information Act 2000*, both Houses of Parliament published details of the allowances claimed by Members. The background to the decisions in both Houses is given in Section V, along with links to the information that was published.

Parliamentary pay and allowances are set in accordance with the specific resolutions cited in this paper. The Operations Directorate - Department of Finance and Administration provides details of current pay and allowances for Members in its publication *Parliamentary salaries, allowances and pensions* (summarised in a *Quick Guide*) and by notices to Members.

II Salary Entitlement

A. Members' pay

Members' salaries rose on 1 April 2005 from £57,485 to **£59,095**. This followed the Twenty-Seventh report on senior salaries from the SSRB² and a Written Ministerial Statement by the Prime Minister on 22 February 2005 in which he announced:

¹ More historic details are provided in the House of Commons Information Office Factsheet, *Members' pay, pensions and allowances*, Factsheet M5, <http://www.parliament.uk/documents/upload/M05.pdf>

² Review Body on Senior Salaries, *Twenty-Seventh Report on Senior Salaries*, Report No 59, Cm 6451, February 2005, <http://www.ome.uk.com/downloads/Senior%20Salaries%2027th%20Report.pdf>

The 27th report of the Review Body on Senior Salaries, which makes recommendations about the pay of the Senior Civil Service, senior military personnel and the judiciary, is being published today ... Pay increases for Members of Parliament and Ministers are linked automatically to the movement of the mid point of the pay bands for the Senior Civil Service. Their salaries will therefore increase by 2.8 per cent from 1 April 2005.³

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 1996.¹ Further changes to the pay levels were made on 5 July 2001.

[Resolution debated and agreed:](#) 10 July 1996, no division⁴

[Resolution debated and agreed:](#) 5 July 2001, on division (276 to 42)⁵

Table 2 shows recent trends in Members' pay:

Table 2: Members' pay since 1997

1 April 1997	£43,860
1 April 1998	£45,066
1 April 1999	£47,008
1 April 2000	£48,371
1 April 2001	£49,822
20 June 2001(a)	£51,822
1 April 2002 (b)	£55,118
1 April 2003	£56,358
1 April 2004	£57,485
1 April 2005	£59,095
Subsequent years	Previous year's salary + formula increase

(a) Comprises formula increase of 3 percent plus £2,000 from meeting of the new parliament on 20 June 2001

(b) Comprises formula increase of 2.5 percent plus £2,000 from 1 April 2002

The chart below compares trends in Members' pay with the Retail Price Index (RPI) and average earnings. The data are indexed, so 1997 equals 100 in each case.

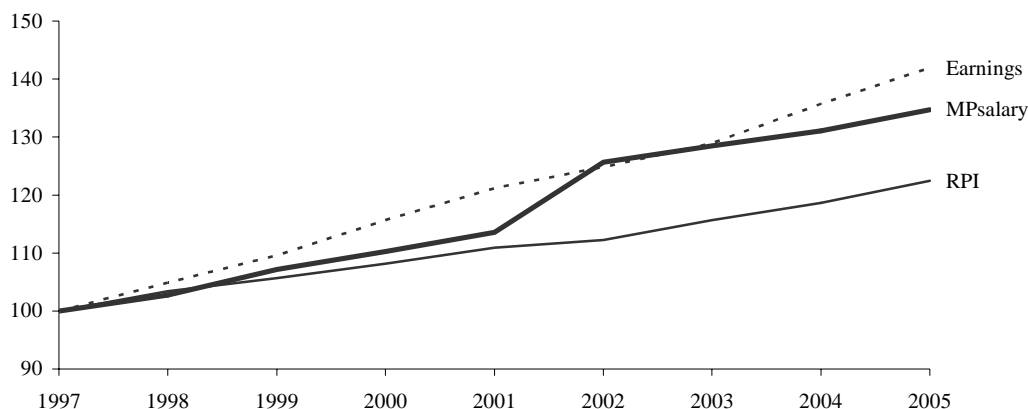
³ HC Deb 22 February 2005 c42WS

⁴ HC Deb 10 July 1996 cc488-543, at c533 (motion approving SSRB report including these proposals agreed to 279-154, c530)

⁵ HC Deb 5 July 2001 cc469-71

Trends in MPs' salaries, the RPI and average earnings 1997-2005

Indices where 1997=100, data at 1 April each year



Members' pay has increased by 35 per cent since 1997, compared with a 22 percent increase in the RPI and a 42 percent increase in average earnings.⁶

B. European Parliament and Devolved Legislature Members

1. Dual Mandate MPs

Members of Parliament who are also members of devolved legislatures receive a full parliamentary salary, currently **£59,095** per annum. In addition, they receive one third of the salary in respect of their membership of the devolved legislature.

Since the European Parliamentary elections in June 2004, members of national parliaments (including the House of Lords), but not the devolved legislatures, were no longer permitted to hold a dual mandate in the European Parliament:

From the European Parliament elections in 2004, the office of member of the European Parliament shall be incompatible with that of member of a national parliament. By way of derogation from that rule and without prejudice to paragraph 3:

...

– members of the United Kingdom Parliament who are also members of the European Parliament during the five-year term preceding election to the European Parliament in 2004 may have a dual mandate until the 2009 European Parliament elections, when the first subparagraph of this paragraph shall apply.⁷

⁶ National Statistics series CHAW and LNMQ; comparisons of 1st quarter 1997 and 2005 data.

⁷ Foreign and Commonwealth Office, *Council Decision of 25 June and 23 September 2002 amending the Act concerning the election of the representatives of the European Parliament by direct universal suffrage, annexed to Decision 76/787/ECSC, EEC, EURATOM (2002/772/EC, Euratom)*, Cm 6093, December 2003, pp5-6

The derogation would have permitted John Hume, Rev Ian Paisley, Lord Inglewood, Baroness Ludford and Baroness Nicholson to continue to serve as MEPs until 2009.⁸ However, John Hume, Rev Paisley and Lord Inglewood did not contest the 2004 European Parliamentary Elections. Therefore following the June 2004 elections there were no dual mandate MPs in the European Parliament (although two peers, Baronesses Ludford and Nicholson, still sit in the European Parliament).

At the 2005 General Election, Chris Huhne and Theresa Villiers, both MEPs at the time, were elected to the House of Commons. Their resignations from the European Parliament were announced on 11 May 2005.⁹

There are no statutory provisions preventing Members of Parliament from becoming Members of the Scottish Parliament, the Welsh Assembly or the Northern Ireland Assembly. The Labour Party has a general policy of having no dual mandated MPs, although party rules are not quite as inflexible.¹⁰ Other parties seem to have similar policies. However, following the 2005 General Election, two Conservative Members have dual mandates: David Davies represents Monmouth in both the House and the National Assembly for Wales; and David Mundell represents Dumfriesshire, Clydesdale and Tweeddale in the Scottish Parliament. Peter Law, an Independent, represents Blaenau Gwent in both the House and the National Assembly for Wales. Sixteen Members from Northern Ireland are also members of the Northern Ireland Legislative Assembly.¹¹

2. National Assembly for Wales

With effect from 1 April 2005 the salary payable to Members of the National Assembly for Wales is **£45,232**, per annum.¹² In addition, Members who hold any of the following offices are entitled to receive an additional salary as follows:

⁸ Department for Constitutional Affairs, *EPR Newsletter*3/04, 8 April 2004

⁹ European Parliament Minutes, 11 May 2005, <http://www2.europarl.eu.int/omk/sipade2?L=EN&OBJID=95836&MODE=SIP&NAV=X&LSTDOC=N&LEVEL=1>

¹⁰ HC Deb 21 October 1999 c658; Labour Party, *Rule Book 2004*, January 2004, rule 5C.2

¹¹ There are five Sinn Fein Members whose Northern Ireland Assembly salaries are not abated as they do not receive Westminster salaries.

¹² Assembly Members who are also Members of Parliament or Members of the European Parliament 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)

Table 3: National Assembly for Wales salaries: 2005/06

	Addition	Total
Assembly First Minister	£74,903	£120,135
Assembly Minister	£38,853	£84,085
Presiding Officer	£38,853	£84,085
Leader of the largest non-cabinet party	£38,853	£84,085
Deputy Presiding Officer	£24,438	£69,670
Chairs of Subject Committees (a)	£5,507	£50,739
Assembly Member		£45,232
AMs who are also MPs or MEPs		£15,077

(a) Established in accordance with s57 of the Government of Wales Act 1998 (Cap 58)

Details of allowances available to Members of the National Assembly for Wales are available in the *National Assembly for Wales (Assembly Members and Officers) (Salaries, Allowances, etc) Determination 2005*, which was passed on 9 March 2005.

The SSRB conducted a review of pay and allowances in the National Assembly for Wales, which was published in December 2004. It included the recommendation that the salary of Members of the Welsh Assembly should be increased to £44,000, with effect from 1 April 2004, and that the annual uprating in line with changes in senior civil servants' salaries was maintained.¹³ The SSRB recommendations were implemented in March 2005.¹⁴

3. Northern Ireland Assembly¹⁵

The Assembly has been suspended since midnight on 14 October 2002. Following the elections on 26 November 2003, MLAs received no salary from 27 November until 4 December 2003. On 5 December 2003, the pre-devolution salaries of £31,817 for MLAs, and £48,850 for the Presiding Officer were reinstated.¹⁶ These salaries were determined by the Secretary of State, and are lower than they would be if the assembly were not suspended. (Immediately before the suspension, MLAs' salaries were £41,321 per annum).

The Government has confirmed that the decision to continue paying MLAs' salaries, albeit at a reduced rate is being kept under review.¹⁷ Baroness Amos told peers that

¹³ Review Body on Senior Salaries, *National Assembly for Wales Review of Pay and Allowances 2004*, December 2004, <http://www.ome.uk.com/downloads/Senior%20Salaries%20Dec.pdf>

¹⁴ National Assembly for Wales Record of Proceedings, 9 March 2005

¹⁵ Source: Northern Ireland Assembly Personnel Office and Finance Office

¹⁶ Lord Alderdice stood down as Speaker of the Assembly on 26 February 2004, Northern Ireland Office Media Centre, *Murphy Pays Tribute to Assembly Speaker*, 26 February 2004, <http://www.nio.gov.uk/media-detail.htm?newsID=8511>

¹⁷ HL Deb 17 March 2004 c262; HC Deb 24 March 2005 c920W

“MLAs carry out constituency duties and have done so since the elections in November 2003”.¹⁸

4. Scottish Parliament

On 21 March 2002¹⁹ the Scottish Parliament approved a new *Scottish Parliament Salaries Scheme*.²⁰ This provided for an annual review of MSPs’ salaries commencing on 1 April 2003 to maintain those salaries at 87.5% of the salary payable to Members of the House of Commons. Officeholders’ salaries were increased to retain this differential. The salary payable to MSPs from 1 April 2005 is **£51,709**.

Table 4 summarises current salaries in the Scottish Parliament:

Table 4: Scottish Parliament salaries: 2005/06

	Addition	Total
First Minister	£74,903	£126,612
Presiding Officer	£38,857	£90,566
Deputy Presiding Officer	£24,338	£76,047
Lord Advocate (a)	£50,765	£102,474
Solicitor General for Scotland (a)	£36,707	£88,416
Scottish Minister	£38,857	£90,566
Junior Scottish Minister	£24,338	£76,047
MSP		£51,709

(a) Law Officers need not be MSPs, as is the case at present. They are paid the total salary regardless.

Details of allowances available to Members of the Scottish Parliament can be found in the Scottish Parliament Official Report.²¹

5. European Parliament

The salary payable to UK Members of the European Parliament is the same as for Members of Parliament, currently **£59,095**.²²

Proposals have been made to reform the expenses system of the European Parliament and to pay all MEPs the same salary:

¹⁸ HL Deb 17 March 2004 c262

¹⁹ SP OR 21 March 2002, cols 10577-10587, cols 10592-10600

²⁰ See Scottish Parliament Paper 554

²¹ SPOR 21 June 2001, cols 1907-17; current rates are detailed in Scottish Parliament Information Centre briefings, <http://www.scottish.parliament.uk/business/research/subject/index.htm>

²² Cabinet Office, *Pay of Ministers, MPs and MEPs*, http://www.civilservice.gov.uk/management_information/parliamentary/parliamentary_pay/pay/index.asp

All 732 MEPs in the European parliament would be paid the same salary of around euros 7,000 (£4,700) a month and obliged to account for all their expenses under proposals being worked out by the British government and its allies, a minister disclosed yesterday.

This week the MEPs voted down a series of proposals to audit their allowances, which can boost their incomes to around £200,000 a year.

Prompting accusations of "embezzlement" from Chris Davies, the leader of Liberal Democrat MEPs, they threw out plans to suspend or fine members found guilty of financial misconduct and to ban themselves from seeking reimbursement from public funds of personal contributions to their pensions. Denis MacShane, the Minister for Europe, said the government, which takes over the EU presidency on July 1, and Luxembourg, the current president, were working on a deal to get a "common statute" on salary and allowances for all MEPs.²³

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.

D. Ministers' pay

Before 1996, ministerial salaries had been uprated by Order in line with Members' salaries but this had not been enshrined in legislation or parliamentary resolution.²⁴ However the 1996 SSRB report,²⁵ which was accepted by the Commons, recommended that the uprating formula and 1 April implementation date should also apply to ministers and other paid office holders.

Up-rating 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 and other Salaries Act 1997*. This is, in effect, the same formula that is used for uprating Members' pay.

The *Ministerial and other Salaries Act 1997* amended the 1975 Act of the same title to take into account the SSRB recommendations.

²³ David Gow, "Britain seeks reform of MEPs' salaries", *Guardian*, 16 April 2005

²⁴ 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

²⁵ Cm 3330

The following three tables summarise trends in ministerial pay since 1997/98.

Table 5: Ministers and office-holders in Commons: Ministerial salary entitlements, £

	1997/98	2001/02	2002/03	2003/04	2004/05	2005/06
Prime Minister (<i>a</i>)	100,000	113,596	116,436	119,056	121,437	124,837
Cabinet Minister (<i>a</i>)	60,000	68,157	69,861	71,433	72,862	74,902
Minister of State	31,125	35,356	36,240	37,055	37,796	38,854
Parliamentary Under Secretary	23,623	26,835	27,506	28,125	28,688	29,491
Government Chief Whip (<i>b</i>)	36,613	68,157	69,861	71,433	72,862	74,902
Government Deputy Chief Whip	31,125	35,356	36,240	37,055	37,796	38,854
Government Whip	20,029	22,753	23,322	23,847	24,324	25,005
Assistant Government Whip	20,029	22,753	23,322	23,847	24,324	25,005
Leader of the Opposition (<i>c</i>)	55,000	62,479	64,041	65,482	66,792	68,662
Opposition Chief Whip	31,125	35,356	36,240	37,055	37,796	38,854
Deputy Chief Opposition Whip (<i>d</i>)	20,029	22,753	23,322	23,847	24,324	25,005
Assistant Opposition Whip (<i>d</i>)	20,029	22,753	23,322	23,847	24,324	25,005
Speaker	60,000	68,157	69,861	71,433	72,862	74,902
Chairman of Ways and Means	31,125	35,356	36,240	37,055	37,796	38,854
First Deputy Chairman	27,355	31,073	31,850	32,567	33,218	34,148
Second Deputy Chairman	27,355	31,073	31,850	32,567	33,218	34,148
Attorney General (<i>f</i>)	63,756			In Lords		
Solicitor General (<i>g</i>)	In Lords	59,386	60,871	62,241	63,486	65,263
Advocate General for Scotland		59,386	60,871	62,241	63,486	65,263

Table 6: Ministers and office-holders in Commons: Full salary entitlements, £

	1997/98	2001/02	2002/03	2003/04	2004/05	2004/05
Prime Minister (<i>a</i>)	143,860	163,418	171,554	175,414	178,922	183,932
Cabinet Minister (<i>a</i>)	103,860	117,979	124,979	127,791	130,347	133,997
Minister of State	74,985	85,178	91,358	93,413	95,281	97,949
Parliamentary Under Secretary	67,483	76,657	82,624	84,483	86,173	88,586
Government Chief Whip (<i>b</i>)	80,473	117,979	124,979	127,791	130,347	133,997
Government Deputy Chief Whip	74,985	85,178	91,358	93,413	95,281	97,949
Government Whip	63,889	72,575	78,440	80,205	81,809	84,100
Assistant Government Whip	63,889	72,575	78,440	80,205	81,809	84,100
Leader of the Opposition (<i>c</i>)	98,860	112,301	119,159	121,840	124,277	127,757
Opposition Chief Whip	74,985	85,178	91,358	93,413	95,281	97,949
Deputy Chief Opposition Whip (<i>d</i>)	63,889	72,575	78,440	80,205	81,809	84,100
Assistant Opposition Whip (<i>d</i>)	63,889	72,575	78,440	80,205	81,809	84,100
Speaker	103,860	117,979	124,979	127,791	130,347	133,997
Chairman of Ways and Means	74,985	85,178	91,358	93,413	95,281	97,949
First Deputy Chairman	71,215	80,895	86,968	88,925	90,703	93,243
Second Deputy Chairman	71,215	80,895	86,968	88,925	90,703	93,243
Attorney General (<i>f</i>)	107,616			In Lords		
Solicitor General (<i>g</i>)	In Lords	109,208	115,989	118,599	120,971	124,358
Advocate General for Scotland	43,860	109,208	115,989	118,599	120,971	124,358

Table 7: Ministers and office-holders in Lords: Full salary entitlements, £

	1997/98	2001/02	2002/03	2003/04	2004/05	2005/06
Cabinet Minister (a)	77,963	88,562	94,826	96,960	98,899	101,668
Minister of State	51,838	68,283	74,040	75,706	77,220	79,382
Parliamentary Under Secretary	43,632	58,961	64,485	65,936	67,255	69,138
Government Chief Whip	51,838	68,283	74,040	75,706	77,220	79,382
Government Deputy Chief Whip	43,632	58,961	64,485	65,936	67,255	69,138
Government Whip	39,462	54,224	59,630	60,972	62,191	63,933
Leader of the Opposition	43,632	58,961	64,485	65,936	67,255	69,138
Opposition Chief Whip	39,462	54,224	59,630	60,972	62,191	63,933
Lord Chancellor (e)	140,665	173,875	180,045	202,736	207,736	213,899
Chairman of Committees	51,838	68,283	74,040	75,706	77,220	79,382
Principal Deputy Chairman	47,739	63,626	69,267	70,826	72,243	74,265
Lord Advocate	78,072					
Solicitor General (g) (h)	78,072		In Commons			
Attorney General (f)	In Commons	92,826	99,200	101,432	103,461	106,358
Minister in neither House						
Solicitor General (Scotland)	66,811					

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) 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.
- (d) Office in Commons in 1992-1997 Parliament, and as from 28 July 1998.
- (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 14% of his salary from the House of Lords in respect of his Speaker's salary. The remainder of 86% is paid from the

Consolidated Fund. However, the Lord Chancellor has elected to receive the same salary as other Cabinet members in the Lords, £101,668.

The June 2001 and April 2002 salaries include the increases recommended by the SSRB in 2001 (£2,000 from 20 June 2001 and a further £2,000 in addition to the annual uprating in April 2002).

E. Parliamentary salary for select committee chairmen

On 30 October 2003, the House agreed to pay certain select committee chairmen £12,500 per annum in addition to their salary as a Member, following a recommendation to that effect from the Review Body on Senior Salaries (SSRB). The new arrangements came into effect from the beginning of the 2003-04 Session. From 1 April 2005, the salary increased, in line with the increase in Members' salaries, to **£13,107**.²⁶

This additional salary stemmed from proposals made by the Modernisation Committee. In June 2002, following a debate on the Committee's proposals, Robin Cook, the then Leader of the House, wrote to the Review Body on Senior Salaries (SSRB) requesting that it advise the House on "what additional remuneration is appropriate for chairmen of select committees".²⁷ Peter Hain, the new Leader of the House, laid the SSRB's report on 17 July 2003.

The SSRB recommended that "a single level of additional payment should be introduced for the Chairmen of the relevant committees" and that it should be set at £12,500. It recommended that the House rule on whether chairmen of select committees should relinquish paid or conflicting outside interests. (The Committee on Standards and Privileges reported on this matter.²⁸) The SSRB also recommended that the chairmen of the following select committees should qualify for the additional salary:

Constitutional Affairs	Scottish Affairs
Culture Media and Sport	Trade and Industry
Defence	Transport
Education and Skills	Treasury
Environment, Food and Rural Affairs	Welsh Affairs
Foreign Affairs	Work and Pensions
Health	Environmental Audit
Home Affairs	European Scrutiny Committee
International Development	Committee on Public Accounts
Northern Ireland Affairs	Public Administration Select Committee

²⁶ In 2004/05 the select committee chairmen's salary was set at £12,750.

²⁷ Review Body on Senior Salaries, *Pay for Select Committee Chairmen in the House of Commons*, Report No 55, Cm 5673

²⁸ Committee on Standards and Privileges, *Pay for Select Committee Chairmen*, 15 October 2003, HC 1150 2002-03

Office of the Deputy Prime Minister:	Regulatory Reform Committee
Housing, Planning, Local Government and the Regions	Joint Committee on Human Rights
Science and Technology	Joint Committee on Statutory Instruments ²⁹

The House endorsed all the SSRB's recommendations.³⁰

III Members' Allowances

A. Members Estimate Committee

1. Establishment

On 29 January 2004, the House agreed to delegate a number of responsibilities concerning the House of Commons: Members Estimate (the budget from which Members are paid and their allowances funded) and some responsibilities previously conferred on the Speaker relating to allowances and insurance, to the House of Commons Members Estimate Committee.

The House agreed a new Standing Order which set the terms of reference of the Committee, stipulated that its membership should be the same as that of the House of Commons Commission, and required it to report to the House at least once a year.

During the course of a short debate, Peter Hain, the Leader of the House, outlined three factors that motivated the establishment of the new Committee:

- 1) "the intention is to improve the governance of the House";
- 2) "the rules on Members' allowances are governed by a large number of complex resolutions, dating back as far as 1945"; and
- 3) "establishing the new Committee would reduce the need for minor administrative changes to be taken on the floor of the House".³¹

Mr Hain acknowledged that some Members might question the powers of the Committee to vary resolutions of the House but argued that "the proposed Standing Order contains safeguards".³² He continued that:

²⁹ Review Body on Senior Salaries, *Pay for Select Committee Chairmen in the House of Commons*, Report No 55, Cm 5673

³⁰ HC Deb 30 October 2003 Vol 412 cc448-507

³¹ HC Deb 29 January 2004 c407

³² *Ibid*

Paragraph 4 explicitly excludes the creation of a new form of charge or an increase to any rate of charge or payment. I emphasise that the Committee would not be empowered to create a new form of charge—such as a new expense allowance—on the Members' estimate, or to increase any rate of charge or payment determined by resolution of the House. For example, the Committee could not increase Members' pay. Such matters would have to be a matter for the House, debated on the Floor as we are debating now.³³

He also gave some examples of the changes that might in future be decided by the Committee:

At present the incidental expenses provision and the additional costs allowance for the allowances year beginning in April are determined by reference to the retail prices index figure for the 12 months ending in March, which is actually published in April-May. That means that we open the allowances year in April not knowing, as Members, the cash limits for the various allowances at our disposal. It would be more sensible to use the retail prices index figure for the previous December, but at present that would require a motion amending an earlier resolution of the House. This would seem to me to be an appropriate matter for the Committee to consider, rather than for the House to be detained by it.

Similarly, it has been proposed that Members who have money left in their incidental expenses provision or staffing allowance at the end of one allowances year should be able to carry some of it forward to the next, and that Members who want, for example, to move office in one allowances year should be able to draw down up to 10 per cent of the next year's incidental expense provision early. This, too, would seem an appropriate matter for the Committee to consider, and again not a matter to detain us on the Floor of the House.³⁴

The new Standing Order³⁵ was agreed without a division.³⁶

2. Work of the Committee in 2004/05

The Members Estimate Committee published its first yearly report on 21 January 2005.³⁷ The Committee reported that it had agreed a number of “technical changes” to the Members allowances regime in the year; these changes were reported in a concordance of resolutions relating to Members’ allowances that the Standing Order establishing the

³³ *Ibid* c408

³⁴ *Ibid*

³⁵ *Ibid* c406; Standing Order No. 152D

³⁶ *Ibid* c418

³⁷ Members Estimate Committee, *First Report of Session 2004-05*, 21 January 2005, HC 240-I 2004-05

Committee required it to publish each year.³⁸ The Committee also agreed, over the course of the year:

- to permit Ministers and paid office-holders to designate their constituency home as their main home, where the facts allow, and so claim Additional Costs Allowance (ACA) for necessary overnight stays in London: and to establish a “20 mile” rule for constituency or Westminster homes for which ACA is claimed;
- to reduce from 6 months to 2 months the delay permitted in claiming allowances after the end of the relevant period [typically a financial year];
- to permit 10 percent carry-forward of unspent Staffing Allowance or Incidental Expenses Provision, or similar payment in advance;
- to increase from 9 to 12 the maximum permitted return journeys per year by Members staff between the constituency and London;
- to extend the European Travel Scheme to cover the national parliaments of EFTA countries, EU applicant countries and all EU agencies;
- to outline rules on reclaiming parking costs.³⁹

The Committee also reported that much of its work in the year had been “concerned with arrangements for the publication in October 2004 of details of expenditure on Members’ allowances, including the form and timing of their publication”.⁴⁰ In addition, the House referred the SSRB’s recommendation on Incidental Expense Provision (see section III.B.2) to the Committee – the Committee deferred action for the present; and the Committee also wrote to the Leader of the House with a request to put down a motion to allow Members to decide whether the revised motor mileage allowances recommended by the SSRB (see section III.B.2) should be phased in.⁴¹

In December 2004, the Committee also published a “Concordance” or “List of provisions of the Resolutions of the House relating to expenditure charged to the Estimate for House of Commons: Members, as modified by the House of Commons Members Estimate Committee”, which is available on line.⁴²

B. Reviews of pay and allowances

In its 1996 review of Members’ pay and allowances, the Review Body on Senior Salaries (SSRB) recommended an automatic review mechanism for Members’ salaries:

³⁸ *Ibid*, paras 4 and 6. The concordance is available online: <http://www.parliament.uk/documents/upload/MECCConcordance.pdf>

³⁹ *Ibid*, para 6

⁴⁰ *Ibid*, para 5

⁴¹ *Ibid*, paras 7-9

⁴² Members Estimate Committee, <http://www.parliament.uk/documents/upload/MECCConcordance.pdf>

Recommendation 14: that a review mechanism be applied automatically henceforward to the salaries of MPs, ministers and paid office holders, consisting of:

- (i) an annual adjustment, whereby salaries are changed by the same percentage as the average of the movement in the mid-points of the nine Senior Civil Service pay bands;
- (ii) an automatic review of Parliamentary pay levels every three years by SSRB, starting the year 2000.⁴³

The House of Commons adopted this recommendation when it debated the SSRB's 1996 report on 19 July 1996. Since its 1996 review, the SSRB has published further reviews of Members' pay and allowances in March 2001 and October 2004.

1. The 2001 Review

Following a request from the Prime Minister in October 2000, the SSRB's next review of Parliamentary pay and allowances was published in March 2001.⁴⁴ It included reviews of peers' expenses, the Office Costs Allowances in the House of Commons, and the system of calculating the resettlement grant. The SSRB recommended significant changes to the Members' allowances system. These changes are described in more detail in an earlier Library Research Paper;⁴⁵ the main points are:

- The Office Costs Allowance was phased out on 31 March 2003.
- 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.
- 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.

⁴³ Review Body on Senior Salaries, *Review of Parliamentary pay and allowances*, Report No. 38, Cm 3330-I, 1996, recommendation 14, paras 66-78, <http://www.ome.uk.com/downloads/volume1.pdf>

⁴⁴ Review Body on Senior Salaries, *Review of Parliamentary pay and allowances*, Report No. 48, Cm 4997-I, 2001

⁴⁵ *Parliamentary Pay, Pensions and Allowances: the 2001 Review*, Research Paper 01/86, 8 November 2001, <http://www.parliament.uk/commons/lib/research/rp2001/rp01-086.pdf>; *Members' Office Costs: the new system*, Research Paper 01/88, 8 November 2001, <http://www.parliament.uk/commons/lib/research/rp2001/rp01-088.pdf>

- A new Incidental Expenses Provision is available for other expenses involved in running an office (eg, 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 (to date, no scheme of payments for exceptional needs has yet been activated); additional payments in respect of security precautions; and reimbursing disabled Members for additional expenses.
- A Speaker's Advisory Panel [now the Advisory Panel on Members' Allowances] was 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 2001.⁴⁶

In its 2000 report, the SSRB also concluded that Members' pay had fallen behind that of their comparators, and recommended that the parliamentary salary, in addition to the usual formula increase, should be increased by £2,000 in both 2001 and 2002. The SSRB also recommended that the salaries of House of Lords Ministers and other office holders be similarly increased by £2,000 in each of the next two years, in addition to the usual increase, 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.⁴⁷ This last recommendation was implemented in June 2001 following the general election.

The proposals were adopted by the Government and debated by the House on 5 July 2001, together with other motions on Members' pay, etc.⁴⁸

2. The 2004 Review

In November 2003, the Government asked the SSRB to conduct its next review of Parliamentary pay and allowances. The SSRB published its report in October 2004. It recommended no changes to the structure of allowances but it did recommend some increase in allowances. One major change was a recommendation that the Motor Mileage Allowance should be reduced considerably, to be paid in line with rates recommended by the Inland Revenue. It recommended no changes to either Members' or ministers' salaries beyond the formula increases recommended in the 1996 report. The SSRB's summary of recommendations on Members' salaries, pensions and allowances is appended to this paper.

⁴⁶ HC Deb 19 July 2001 Vol 372 c317W

⁴⁷ Review Body on Senior Salaries, *Review of Parliamentary pay and allowances*, Report No. 48, Cm 4997-I, 2001, para 2.13, para 2.21 and para 2.17

⁴⁸ HC Deb 5 July 2001 c421-77

On 3 November 2004, the House debated the SSRB's recommendations – to enable it to do so, the Leader of the House tabled the following motion:

(1) That this House notes the recommendations made in Chapter 4 of the report of the Review Body on Senior Salaries on parliamentary pay and allowances (Cm 6354-I) a copy of which was laid before this House on 21st October; and is of the opinion that the provisions set out in paragraphs (2) to (5) below should be implemented, subject to any decisions of the Members Estimate Committee with regard to their application.

Staffing Allowance

(2) With effect from 1st April 2005, the Staffing Allowance should be increased to a base level of £72,000, rising to a maximum of £80,460, according to the number of full-time equivalent employees funded from the Staffing Allowance and based in London; and these sums should be adjusted on 1st April each year (beginning on 1st April 2005) in line with the Average Earnings Index for public and private sectors combined.

IT Provision

(3) With effect from the beginning of the next Parliament, the level of provision of IT equipment and support should be increased in line with recommendations 11 and 12 of the Review Body's report (Cm 6354-I).

London Supplement

(4) With effect from 1st April 2005, the London Supplement should be increased to £2,500, and this sum should be adjusted on 1st April each year (beginning on 1st April 2005) in line with the Average Earnings Index for public and private sectors combined; and it should not be payable to any Member who receives the Additional Costs Allowance.

Car Mileage Allowance and Parking

(5) With effect from 1st April 2005, the Car Mileage Allowance should be payable at the same rate as the car mileage rates approved by the Inland Revenue, with the higher rate payable up to a total of 10,000 miles and the lower rate thereafter or as determined in future by the Inland Revenue; and the cost of parking a car, motorcycle or bicycle, if wholly, exclusively and necessarily incurred in the performance of parliamentary duties, should be reimbursed.

Incidental Expenses Provision (6)

That recommendation 8 of the Review Body's report (Cm 6354-I) be referred to the House of Commons Members Estimate Committee for further consideration.⁴⁹

Debate centred on the staffing allowance and the motor mileage allowance. On the former an amendment to delete the reference to a base level and to allow up to 10 per cent

⁴⁹ HC Deb 3 November 2004 c315

of the allowance to be used in funding constituency offices was agreed to (on a division by 239 votes to 109).⁵⁰

An amendment was tabled to phase in the changes to motor mileage allowances – in the effect the amendment would have allowed the existing rates to be frozen until the Inland Revenue rates increased to that level. This motion was rejected by 193 votes to 188, and the House agreed to implement the Inland Revenue rates, from 1 April 2005.⁵¹ Subsequently the Members Estimate Committee asked the Leader of the House to table a further motion to phase the change to Inland Revenue between 1 April 2005 and 1 April 2009, or “the day after the general election after next”. On 26 January 2005, the House rejected this motion by 249 votes to 111, thereby confirming that the Inland Revenue rates would apply from 1 April 2005.⁵²

Details of the other decisions made during the debate are outlined below.

C. Allowances and rates

1. Staffing allowance

The 2001 SSRB review created a new staffing allowance. Initially different maxima were set for MPs depending on whether their constituency was in London or not. The 2004 SSRB review recommended that this practice continue; it recommended an increase in excess of the uprating formula; and that the allowance should be increased annually, with effect from 1 April 2005, in line with the Average Earnings Index for public and private sectors combined, in place of the previous “to reflect changes in pay levels for equivalent jobs outside the House”. However, the House agreed that all Members should be entitled to the higher level of allowance, and that up to 10 per cent of the allowance could be used to fund constituency offices.⁵³

Uprating formula: the staffing allowance will be uprated annually to reflect changes in the Average Earnings Index for public and private sectors combined.

[Resolution debated and agreed:](#) 3 November 2004, as amended, agreed to.⁵⁴

The maximum entitlement to staffing allowance is **£84,081**. Figures are given in Table 8 below.

⁵⁰ *Ibid*, cc362-363

⁵¹ *Ibid* c365

⁵² HC Deb 26 January 2005 c390

⁵³ HC Deb 3 November 2004 cc362-363

⁵⁴ HC Deb 3 November 2004 cc362-363

2. Incidental expenses

As a result of the changes to the Office Cost Allowance in 2001, a new provision called an Incidental Expenses Provision was established, at the initial rate of £14,000 per year for each Member, to meet any other expenditure which Members incurred wholly necessarily and exclusively in discharging their duties as Members. The current rate is **£20,000**. In line with the 2004 SSRB recommendation and the motion agreed by the House, the Members Estimate Committee considered the SSRB's recommendation to increase the allowance to £27,500 with abatements based on the number of workstations occupied by Members' staff on the Parliamentary Estate. The Members Estimate Committee decided to recommend no change to the current system:

At its meeting on 13 December 2004 the Committee decided to recommend to the House that no further action should for the present be taken on Recommendation 8 of the SSRB Report.⁵⁵

Uprating formula: The Incidental Expenses Provision is uprated annually on 1 April by the percentage increase in the RPI (the general index for all items) in the year to December.

[Resolution debated and agreed:](#) 5 July 2001, as amended, agreed to⁵⁶

3. 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. The current rate is **£2,613**.

Until March 2005, it was uprated in line with the Retail Price Index but the SSRB recommended that this should change. From April 2005, it also proposed that the London Supplement should increase to £2,500 plus uprating, as it was previously "low by comparison with London allowances in the public sector generally".⁵⁷ In line with backbench MPs, from April 2005 Ministers can only claim the London supplement if they do not claim the Additional Cost Allowance.

Uprating formula: The London Supplement is uprated annually on 1 April by the Average Earnings Index for public and private sectors combined.

[Resolution debated and agreed:](#) 3 November 2004, no division⁵⁸

⁵⁵ Members Estimate Committee, *First Report of Session 2004-05*, 21 January 2005, HC 240-I 2004-05, para 7

⁵⁶ HC Deb 5 July 2001 c463

⁵⁷ Review Body on Senior Salaries, *Review of Parliamentary pay and allowances 2004*, Report No 57, Cm 6354-I, October 2004,, para 4.48

⁵⁸ HC Deb 13 November 2004 c368

The House resolved on 27 June 1997 that the following constituencies are specified as ‘Inner London constituencies’:

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.⁵⁹

4. 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. The current rate is **£21,634**.

On 14 June 2004, the Members Estimate Committee determined that “with effect from the next Election, Members who claim ACA in respect of constituency homes may only claim for constituency homes within a twenty mile radius of the constituency boundary”, and similarly claims for overnight stays in London must relate to stays within 20 miles of Westminster.⁶⁰

Uprating formula: Since 1994, the ACA has been uprated annually on 1 April by the percentage increase in the RPI (the general index for all items) in the year to the preceding December [from April 2004] until, 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: 13 July 1994, no division](#)⁶¹

[Resolution debated and agreed: 5 July 2001, on division \(229 to 117\)](#)⁶²

⁵⁹ HC Deb 27 July 1997 Vol 296 c1130

⁶⁰ Members Estimate Committee, *List of provisions of the Resolutions of the House relating to expenditure charged to the Estimate for House of Commons: Members, as modified by the House of Commons Members Estimate Committee*, First Edition, December 2004, para 3.1nn [The Concordance]

⁶¹ 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

⁶² HC Deb 5 July 2001 Vol 371 cc464-6

5. Motor Mileage Allowance

The Motor Mileage Allowance (MMA) reimburses Members for the cost of travel by car between Westminster and Members' constituencies and homes and for other approved journeys on parliamentary business. Until 31 March 2005 MMA was paid at 57.7 pence per mile for the first 20,000 miles, and 26.6 pence per mile beyond the first 20,000 miles – this rate had increased annually since the scheme's introduction in April 1997.

However, in line with SSRB recommendations, from 1 April 2005, the MMA has been reduced. It is now set in line with approved Inland Revenue rates which are calculated to “represent the actual cost of motoring, including fuel costs, wear and tear (including servicing and depreciation), road fund licence, and insurance”.⁶³ The current rates are **40.0 pence** per mile for the first 10,000 miles and **25.0 pence** per mile thereafter.

Uprating formula: the Motor Mileage Allowance is set in line with approved Inland Revenue rates.

[Resolution debated and agreed:](#) 3 November 2004, on a division⁶⁴

6. Motorcycle Allowance

On 29 January 2004, the House introduced a new allowance: the Motorcycle Allowance, which reimburses Members for journeys by motorcycle. The current rate is **24 pence** per mile.

Uprating formula: The Motorcycle Allowance shall be payable at the same rate as the motorcycle mileage rate approved by the Inland Revenue and then in force.

[Resolution debated and agreed:](#) 29 January 2004, no division⁶⁵

7. Bicycle Allowance

The Bicycle Allowance first took effect from 1 April 1998.⁶⁶ Following its introduction, it was uprated annually by the percentage increase in the RPI (the general index for all items) in the year to March. For the year from 1 April 2003 it amounted to 7.2p per mile.

However, in January 2004, the House agreed to rescind the resolution of 20 March 1998 and set mileage allowances for bicycles at the rate approved by the Inland Revenue. The current rate is **20 pence** per mile.

⁶³ Review Body on Senior Salaries, *Review of Parliamentary pay and allowances 2004*, Report No 57, Cm 6354-I, October 2004, para 4.51

⁶⁴ HC Deb 3 November 2004 cc315-367

⁶⁵ HC Deb 29 January 2004 cc406-418

⁶⁶ HC Deb 20 March 1998 Vol 308 c1597

Up-rating formula: The Bicycle Allowance shall be payable at the same rate as the bicycle mileage rate approved by the Inland Revenue and then in force.

[Resolution debated and agreed:](#) 29 January 2004, no division⁶⁷

8. Temporary Secretarial Allowance

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

Resolution debated and agreed: 5 June 1981, no division⁶⁸

The underlying purpose of the allowance is to meet additional costs 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.

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

- 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 allowances
- submit supporting medical certificates or a MATB1 form (for evidence of pregnancy)
- 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 Members' staffing allowance. Where a member of staff is absent on half-pay, part of the staffing allowance will be used towards the cost of the replacement. Likewise, when the

⁶⁷ HC Deb 29 January 2004 cc406-418

⁶⁸ 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

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 staffing allowance

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.⁶⁹

9. Winding Up Allowance

An allowance equivalent in value to one third of the current level of the sum of the staffing allowance and Incidental Expenses 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.

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 $\frac{1}{3}$).⁷⁰ The maximum rate is now one third of the staffing allowance and the Incidental Expenses Provision, which equates to **£34,694** in 2005/06.

Upgrading formula: One third of the sum of the staffing provision and the Incidental Expenses Provision (IEP).

[Resolution debated and agreed: 5 July 2001](#)⁷¹

10. Summary of trends in allowance rates

Table 8 summarises recent trends in allowance rates

11. 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 and agreed: 13 July 1994, no division](#)⁷²

⁶⁹ Operations Directorate - Department of Finance and Administration (The Fees Office) Guidance Note, July 2001

⁷⁰ [Resolution debated and agreed: 13 July 1994, no division](#)⁷⁰

⁷¹ HC Deb 5 July 2001 Vol 371 c466

⁷² 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

Table 8: MPs allowances: summary 1997/98 - 2005/06

	Old Office Costs Allowance (max)	Staffing (max)	Additional costs	Incidental expenses	London	Vehicle mileage (pence per mile)			Maximum winding- up
						Car (a) <20,000	>20,000	Motor- cycle Bicycle	
1997/98	£47,568		£12,287		£1,358	48.8	22.3		£15,856
1998/99	£49,232		£12,717		£1,406	50.1	23.1	6.4	£16,411
1999/00	£50,264		£12,984		£1,436	51.2	23.6	6.5	£16,755
2000/01	£51,572		£13,322		£1,473	52.5	24.2	6.7	£17,191
2001/02	£52,760		£19,469		£1,507	53.7	24.8	6.9	£17,587
2002/03	£53,446	£72,310	£19,722	£18,234	£1,527	54.4	25.1	7.0	£30,181
2003/04		£74,985	£20,333	£18,799	£1,574	56.1	25.9	7.2	£31,261
2004/05		£77,534	£20,902	£19,325	£1,618	57.7	26.6	24.0 20.0	£32,286
2005/06		£84,081	£21,634	£20,000	£2,613	40.0	25.0	24.0 20.0	£34,694

Note: (a) Higher rate is paid for up to 10,000 miles per year from 2005/06

12. 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 Body⁷³ recommendation.

The grant is calculated as a proportion of final salary; the proportion payable depends on both 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.⁷⁴

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.⁷⁵

[Resolution debated and agreed: 22 May 1991, no division](#)⁷⁶

Table 9 below shows resettlement grant rates by age and length of service:

⁷³ The TSRB, which was the predecessor of the Senior Salaries Review Body

⁷⁴ Any period of service which was *disregarded* when a previous Resettlement Grant was paid is also disregarded when any subsequent claim is made

⁷⁵ *Review of Parliamentary Pay and Allowances*, Review Body on Senior Salaries report no 48, Cm 4997, chapter 5

⁷⁶ HC Deb 22 May 1991 Vol 191 cc1033-1038

Table 9: Resettlement grant
Percentages of final annual salary

MP's age	Full years served						
	Under 10	10	11	12	13	14	15 or more
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

Members who retire through ill health are entitled to receive an ill health retirement grant, calculated in the same way as the resettlement grant.

13. Travel by Members to National Parliaments and European Union Institutions

The House passed a [resolution](#) on 9 May 2002 to allow the reimbursement of members travelling on parliamentary duties to European Union institutions and national parliaments for up to three journeys.⁷⁷ It replaced a previous resolution which had allowed one journey per year.⁷⁸ In February 2004, the Members Estimate Committee further extended the scope of the resolution:

Provision should be made for reimbursing Members in respect of the cost of travelling on parliamentary duties between the United Kingdom and any European Union Institution or agency and the national parliament of an EU state, of a candidate or applicant country, or of a European Free Trade Association Member State, and any additional expenses necessarily incurred in such travelling

...⁷⁹

⁷⁷ HC Deb 9 May 2002 Vol 385 c401

⁷⁸ HC Deb 26 May 1999 Vol 332 cc411-426

⁷⁹ Members Estimate Committee, *List of provisions of the Resolutions of the House relating to expenditure charged to the Estimate for House of Commons: Members, as modified by the House of Commons Members Estimate Committee*, First Edition, December 2004, para 7.8 [The Concordance]

14. Travel by a Member's spouse, children and staff

Special travel provisions are available for Members' spouses, and children under the age of 18. They can claim a certain number of free journeys between London and the constituency and/or London and home. This concession was extended to include Members' children on 10 June 1982, where previously it applied to Members' spouses only. Until 31 December 2003, each child could make up to 15 return journeys or 30 designated single journeys per calendar year and the same limit applied to spouses. New arrangements will permit up to 15 return journeys between London and the Member's constituency or London and the Member's home in the allowances' year beginning 1 April 2005. (Transitional arrangements applied in the period 1 January 2004 to 31 March 2005.)⁸⁰

Members' staff could claim an entitlement for up to 18 designated single journeys each calendar year, shared between all employees. New arrangements from 1 April 2005 permit 12 return journeys between London and the Member's constituency each allowances' year, shared between all employees of a Member. (Transitional arrangements applied between 1 January 2004 and 31 March 2005.)⁸¹ Members' staff may also claim travel expenses if they attend training events provided by the House.

D. Allowances for ministers

1. Ministers' severance payments

Generally, three 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.⁸²

2. 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.⁸³ 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".⁸⁴

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.⁸⁵ Following the

⁸⁰ Department of Finance and Administration, *The Quick Guide*, April 2004

⁸¹ *Ibid.* Under transitional arrangements, 15 designated return journeys will be allowed between 1 January 2004 and 31 March 2005

⁸² s.4, *Ministerial and other Pensions and Salaries Act 1991*, as amended

⁸³ HC Deb 27 Mar 1991 Vol 188 c428W

⁸⁴ See Library Standard Note SN/PC/1663, *Short Money*, available on the Intranet.

⁸⁵ HC Deb 27 Mar 1991 Vol 188 c428W

changes to Office Costs Allowance made on 5 July 2001 the Prime Minister, Tony Blair, made an 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 £70,000.⁸⁶

Table 10 below shows recent trends in this allowance

Table 10: Former Prime Ministers' Public Duties Allowance: 1997/98 - 2005/06

	Allowance	Office staff pension contributions	Total
1997/98	£47,568	£4,757	£52,325
1998/99	£49,232	£4,923	£54,155
1999/00	£50,264	£5,026	£55,290
2000/01	£51,572	£5,157	£56,729
2001/02	£52,760	£5,276	£58,036
5 July 2001 (a)	£70,000		£70,000
2002/03	£72,310		£72,310
2003/04	£74,985		£74,985
2004/05	£77,534		£77,534
2005/06	£84,061		£84,061

(a) Paid pro rata

IV Allowances for Members of the House of Lords

The main allowances for Peers were debated and agreed on 20 July 1994.⁸⁷ 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 allowance by a House of Lords resolution of 22 July 1980.⁸⁸ 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

⁸⁶ HC Deb 19 July 2001 Vol 372 c318W

⁸⁷ HL Deb Vol 557 cc235-250. For a detailed explanation, see Viscount Ullswater's speech (cc235-238).

⁸⁸ HL Deb Vol 412 cc201-6

parliamentary occasions”.⁸⁹ In 2004, this facility was extended to allow up to six (from two) visits to Parliament by spouses, and six visits by the children (up to age 18) of peers.⁹⁰

The SSRB review, published in October 2004, included the following recommendations on Lords allowances:

House of Lords allowances

Recommendation 21: We recommend that Members who are away on mandated parliamentary business should be entitled to claim up to two-thirds of the night subsistence allowance, plus reimbursement of actual travel and hotel costs, for each day of absence from the House.

Recommendation 22: We recommend that the day subsistence allowance should be increased to a maximum of £75 per day, inclusive of the uprating due on 1 August 2004. Thereafter it should be increased on 1 August each year in line with movements in the Retail Prices Index.

Recommendation 23: We recommend that the overnight allowance should be increased to a maximum of £150 per night, inclusive of the uprating due on 1 August 2004. Thereafter it should be increased on 1 August each year in line with movements in the Retail Prices Index.

Recommendation 24: We recommend no change in the method of calculating the Night Subsistence Allowance for Ministers in the Lords.

Recommendation 25: We recommend that the office costs allowance should be increased to a maximum of £65 per day, inclusive of the uprating due on 1 August 2004. Thereafter it should be increased on 1 August each year in line with movements in the Retail Prices Index.

Recommendation 26: We recommend that no change should be made in the level of allowance for secretarial expenses that may be claimed by Ministers and other office holders in the House of Lords, beyond the normal annual uprating in line with movements in the Retail Prices Index.

Recommendation 27: We recommend that the motor mileage allowance should be reduced to 40p per mile up to 10,000 miles, and 25p per mile thereafter. The allowance should subsequently be maintained in line with the approved Inland Revenue rate.

Recommendation 28: We recommend that the bicycle allowance should be increased to 20p per mile, and that a new motorcycle allowance should

⁸⁹ HI Deb Vol 576 c273

⁹⁰ HL Deb 10 November 2004 c929, cc932-933

introduced at 24p per mile. Both allowances should be maintained in line with the approved Inland Revenue rate.

Recommendation 29: We recommend that Members should be entitled to claim reimbursement in respect of six validated return journeys per year between home and London by their spouse and each of their children up to the age of 18.⁹¹

The Lords debated the SSRB recommendations on 10 November 2004 and agreed to three motions:

- (i) to increase the office secretarial, day and overnight allowances in excess of the usual formula increase, and to allow peers to claim two-thirds of the night subsistence allowance when absent from the House on official parliamentary business;
- (ii) to allow peers to claim for up to six visits to Parliament by their spouses or children (up to age 18);
- (iii) to reduce the motor mileage allowance (which was the same as that in the Commons) to the Inland Revenue approved rates, to introduce a new motorcycle allowances – at the Inland Revenue approved rates, and to raise the bicycle allowance to the Inland Revenue approved rate.

All the increases were implemented with effect from 10 November 2004, and the rates, with the exception of the mileage rates apply until 31 July 2005.

[Resolutions debated and agreed:](#) *10 November 2004, no division*⁹²

Lords allowances were uprated in line with previous resolutions on 1 August 2004.⁹³ However, these rates were superseded by the adoption of those recommended by the SSRB, with immediate effect, on 10 November 2004. These rates will apply until 31 July 2005.

A summary of the various allowances is shown in table 11 below.

⁹¹ Review Body on Senior Salaries, *Review of Parliamentary Pay and Allowances 2004*, Report No. 57, Cm 6354, October 2004, ppviii-ix

⁹² HL Deb 10 November 2004 cc928-933

⁹³ Between 1 August 2004 and 10 November 2004, the limits were as follows (the limits previously applicable are shown in brackets):

Overnight subsistence	£132 (£128)
Day subsistence	£66 (£64)
Office costs	£55 (£53.50)
Office costs for non-sitting periods	£2,200 per year (£2,140 per year)

[HL Deb 7 September 2004 cWS70]

Table 11: Main Peers' allowances: current summary

Backbench peers		
Subsistence (a)		
Day	£75	Per day the House sits (usually 150 days)
Overnight	£150	
Office secretarial allowance (a)	£65	Per sitting day and for up to 40 additional days per year
Travel (b)		
Motor mileage allowance	40p	Per mile up to 10,000
	25p	Per mile further
Motorcycle allowance	24p	Per mile
Bicycle Allowance	20p	Per mile
Spouse/children's expenses		Six return journeys for parliamentary occasions per year
Lords Ministers and paid office holders (b)		
Ministers' Night Subsistence Allowance	£33,000	For those who maintain a second home in London
London Supplement	£1,667	Except those in receipt of Lords' Ministers Night Allowance or with an official residence
Secretarial allowance	£4,884	
Family travel expenses		Expenses for up to 15 return journeys per calendar year for spouses and children aged under 18

(a) 10 November 2004 - 31 July 2005

(b) 1 April 2005 - 31 March 2006

V *Freedom of Information Act 2000* and the publication of Members' allowances

Under the provisions of the *Freedom of Information Act 2000*, from 1 January 2005 there has been a statutory right to request information from public authorities, including both Houses of Parliament. The Act also specified that it is “the duty of every public authority ... to adopt and maintain a scheme which relates to the publication of information by the authority”.⁹⁴ As part of their preparations for the full implementation of the Act in January 2005, both Houses have decided to publish additional information in relation to Members' allowances.

A. House of Commons

In October 2004, the House of Commons published “details of each Member's spend against the allowances” for each of the last three financial years (2001-02 to 2003-04, although only from the start of the current Parliament in 2001), in three separate tables:

The figures will include the annual total for each Member for:

- Additional Costs Allowance or London Supplement,
- Incidental Expenses Provision,
- Staffing allowance,

⁹⁴ The *Freedom of Information Act 2000* (chapter 36), s19

- Members' travel,
- Members' staff travel,
- centrally purchased stationery,
- central IT provision, and
- other central budgets (such as the winding up allowance or temporary secretarial allowance).

The figures for Members' travel will cover travel on parliamentary business within the UK plus individual travel to designated European destinations.⁹⁵

The information on Members' receipt of allowances was published electronically on the United Kingdom Parliament's website.⁹⁶ Details for later financial years will be published in due course.

B. House of Lords

In 2003, the House Committee of the House of Lords recommended:

- a) The House of Lords' Publication Scheme should be amended to include information relating to Members' expenses. This information should be published annually (related to financial years), broken down by the main categories of expenses available, namely: travelling expenses, day subsistence, night subsistence, secretarial etc. costs and the costs of the post-paid envelope scheme for correspondence on parliamentary business. Since travel costs vary widely, an indication should be given of the location of each Member's main residence.
- b) Details of expenditure on select committee and parliamentary delegation travel should be published separately.
- c) Details held by the House of claims for Financial Assistance to the Opposition parties and the Convenor of the Crossbench Peers ("Cranborne money") should also be published.
- d) This information should be made available before the rights of access under the Freedom of Information Act come into force on 1 January 2005. It should be published in Autumn 2004, once all claims by Lords for the financial year 2003-04 have been submitted and paid. The House should also publish information in respect of the financial years 2001-02, 2002-03 and 2003-04 because the Act is fully retrospective and records of expenses are retained in the Accountant's Office for a period of three years, as agreed by the National Audit Office.⁹⁷

In 2003, the House Committee made recommendations about how the information should be published:

⁹⁵ House of Commons Commission Press Notice, *The Speaker sets out his timetable for the publication of Members' allowances under the Freedom of Information Act 2000*, 18 June 2003

⁹⁶ House of Commons: Members' Allowances, <http://194.128.65.30/hocallowances.htm>

⁹⁷ House Committee, *First Report*, 17 December 2002, HL 19 2002-03, para 7

- a) Following the Lord Chairman's undertaking made in the House on 14 January, there should be an opportunity for Members to give an indication of the location of their main residence if they so wish. The indication should be expressed by reference to county or equivalent region.
- b) The number of days each Member attended the House or a committee of the House should be published along with the data on expenses claims.
- c) All claims for the Office Costs allowance should be aggregated and a single figure published of the total sums claimed under this head.
- d) Information about reimbursement of Members' travel costs should be given on a single aggregated basis encompassing all the three schemes: travel from the principal place of residence to Westminster; UK travel on parliamentary business; and EU travel on parliamentary business.
- e) Information about claims for travelling expenses by spouses of Members or Officeholders should not be published.
- f) Information about additional expenses incurred by disabled Members in attending the House and reimbursed on account of their disability should not be published.
- g) A simple indication should be given whether or not a Member is provided by the House with IT equipment on loan. This should be accompanied by a general description of the support available.
- h) The information to be published should include that relating to Members of the House who have died, retired or otherwise left the House during the year in question.⁹⁸

The House of Lords agreed the House Committee's *Fifth Report* on [21 January 2004](#).⁹⁹

The information on peers' receipt of allowances was published electronically on the United Kingdom Parliament's website.¹⁰⁰ Details for later financial years will be published in due course.

⁹⁸ House Committee, *Fifth Report*, 20 November 2003, HL 176 2002-03

⁹⁹ HL Deb 21 January 2004 cc1033-1039

¹⁰⁰ House of Lords: Members' Allowances, <http://194.128.65.30/holallowances.htm>

Appendix – SSRB Review 2004 Summary of recommendations

The salaries of Members of Parliament, Ministers and other office holders

Recommendation 1: We recommend that there should be no increase in the salary of MPs in 2004-05, beyond the two per cent increase from 1 April 2004 that has already been awarded.

Recommendation 2: We recommend that there should be no increase in the salary of Ministers and other office holders in 2004-05, beyond the two per cent increase from 1 April 2004 that has already been awarded.

Parliamentary pension arrangements

Recommendation 3: We recommend that the Trustees of the PCPF should decide what action to take on the recommendations outstanding from our report on the Parliamentary Pension Scheme in March 2001.

Recommendation 4: We recommend that the contribution rate for those MPs who have opted for the 1/40th accrual rate should be increased by one per cent, to ten per cent, with effect from 1 April 2004.

House of Commons allowances

Recommendation 5: We recommend that the Staffing Allowance should be increased to a base level of £72,000, rising to a maximum of £80,460, according to the number of full-time equivalent members of staff based in London. Both the base level and the maximum should be increased on 1 April each year (commencing 1 April 2005) in line with movements in the Average Earnings Index for public and private sectors combined.

Recommendation 6: We recommend that the extra pay intended for London-based staff (by virtue of the higher Staffing Allowance in respect of London-based staff) should be recognised in the pay ranges for such staff.

Recommendation 7: We recommend that the House authorities should (i) review standard job descriptions at the latest in 2006-07, in advance of our next review; and (ii) review the pay ranges for caseworkers.

Recommendation 8: We recommend the following changes to the Incidental Expenses Provision:

(a) The IEP should be increased to a maximum of £27,500.

(b) The amount of IEP that may be claimed by MPs should be abated by £7,500 for each permanent workstation occupied by their staff on the Parliamentary Estate. The maximum amount should be available only to those MPs who have no permanent workstation for their staff on the Parliamentary Estate.

(c) The level of the IEP should be increased on 1 April each year (commencing 1 April 2005) in line with movements in the Retail Prices Index.

Recommendation 9: We recommend that detailed headings should be drawn up by the House authorities for classifying expenditure reimbursed under the IEP and that they should be used for recording purposes from now on.

Recommendation 10: We recommend that “hot desking” facilities should be made available to cope with demand at peak times.

Recommendation 11: We recommend that the level of provision of IT equipment should be increased so that each MP has access to one fixed workstation and one laptop for his or her own use, plus three further workstations, so that each full-time equivalent member of staff paid for through the Staffing Allowance has his or her own PC. Each MP should also have access to a heavy-duty printer in both Westminster and the constituency.

Recommendation 12: We recommend that the level and range of IT support offered to constituency offices should be improved to a level comparable with that offered on the Parliamentary Estate.

Recommendation 13: We do not recommend that any change should be made to the level of the Additional Costs Allowance at present, beyond the normal annual uprating in line with movements in the Retail Prices Index.

Recommendation 14: We recommend that the London Supplement should be increased to £2,500. It should be increased on 1 April each year (commencing 1 April 2005) in line with movements in the Average Earnings Index for public and private sectors combined.

Recommendation 15: We recommend that the automatic entitlement of Ministers and office holders to the London Supplement should be ended. In future, they should be able to claim the London Supplement only if they do not claim the Additional Costs Allowance.

Recommendation 16: The car mileage rate should be brought into line with the approved Inland Revenue rate of 40p per mile up to 10,000 miles, and 25p per mile thereafter.

Recommendation 17: The car mileage rate should in future be maintained in line with the approved Inland Revenue rate.

Recommendation 18: We recommend that there should be no change in the current rules regarding MPs’ entitlement to claim reimbursement in respect of visits to EU institutions, etc., and in respect of journeys by their employees, spouses and children.

Recommendation 19: We recommend that the Resettlement Grant should be reviewed after the next General Election.

Recommendation 20: We recommend that no changes should be made to the Winding-Up Allowance.¹⁰¹

¹⁰¹ Review Body on Senior Salaries, *Review of Parliamentary Pay and Allowances 2004*, Report No. 57, Cm 6354, October 2004, ppvii-viii