



# Members' pay and expenses – current rates from 1 April 2013

RESEARCH PAPER 13/33 31 May 2013

Following the passage of the *Parliamentary Standards Act 2009*, in the wake of the expenses scandal, the responsibility for determining a scheme for and reimbursing Members' expenses was transferred to the Independent Parliamentary Standards Authority (IPSA). Its first MPs' Expenses Scheme came into force on the day after the 2010 General Election.

In its review of Members' allowances the Committee on Standards in Public Life recommended that IPSA should also have responsibility for determining Members' pay. Provisions to give this effect were passed in 2010 and the *Parliamentary Standards Act 2009* was amended. IPSA took on this responsibility in May 2011. In May 2012, IPSA launched a review of Members' pay. In January 2013, in line with the Government's policy on public sector pay, it announced that Members' salaries would increase by one per cent in both April 2013 and April 2014, to £66,396 and £67,060, respectively.

Richard Kelly

## Recent Research Papers

<b>13/23</b>	Unemployment by constituency, March 2013	20.03.13
<b>13/24</b>	Direct taxes: rates and allowances 2013/14	05.04.13
<b>13/25</b>	Economic Indicators, April 2013	09.04.13
<b>13/26</b>	Unemployment by Constituency, April 2013	17.04.13
<b>13/27</b>	Election Timetables	07.05.13
<b>13/28</b>	Economic Indicators, May 2013	07.05.13
<b>13/29</b>	Unemployment by constituency, May 2013	15.05.13
<b>13/30</b>	Local Elections 2013	22.05.13
<b>13/31</b>	Disputes over the British Indian Ocean Territory: a survey	22.05.13
<b>13/32</b>	Children and Families Bill Committee Stage Report	31.05.13

## Research Paper 13/33

**Contributing Authors:** Richard Kelly, Parliament and Constitution Centre

This information is provided to Members of Parliament in support of their parliamentary duties and is not intended to address the specific circumstances of any particular individual. It should not be relied upon as being up to date; the law or policies may have changed since it was last updated; and it should not be relied upon as legal or professional advice or as a substitute for it. A suitably qualified professional should be consulted if specific advice or information is required.

This information is provided subject to [our general terms and conditions](#) which are available online or may be provided on request in hard copy. Authors are available to discuss the content of this briefing with Members and their staff, but not with the general public.

We welcome comments on our papers; these should be e-mailed to [papers@parliament.uk](mailto:papers@parliament.uk).

## Contents

	<b>Summary</b>	<b>1</b>
<b>1</b>	<b>Introduction</b>	<b>3</b>
<b>2</b>	<b>Parliamentary pay</b>	<b>3</b>
2.1	Legislative provision for IPSA to determine Members' salaries and pensions	3
2.2	Pay freeze 2012	5
2.3	IPSA's plans for Members' pay	5
	Determination of MPs' Salaries, January 2013	7
	Additional salaries for committee chairs	9
2.4	Members' pay in other UK legislatures	11
	Wales	11
	Northern Ireland	13
	Scotland	14
2.5	Dual mandates	15
<b>3</b>	<b>Ministerial pay</b>	<b>16</b>
3.1	Background	16
3.2	Labour Government pay freezes	17
3.3	Ministerial salaries under the Conservative/Liberal Democrat coalition	18
	Implementing the Conservative/Liberal Democrat ministerial pay freeze	19
	Ministerial salaries from April 2013	20
3.4	Allowances for ministers	21
	Minister's severance payments	21
	Former Prime Ministers' Public Duties Cost Allowance	22
<b>4</b>	<b>Parliamentary support for Members</b>	<b>23</b>
<b>5</b>	<b>IPSA's MPs' Expenses Schemes</b>	<b>24</b>
5.1	First and Second Editions for 2010/11	25
5.2	Third Edition for 2011/12	26
5.3	Fourth Edition for 2012/13	26
5.4	Fifth Edition for 2013/14	27
5.5	Members' concerns about IPSA	28
<b>6</b>	<b>Expenses: current rates</b>	<b>29</b>
6.1	Accommodation Expenditure	29

6.2	London Area Living Payment	31
6.3	Travel and Subsistence	31
6.4	Staffing Expenditure	34
6.5	Office Costs Expenditure	36
6.6	Winding-up Expenditure	37
6.7	Resettlement Payment	37
6.8	Start-up Expenditure	39
6.9	Miscellaneous Expenses	40
6.10	Recall of Parliament	40
6.11	Expenditure during a general election	40
<b>7</b>	<b>IPSA's duties</b>	<b>41</b>
<b>8</b>	<b>Allowances in the House of Lords</b>	<b>42</b>
	<b>Appendix 1: Ministerial salaries – salary entitlements</b>	<b>44</b>
	<b>Appendix 2: London Area constituencies</b>	<b>48</b>
	<b>Appendix 3: IPSA MPs' expenses scheme – summary of rates 2010/11 to 2013/14</b>	<b>50</b>
	<b>Appendix 4: Library Research Papers on Members' pay and allowances since 2001</b>	<b>53</b>

## **Tables**

Table 1: Members' Pay, 1997-2014 .....	8
Table 2: National Assembly for Wales – additional salaries of office holders .....	13
Table 3: Northern Ireland Assembly – salaries of Members and office holders .....	14
Table 4: Scottish Parliament – salaries of Members and office holders.....	15
Table 5: Effect of Labour Government ministerial pay freezes on ministerial earnings .....	18
Table 6: Ministerial salaries confirmed by the 2011 Order .....	20
Table 7: Former Prime Ministers' Public Duties Cost Allowance 1997/98-2011/12 .....	23

## Summary

Following the expenses scandal in May 2009, the party leaders agreed to establish an independent body to pay Members' salaries; to determine a scheme for Members' allowances and to pay allowances; and to regulate the allowances regime. The *Parliamentary Standards Act 2009*, which created the Independent Parliamentary Standards Authority (IPSA), received Royal Assent in July 2009.

The Committee on Standards in Public Life (CSPL) inquiry on Members' allowances which had been launched before the expenses scandal broke, reported in November 2009. Its final report included 60 recommendations on salaries and allowances. Most recommendations were referred to IPSA but some required legislation to implement. The 2009 Act was amended by the *Constitutional Reform and Governance Act 2010* to give IPSA responsibility for determining Members' pay.

### *Parliamentary Pay*

In 2008, 2009 and 2010, increases in Members' salaries were determined in accordance with the formula adopted by the House in July 2008, following the Baker Review.<sup>1</sup>

However, in 2011 the formula would have led to an increase in salary for Members, despite a Government policy that had introduced a two-year pay freeze for most civil servants. In March 2011, the Government asked the House to approve a motion to freeze Members' salaries for up to two years. The House agreed the motion on 21 March 2011, without a division. The House also rescinded the 2008 resolution that had determined Members' salaries, since the Baker Review.

Responsibility for determining Members' pay was transferred to IPSA in May 2011; and in February 2012, IPSA announced that Members' salaries would remain frozen at £65,738 for the year 2012/13. IPSA also announced that it would consult on increasing Members' salaries by one per cent in both 2013 and 2014; and complete a review of Members' pay and pensions by the end of 2013. A formal consultation document was issued in October 2012. IPSA said that its aim was "to put in place a new settlement which will come into effect with the election of the new Parliament in 2015".<sup>2</sup>

On 10 January 2013, IPSA issued an analysis of the responses to its consultation. The report included the *Determination of MPs' Salaries, January 2013*, which set the level of Members' pay from 1 April 2013 and 1 April 2014:

### Members' pay (£ per annum)

	Current	April 2013	April 2014
Basic Pay	£65,738	£66,396	£67,060

Source: Independent Parliamentary Standards Authority, *Reviewing MPs' Pay and Pensions: A First Report*, January 2013, Annex A

### *Ministerial salaries*

Arrangements for ministerial salaries in the *Ministerial and other Salaries Act 1997* continued to operate until the *Ministerial and other Salaries Act 1975 (Amendment) Order 2011* came

<sup>1</sup> The background to and outcome of the Baker Review of Members' Pay are described in the House of Commons Library Research Paper, *Members' pay and the independent review process*, RP 09/29, 31 March 2009

<sup>2</sup> Independent Parliamentary Standards Authority, *Reviewing MPs' Pay & Pensions : A Consultation*, October 2012, Foreword

into effect in July 2011. However, from April 2008, Labour ministers voluntarily refused increases in ministerial salaries; and in May 2010, the Coalition Cabinet announced that ministerial salaries (Member's salary and ministerial pay, combined) would be reduced to levels that were five per cent below those received by their Labour counterparts. The *Ministerial and other Salaries Act 1975 (Amendment) Order 2011* legislated for ministerial salaries at this level.

#### *Members' allowances/expenses*

Since the 2010 General Election, responsibility for devising a scheme for and paying Members' expenses has rested with IPSA. In devising its MPs' Expenses Scheme, IPSA accepted many recommendations from the CSPL. However, it rejected two key recommendations:

- IPSA continued to fund mortgage interest payments (until August 2012) for Members of the 2005 Parliament who were returned in 2010 – CSPL recommended that only rents should be reimbursed; and
- IPSA has not imposed an absolute bar on Members employing other family members, as the CSPL recommended.

IPSA's initial scheme was heavily criticised by Members after the general election in May 2010. In June, IPSA consulted on changes. Some changes were introduced in July 2010 but backdated to May 2010.

Members continued to criticise the scheme and following a number of debates provided by the Backbench Business Committee, the House agreed to re-establish the Committee on Members Allowances to undertake a review of the operation of the *Parliamentary Standards Act 2009*. The Committee reported in December 2010, and the House agreed a motion that requested that IPSA take the report into account in its second annual review of the Scheme.

The *MPs' Scheme of Business Costs and Expenses* (Fifth Edition) came into effect on 1 April 2013. The main expense budgets provided in IPSA's scheme and the maximum amounts that Members can claim in 2013/14 are set out below:

Accommodation Expenses	
London area (rent)	£20,100
Associated Expenditure*	£8,850
Caring responsibility	£2,425
London Area Living Payment	£3,760
London Area Living Payment (addition)	£1,330
Staffing Expenditure	
London Area MPs	£144,000
non-London Area MPs	£137,200
Office Costs Expenditure	
London Area MPs	£25,350
non-London Area MPs	£22,750
Start-up Expenses	£6,000
Winding-up Expenditure	
London Area MPs	£56,450
non-London Area MPs	£53,350

\* available to Members who own their own home, to cover costs such as utility bills and council tax

## 1 Introduction

Following the expenses scandal in May 2009, the party leaders agreed to establish an independent body to

... revise and update the codes of practice for Members of this House, investigate complaints where a Member of this House is alleged to have breached the code of conduct, take forward the implementation of the recommendations of the Committee on Standards in Public Life on allowances and take responsibility for authorising claims for payment under the new allowance system. It would be able not only to disallow claims, but to require payback of claims wrongly paid out and to impose financial penalties.<sup>3</sup>

Legislation was introduced on 23 June 2009 and the *Parliamentary Standards Act 2009* received Royal Assent on 21 July 2009.

The Act originally created the Independent Parliamentary Standards Authority (IPSA) to pay Members' salaries in accordance with resolutions of the House of Commons; to determine a scheme for Members' allowances and to pay allowances; and to regulate the allowances regime.

The Act was amended following the Committee on Standards in Public Life (CSPL) inquiry on Members' allowances, which had been launched before the expenses scandal broke. The CSPL recommended that IPSA should take responsibility for determining Members' pay and also recommended changes to IPSA's regulatory powers. The 2009 Act was amended by the *Constitutional Reform and Governance Act 2010* and IPSA was given responsibility for determining Members' pay in May 2011.

Information on the determination of Members' pay and expenses (or allowances) before the establishment of IPSA can be found in the following Library Research Papers:

- *Members' pay and expenses – current rates and a review of developments since 2009* of May 2012;<sup>4</sup>
- *Members' pay and the independent review process* of March 2009;<sup>5</sup> and
- earlier Research Papers on Members' pay and allowances. A list of previous editions is given in Appendix 4.

## 2 Parliamentary pay

### 2.1 Legislative provision for IPSA to determine Members' salaries and pensions

When it received Royal Assent in July 2009, the *Parliamentary Standards Act 2009* provided that:

The IPSA is to pay the salaries of members of the House of Commons in accordance with the relevant resolutions of the House.<sup>6</sup>

---

<sup>3</sup> HC Deb 20 May 2009 c1506

<sup>4</sup> House of Commons Library Research Paper RP 12/29, *Members' pay and expenses – current rates and a review of developments since 2009*, 22 May 2012

<sup>5</sup> House of Commons Library Research Paper RP 09/29, *Members' pay and the independent review process*, 31 March 2009

<sup>6</sup> *Parliamentary Standards Act 2009* (chapter 13), section 4(1) (as passed)

However, the Committee on Standards in Public Life (CSPL), which was undertaking a review of *MPs' expenses and allowances* whilst the *Parliamentary Standards Bill* was being considered by Parliament, recommended that IPSA should also take responsibility for determining Members' pay:

**Recommendation 43:** The independent determining of MPs' pay and pensions should be entrenched in primary legislation in the same way as expenses. The independent regulator should therefore be given statutory responsibility for setting MPs' pay levels and overseeing MPs' pensions as well as for dealing with expenses.<sup>7</sup>

The Government and the other political parties accepted the recommendations from the CSPL, and the Government brought forward amendments to the *Parliamentary Standards Act 2009* in the *Constitutional Reform and Governance Act 2010*. Section 29 of the 2010 Act replaced section 4 of the *Parliamentary Standards Act 2009* with new sections 4 and 4A. New section 4(4) stated that "The amounts of the salaries are to be determined by the IPSA (see section 4A)". The Act states that IPSA must make determinations in the first year of each Parliament (beginning after April 2012) and "at any other time it considers appropriate". But IPSA's first determination of Members' salaries does not have to come into effect before 1 April 2012.<sup>8</sup> These provisions were brought into force on 24 May 2011 by the *Constitutional Reform and Governance Act 2010 (Commencement No. 5) Order 2011*, which was made on 17 May 2011.<sup>9</sup>

Section 40 of the *Constitutional Reform and Governance Act 2010* makes provision for the administration of Members' pensions to be passed to IPSA. On 14 July 2011, the Leader of the House announced that he intended to commence this provision following a debate in the House that he expected to take place before the House rose for the summer recess.<sup>10</sup>

In the event, on 17 October 2011, the House debated the motion:

That this House reasserts its view that the salaries, pensions and expenses scheme for hon. Members ought to be determined independently of this House; accordingly invites the Leader of the House to make an order commencing those provisions of the Constitutional Reform and Governance Act 2010 which transfer responsibility for the pensions of hon. Members to the Independent Parliamentary Standards Authority (IPSA); supports the approach to public service pension reform set out in the Final Report of the Independent Public Service Pensions Commission chaired by Lord Hutton of Furness; believes that IPSA should introduce, by 2015, a new pension scheme for hon. Members which is informed by the Commission's findings and their subsequent application to other public service pension schemes; recognises the case for an increase in pension contributions made in Lord Hutton's interim report; and accordingly invites IPSA to increase contribution rates for hon. Members from 1 April 2012 in line with changes in pension contribution rates for other public service schemes.<sup>11</sup>

The House agreed the motion without a division.<sup>12</sup> The *Constitutional Reform and Governance Act 2010 (Commencement No. 6, Specified Day and Transitional Provision)*

---

<sup>7</sup> Committee on Standards in Public Life, *MPs' expenses and allowances: Supporting parliament, safeguarding the taxpayer*, November 2009 Cm 7724

<sup>8</sup> *Constitutional Reform and Governance Act 2010* (chapter 25), section 29

<sup>9</sup> [Constitutional Reform and Governance Act 2010 \(Commencement No. 5\) Order 2011](#), SI 2011/1274

<sup>10</sup> HC Deb 14 Jul 2011 c52WS

<sup>11</sup> HC Deb 17 October 2011 cc629-661

<sup>12</sup> HC Deb 17 October 2011 cc629-661

*Order 2011* was made on 17 October 2011, and brought into force the provisions of the Act that transferred responsibilities for Members' pensions to IPSA on 24 October 2011.<sup>13</sup>

Further information on the Parliamentary Contributory Pension Fund is available in two Library Standard Notes:

- *Parliamentary Contributory Pension Fund (PCPF)*, for background; and
- *MPs' pensions – 2012 onwards*.<sup>14</sup>

## 2.2 Pay freeze 2012

On 8 February 2012, IPSA wrote to Members to inform them that "Today we are confirming that MPs' pay will be frozen for the financial year 2012/13" and that it was launching a consultation on proposals to increase Members' pension contributions.<sup>15</sup>

IPSA drew attention to the Prime Minister's response to its announcement.<sup>16</sup> The press release from 10 Downing Street stated that:

The Prime Minister has responded to the Independent Parliamentary Standards Authority's announcement on MPs' pay and pensions.

Prime Minister David Cameron said:

"We welcome IPSA's announcement on MPs' pay and pensions, ensuring that MPs are in line with other public servants, and we welcome the changes that they continue to introduce to help MPs perform their duties.

We are committed to an independent and transparent system for the regulation of MPs' expenses which IPSA has introduced.

IPSA does an important job, and should now be allowed to continue with it."<sup>17</sup>

## 2.3 IPSA's plans for Members' pay

In its consultation document on Members' pensions, IPSA outlined its plans for Members' pay and pensions in the future:

### The future for MPs' Pay and Pensions

38. For most people, the issues of pay and pensions are inextricably linked. The same is true for MPs, with the pension scheme providing a significant element of the remuneration package available.

39. MPs' pay and pensions were last subject to a thorough review in 2008 and 2009. We believe that the time is right for a root and branch review of MPs' remuneration. We have started this work in earnest and are planning to consult taxpayers, MPs, the Government and other interested parties in due course.

---

<sup>13</sup> *Constitutional Reform and Governance Act 2010 (Commencement No. 6, Specified Day and Transitional Provision) Order 2011*, SI 2011/2485; there was no requirement to have the debate before the Commencement Order was made

<sup>14</sup> House of Commons Library Standard Note, *Parliamentary Contributory Pension Fund (PCPF)*, SN/BT/1844; House of Commons Library Standard Note, *MPs' pensions – 2012 onwards*, SN/BT/6283

<sup>15</sup> Independent Parliamentary Standards Authority, *MPs' Pension Scheme* [letter to Members], 8 February 2012

<sup>16</sup> Independent Parliamentary Standards Authority, *Prime Minister responds to IPSA announcement on MP Pension Consultation*, 8 February 2012

<sup>17</sup> 10 Downing Street press notice, *Response to IPSA announcement*, 8 February 2012

40. Our approach will be influenced by our fundamental principles, including that MPs should, as far as possible, be treated in the same manner as ordinary citizens. We will also be guided by our belief that it is right that MPs' overall remuneration is sufficient to attract candidates to elected office, but also that it must be acceptable to the public and command its confidence.

41. Public sector workers will have limited pay increases for the next few years and will move to a Hutton-style career average pension scheme by 2015. We believe that these principles should be reflected in our approach to MPs' remuneration.

42. We will therefore:

- keep MPs' pay at its 2010 level in 2012/13;
- consult on a proposal to apply a 1% increase to MPs' pay in both 2013 and 2014; and
- conduct a thorough review of pay and pensions, announcing the way forward by the end of 2013.

43. We have already said that we will consider a variety of pension scheme designs for MPs as we conduct our review and, in doing so, we will have due regard to the principles of the Hutton Review.

44. We will set out more detailed plans for our review of MPs' pay and pensions over the next few months.<sup>18</sup>

On 2 May 2012, IPSA formally launched the process of determining Members' salaries in future. Professor Sir Ian Kennedy, the Chair of IPSA, asked a series of questions to highlight the review:

- How do you decide what to pay an MP?
- How much should MPs be paid?
- What sort of pension should they get?

He also drew attention to IPSA's desire to involve the public and Members in the process:

We can't do this on our own, nor should we. Nor can we do it just by listening to political insiders in the Westminster Village. We need to get as many views as possible. Of course, the views must be informed rather than a reaction to recent events. We are talking about something very important here: part of the fabric which makes up our democratic heritage. How we remunerate MPs is a statement about the place they have in our society. So, we have to move carefully and thoughtfully.

To most, the starting point will be – what's the job description: what are we getting for our money? This is the big question. We must look to MPs to tell us what the job involves: what experience and skills are required; what the responsibilities are; what they do; and the other things that would be asked in other walks of life. Equally, we might want to find a similar sort of job, so as to compare pay and pensions.

Neither of these approaches is free of difficulty. MPs tell us that each does the job in his/her own way. They will also tell you that the job is unique, such that comparisons don't really work.<sup>19</sup>

---

<sup>18</sup> Independent Parliamentary Standards Authority, *MPS' Pensions Consultation – January 2012*, February 2012

A formal consultation document was issued in October 2012. IPSA said that its aim was “to put in place a new settlement which will come into effect with the election of the new Parliament in 2015”.<sup>20</sup>

IPSA published an analysis of the responses to its consultation document in January 2013.<sup>21</sup> The report included the *Determination of MPs’ Salaries, January 2013*, which set the level of Members’ pay from 1 April 2013 and 1 April 2014. It also included a summary of consultation responses; responses to its online survey; and a summary of the results of a YouGov survey of MPs.

### ***Determination of MPs’ Salaries, January 2013***

On 10 January 2013, IPSA issued an analysis of the responses to its consultation document. The report included the *Determination of MPs’ Salaries, January 2013*, which set the level of Members’ pay from 1 April 2013 and 1 April 2014:

#### **Members’ pay (£ per annum)**

	Current	April 2013	April 2014
Basic Pay	£65,738	£66,396	£67,060

\* current – from 1 April 2010-31 March 2013

Source: Independent Parliamentary Standards Authority, *Reviewing MPs’ Pay and Pensions: A First Report*, January 2013, Annex A

The level of Members’ salaries since 1997 is reported in Table 1, and changes in Members’ pay compared with average earnings and both the retail and consumer price indices are illustrated in Figure 1.

<sup>19</sup> Professor Sir Ian Kennedy, “How do you decide what to pay an MP?”, *IPSA Blog*, 2 May 2012

<sup>20</sup> Independent Parliamentary Standards Authority, *Reviewing MPs’ Pay & Pensions : A Consultation*, October 2012, Foreword

<sup>21</sup> Independent Parliamentary Standards Authority, *Reviewing MPs’ Pay and Pensions: A First Report*, January 2013

**Table 1: Members' Pay, 1997-2014**

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
1 April 2006 (c)	£59,686
1 November 2006 (c)	£60,277
1 April 2007 (d)	£61,181
1 November 2007 (d)	£61,820
1 April 2008 (e)	£63,291
1 April 2009 (e)	£64,766
1 April 2010 (e)	£65,738
1 April 2011 (f)	£65,738
1 April 2012 (g)	£65,738
1 April 2013 (g)	£66,396
1 April 2014 (g)	£67,060

(a) Comprises formula increase of 3 percent, paid in April 2001, plus £2,000 from 20 June 2001

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

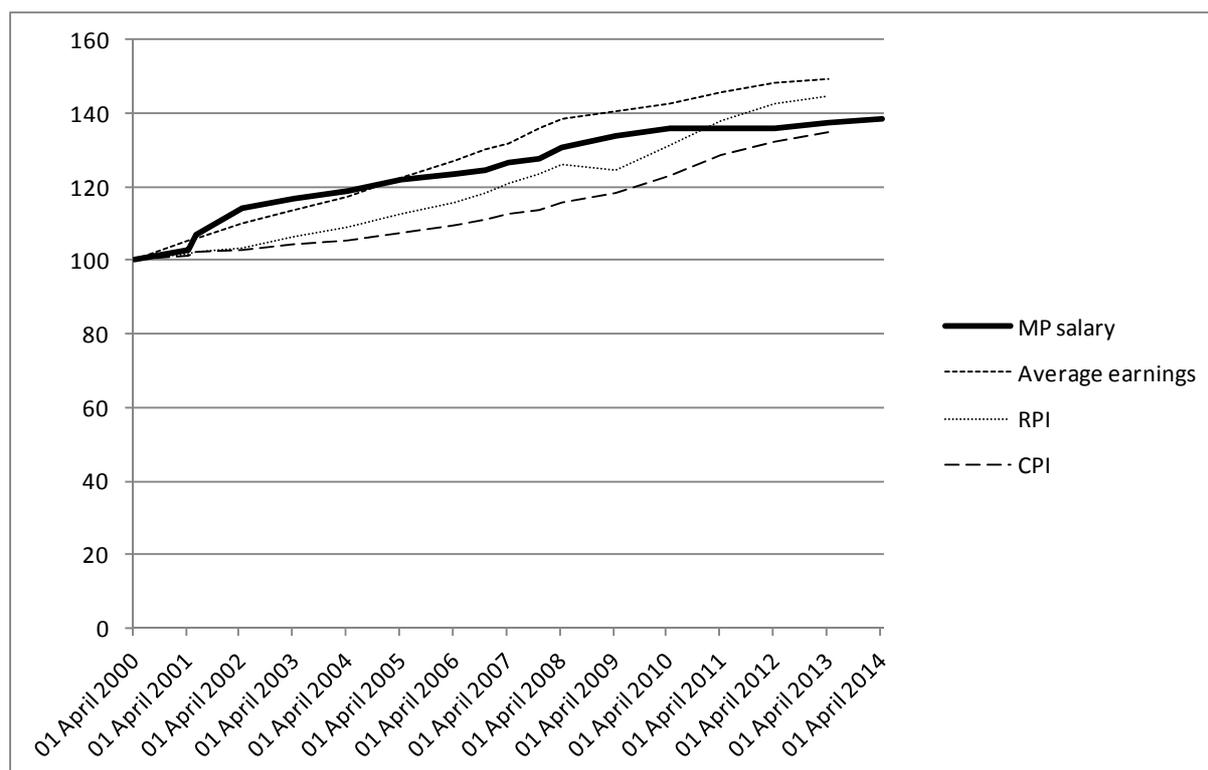
(c) In 2006/07 the formula increase (2 per cent) was implemented in two equal stages

(d) In 2007/08 the increase recommended by SSRB was staged

(e) In accordance with the resolution of the House of 3 July 2008

(f) In accordance with the resolution of the House of 21 March 2011

(g) Decision of IPSA

**Figure 1: Members' pay compared to wage and price inflation, 2000-2014****Notes:**

All indices set at 100 in April 2000;

Average earnings – derived from Average weekly earnings (regular pay) [KA17]

CPI – Consumer Price Index [D7BT]

RPI – Retail Price Index [CHAW]

Average earnings and inflation figures for April 2013 are based on February 2013 data

**Additional salaries for committee chairs**

Under resolutions of the House of Commons passed in 2003 and 2005, respectively, chairs of select committees and members of the Panel of Chairs were entitled to an additional salary, reflecting their additional responsibilities. The pay freeze applied to the additional salaries that are paid to select committee chairs and to members of the Panel of Chairs who chair general committees.

Before it issued its first determination on Members' pay in January 2013, IPSA paid salaries in accordance with resolutions of the House of Commons.<sup>22</sup> However, once it issued a determination, salaries were paid to Members in accordance with sections 4 and 4A of the *Parliamentary Standards Act 2009*, as amended. This allowed IPSA to pay additional salaries to “members while holding an office or position specified for the purposes of this subsection in a resolution of the House of Commons”.<sup>23</sup>

On 19 March 2013, the House of Commons agreed a resolution which set out who was entitled to an additional salary and what should be done in cases where an individual appeared to qualify for more than one additional salary:

<sup>22</sup> *Constitutional Reform and Governance Act 2010* (chapter 25), section 29(3) stated that “Until the first determination under section 4(4) of that Act comes into effect, the amounts of the salaries payable by the Independent Parliamentary Standards Authority under section 4 of that Act are to be determined in accordance with the relevant resolutions of the House of Commons”

<sup>23</sup> *Parliamentary Standards Act 2009* (chapter 13), section 4A(2)

That—

(1) Subject to paragraphs (2) and (3), the following offices or positions are specified for the purposes of section 4A(2) of the Parliamentary Standards Act 2009, with effect from 1 April 2013—

(a) the Chair of a select committee appointed under Standing Order No. 152 (Select Committees related to government departments), the Administration Committee, the Backbench Business Committee, the Environmental Audit Committee, the European Scrutiny Committee, the Finance and Services Committee, the Liaison Committee, the Political and Constitutional Reform Committee, the Select Committee on Procedure, the Committee of Public Accounts, the Select Committee on Public Administration, the Regulatory Reform Committee, the Committee of Selection, the Committee on Standards, the Joint Committee on Human Rights or the Joint Committee on Statutory Instruments; and

(b) a member of the Panel of Chairs appointed under Standing Order No. 4 (Panel of Chairs), other than a member who is the Chair of a committee specified in sub-paragraph (a) or a member who is entitled to an additional salary by virtue of any provision of the Ministerial and other Salaries Act 1975.

(2) If a Member already holds an office or position referred to in paragraph (1)(a), then any other office or position referred to in paragraph (1)(a) is not specified for the purposes of section 4A(2) of the Parliamentary Standards Act 2009 in respect of any period for which that other post or position is held by that Member.

(3) Any office or position referred to in paragraph (1)(a) for the purposes of section 4A(2) of the Parliamentary Standards Act 2009 is not specified for the purposes of that section in respect of any period in which it is held by a Member who is also entitled to an additional salary by virtue of any provision of the Ministerial and other Salaries Act 1975.

(4) Any reference to any committee in paragraph (1)(a) shall, if the name of the committee is changed, be taken to be a reference to the committee by its new name.<sup>24</sup>

The determination on Members' salaries, issued by IPSA in January 2013, set out the rates at which additional salaries for committee chairs would be paid from 1 April 2013 and 1 April 2014:

---

<sup>24</sup> [HC Deb 19 March 2013 cc900-902](#)

**Members' pay: additional pay (£ per annum)**

	Current*	April 2013	April 2014
<u>Chair of a Select Committee</u>	£14,582	£14,728	£14,876
<u>Member of the Panel of Chairs</u>			
Less than one year	£2,910	£2,940	£2,970
1-3 years	£8,166	£8,248	£8,331
3-5 years	£11,082	£11,193	£11,305
<u>5 years or more</u>	£14,582	£14,728	£14,876

\* current – from 1 April 2010-31 March 2013

Source: Independent Parliamentary Standards Authority, [Reviewing MPs' Pay and Pensions: A First Report](#), January 2013, Annex A

**2.4 Members' pay in other UK legislatures**

The salaries of Members of the three devolved legislatures in the United Kingdom – the Scottish Parliament, the National Assembly for Wales and the Northern Ireland Assembly – are determined in different ways. Initially legislation in the late 1990s establishing the three legislatures provided for them to determine their own salaries. The Scottish Parliament was permitted to delegate responsibility to the Scottish Parliament Corporate Body but neither the National Assembly for Wales nor the Northern Ireland Assembly were permitted to delegate the authority to determine pay.<sup>25</sup>

Following their establishment, all three legislatures followed recommendations from the SSRB to set Members' salaries as a proportion of those of Members of the UK Parliament.

**Wales**

The *Government of Wales Act 2006* amended the situation in Wales, and in the autumn of 2007, the National Assembly for Wales Commission decided to seek recommendations on the salaries, pensions and allowances available to Assembly Members (AMs) from a Panel of four independent people and one Assembly Commissioner (non-voting). The Review Panel recommended an increase in salaries from 4 May 2007 – when the Assembly's powers increased, following the changes made to the devolution arrangements in the *Government of Wales Act 2006*. The Panel also recommended that there should be "a fundamental examination of the pay and system of financial support for Members under the developing devolution settlement".<sup>26</sup>

Consequently, an Independent Review Panel was established by the National Assembly Commission in August 2008 to look at all aspects of financial support available to Assembly Members; including pay and allowances for travel, accommodation, constituency offices and support staff. In its July 2009 report, the Independent Review Panel recommended that:

- The salaries of Assembly Members should no longer be automatically directly linked with those of Members of Parliament.
- Assembly Members' salaries should be fixed for the 4-year term of the Assembly.
- The Assembly Commission should prepare and bring forward an Assembly Measure as soon as practicable, to establish a statutory Independent Review Body to make

<sup>25</sup> *Scotland Act 1998* (chapter 46), section 81; *Government of Wales Act 1998* (chapter 38), section 16; *Northern Ireland Act 1998* (chapter 47), section 47

<sup>26</sup> [The First Report of the Review Panel on Financial Support for Assembly Members](#), 3 March 2008

decisions in respect of the matters listed below. The role of this body should include making decisions on all aspects of financial support for Assembly Members.<sup>27</sup>

The *National Assembly for Wales Remuneration Measure 2010* established the independent Remuneration Board.

The Board published its first report, *Fit for Purpose*, and accompanying *Determination on Members' Pay and Allowances* in March 2011.<sup>28</sup> It confirmed that "Assembly Members' base salary will be fixed at the March 2011 level of £53,852 per annum for four years from the beginning of the Fourth Assembly".<sup>29</sup>

On 14 July 2011 the Remuneration Board published its second report, *Office Holder Remuneration*, and an updated determination: *Determination on Members' Pay and Allowances (No 2)*.<sup>30</sup> The current salary of Assembly Members is **£53,852**.<sup>31</sup> The additional salaries of office holders are set out in Table 2.

---

<sup>27</sup> Independent Review Panel, *Getting it Right for Wales: An independent review of the current arrangements for the financial support of Assembly Members*, July 2009

<sup>28</sup> *Fit for Purpose*, Report of the Remuneration Board of the National Assembly for Wales, March 2011; National Assembly for Wales Remuneration Board, *Determination on Members' Pay and Allowances*, March 2011

<sup>29</sup> *Fit for Purpose*, Report of the Remuneration Board of the National Assembly for Wales, March 2011, Executive Summary, para 3

<sup>30</sup> *Office Holder Remuneration*, Report of the Remuneration Board of the National Assembly for Wales, July 2011; National Assembly for Wales Remuneration Board, *Determination on Members' Pay and Allowances (No 2)*, July 2011

<sup>31</sup> National Assembly for Wales Remuneration Board, *Determination on Members' Pay and Allowances (No 2)*, July 2011, para 3.1.1

**Table 2: National Assembly for Wales – additional salaries of office holders**

Office	Office Holder's Additional Salary
First Minister	£80,870
Deputy First Minister/Welsh Minister/Counsel General (if Assembly Member)/Presiding Officer/	£41,949
Deputy Minister/Deputy Presiding Officer	£26,385
Assembly Commissioners	£12,420
* Chairs of the following committees: Children and Young People Committee; Environment and Sustainability Committee; Health and Social Care Committee; Communities, Equality and Local Government Committee; Enterprise and Business Committee; Constitutional and Legislative Affairs Committee; Finance Committee; Public Accounts Committee.	£12,420
* Chairs of the following committees: Petitions Committee; Standards of Conduct Committee.	£8,280
Leader of a political group without an executive role The additional office holder's salary is to be calculated as follows: a base level of £12,420 plus an additional £1,000 for every Member of the group to a maximum salary of £41,949	
Business Managers of political groups The additional office holder's salary is to be calculated as follows: a base level of £6,210 plus an additional £250 for every Member of the group to a maximum salary of £12,420	

\* These salaries may be the subject of review by the Remuneration Board in accordance with section 3 of the National Assembly for Wales (Remuneration) Measure 2010.

Source: National Assembly for Wales Remuneration Board, [Determination on Members' Pay and Allowances \(No 2\)](#), July 2011

### **Northern Ireland**

The *Northern Ireland Assembly Members Act 2010* allowed the Northern Ireland Assembly to legislate to establish an independent body to determine salaries and allowances. The Assembly passed the *Assembly Members (Independent Financial Review and Standards) Act (Northern Ireland) 2011* which established the Independent Financial Review Panel (IFRP). The IFRP issued its first report and determination in March 2012.<sup>32</sup> The *Northern Ireland Assembly Members' Salaries, Allowances, Expenses and Pensions Determination March 2012* provides for salaries to be set at the levels shown in Table 3.

<sup>32</sup> Independent Financial Review Panel, [Northern Ireland Assembly Members' Salaries, Allowances, Expenses and Pensions](#), Report of the Independent Financial Review Panel, March 2012; Independent Financial Review Panel, [Northern Ireland Assembly Members' Salaries, Allowances, Expenses and Pensions](#), Determination March 2012

**Table 3: Northern Ireland Assembly – salaries of Members and office holders**

Member	Annual Salary for the year commencing 1 April 2012	Annual Salary for the year commencing 1 April 2013	Annual Salary for the year commencing 1 April 2014
A member holding office as First Minister or deputy First Minister	£114,535	£120,000	£120,000
A member holding office as any other Minister	£80,902	£86,000	£86,000
A member holding office as a junior Minister	£55,101	£60,000	£60,000
A member holding office as a junior Minister and who held that office on 1 April 2012	£62,710	£62,710	£62,710
A member holding office as Speaker	£80,902	£92,000	£92,000
A member holding office as Principal Deputy Speaker or as Deputy Speaker	£51,600	£57,000	£57,000
A member holding office as Member of the Assembly Commission	£49,101	£54,000	£54,000
A member holding office as a Member of the Assembly Commission and who held that office on 1 April 2012	£54,432	£54,432	£54,432
A member holding office as Chairperson of any Statutory Committee or of the Public Accounts Committee	£54,432	£60,000	£60,000
A member holding office as a Deputy Chairperson of a Statutory Committee	£43,101	£48,000	£48,000
A member holding office as a Deputy Chairperson of a Statutory Committee and who held that office on 1 April 2012	£48,768	£48,768	£48,768
Any other member	£43,101	£48,000	£48,000

Source: Independent Financial Review Panel, *Northern Ireland Assembly Members' Salaries, Allowances, Expenses and Pensions Determination March 2012*, Schedule 1

### **Scotland**

The salary of an MSP was set at 87.5% per cent of the salary paid to a Westminster Member of Parliament.

In November 2010, the Scottish Parliament Corporate Body (SPCB) made plans to freeze Members' pay. Tom McCabe, speaking for the SPCB told the Finance Committee that:

... on members' pay and expenses ... we have received cross-party support for a proposal to freeze members' pay and expenses at the current level until 31 March 2013, and the budget has been set on that basis.<sup>33</sup>

However, as the UK Parliament took the decision to freeze Members' salaries there was no need to break the link between salaries in the two legislatures.

<sup>33</sup> [Scottish Parliament] Finance Committee [Official Report of 23 November 2010](#), col 2779

In line with IPSA's determination of January 2013, which set Members' salaries for two years, salaries for MSPs and officeholders have also been set for the years beginning April 2013 and April 2014 (see Table 4).

**Table 4: Scottish Parliament – salaries of Members and office holders**

	from 1 April 2013		from 1 April 2014	
	Annual Salary	Annual Salary (inc MSP salary)	Annual Salary	Annual Salary (inc MSP salary)
MSP	£58,097		£58,678	
First Minister	£84,160	£142,257	£85,002	£143,680
Cabinet Minister	£43,660	£101,757	£44,097	£102,775
Minister	£27,348	£85,445	£27,622	£86,300
Presiding Officer	£43,660	£101,757	£44,097	£102,775
Deputy Presiding Officer	£27,348	£85,445	£27,622	£86,300
Lord Advocate	£57,038	£115,135	£57,609	£116,287
Solicitor General for Scotland	£41,246	£99,343	£41,659	£100,337

Source: Scottish Parliament

## 2.5 Dual mandates

When the devolved legislatures were first established a number of Westminster MPs contested and won seats, on the understanding that they would stand down from Westminster at the next general election. No legal restrictions were placed on Members of Parliament being members of the devolved legislatures. However, recognising the fact that they would not be able to do two full-time jobs, the salaries from the devolved legislatures payable to members holding dual mandates were reduced by two-thirds.

The number of Members of the Scottish Parliament and the National Assembly for Wales holding dual mandates has been very low since the 2001 general election (the first after elections to the devolved legislatures). However, until recently large numbers of Northern Ireland MPs have continued to hold seats in the Northern Ireland Assembly.

Northern Ireland parties have made commitments to bring dual mandates to an end and since the 2010 General Election and 2011 Northern Ireland Assembly election the number of MPs with dual mandates has declined. Before that, in its review of Members' allowances, the CSPL commented on the matter, in its chapter on Northern Ireland:

### Multiple mandates

12.15 Sixteen out of 18 MPs representing Northern Ireland constituencies [in November 2009] are also members of the Northern Ireland Assembly (MLAs). Five of them currently hold ministerial positions there.

[...]

12.18 The holding of multiple mandates, or 'double jobbing' as it is known in Northern Ireland, appears to be unusually ingrained in the political culture there because of:

- The legacy of 'the troubles', which discouraged many individuals from getting involved in politics, leaving it to a small minority to participate.
- The recent history of political instability, which led the political parties to be fearful of giving up seats in Westminster in case the local devolution settlement collapsed, as it has more than once already.

12.19 The Committee expressed the view in Chapter 11 of this report that MPs should not be prohibited from earning income from limited activity outside the House of Commons, provided that the activity does not interfere with the primary role as an MP, is completely transparent to electors and does not present a conflict of interest.

12.20 We do not think these conditions are met in the case of multiple mandates. There is transparency – the issue has been widely aired in the Northern Ireland media. But the Committee questions whether it is possible to sit in two national legislatures simultaneously and do justice to both roles, particularly if the MP concerned holds a ministerial position in one of them.

12.21 All the Northern Ireland political parties with representatives at Westminster have told the Committee that they want to bring multiple mandates to an end. As yet, there is no agreement when this should happen. In evidence to the Committee, the leader of the Democratic Unionist Party (DUP) has, however, indicated that his party would be prepared to end the practice by 2015 (the date of the next but one Assembly elections):

*“I am convinced that it is not in the interest of Parliament, the Assembly, the dual mandate Members or their constituents that this practice is maintained longer than absolutely necessary. Each of the Assembly parties agreed that the practice should be phased out and some weeks ago I announced that the DUP would do so in two steps: the first at the next set of Westminster and Stormont elections; and the rest at the following set.”*

12.22 The Committee’s view is that the practice of holding dual mandates in both the House of Commons and the devolved legislatures should be brought to an end as soon as possible. Ideally that would happen by the time of the scheduled elections to the three devolved legislatures in May 2011, or failing that by 2015 at the very latest.

#### Recommendation 40

The practice of permitting a Westminster MP simultaneously to sit in a devolved legislature should be brought to an end, ideally by the time of the elections to the three devolved legislatures scheduled for May 2011.<sup>34</sup>

The *Northern Ireland Assembly Members Act 2010* provided that “no salary is payable” to an MLA who is a Member of Parliament or a Member of the European Parliament. MLAs holding office within the Northern Ireland Assembly continue to receive a salary for the office held.<sup>35</sup>

The *Northern Ireland (Miscellaneous Provisions) Bill 2013-14*, which was introduced to the Commons on 9 May 2013, includes provisions to disqualify MPs from membership of the Assembly.<sup>36</sup>

## 3 Ministerial pay

### 3.1 Background

Ministers who are Members of the House of Commons receive their Members’ salary and a ministerial salary. Ministers who are Members of the House of Lords receive a ministerial salary.

---

<sup>34</sup> Committee on Standards in Public Life, *MPs’ expenses and allowances: Supporting Parliament, safeguarding the taxpayer*, November 2009, Cm 7724, paras 12.15-12.22

<sup>35</sup> *Northern Ireland Assembly Members Act 2010* (chapter 16), section 1(5)

<sup>36</sup> Bill 9 of 2013-14, clause 3

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.<sup>37</sup> However the 1996 SSRB report,<sup>38</sup> which was accepted by the Commons, recommended that the uprating formula and 1 April implementation date (for increases in Members' salaries) should also apply to ministers and other paid office holders. The *Ministerial and other Salaries Act 1997* amended the 1975 Act of the same title to give effect to the SSRB recommendations.

**Uprating formula (1997-2011):** Pay increases for ministers were 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 was used for uprating Members' pay between 1997 and 2007.

A full list of entitlements to ministerial salary is given in Tables in Appendix 3 of this Paper.

In its *Review of parliamentary pay, pensions and allowances 2007*, the SSRB recommended that ministerial salaries should be increased.<sup>39</sup> However, the Government rejected this proposal and announced that ministerial salaries would continue to increase in line with Members' salaries. Despite changes to the way in which Members' salaries were determined, no changes were made to the uprating formula for ministerial salaries.

Whilst Gordon Brown was Prime Minister, ministerial salary entitlements continued to increase in line with the formula in the *Ministerial and other Salaries Act 1997*. However, ministers accepted pay freezes in 2008/09, 2009/10 and 2010/11. For details see the Library Research Paper *Members' pay and expenses – current rates and a review of developments since 2009* of May 2012.<sup>40</sup>

### 3.2 Labour Government pay freezes

As a result of the three announcements on ministerial pay made by Gordon Brown in June 2008, March 2009 and March 2010, ministers declined salary increases despite increases in entitlement in 2008 and 2009. They also declined an increase in Members' pay in 2009 and 2010.<sup>41</sup> The following table illustrates the effect of these decisions on ministerial salaries.

---

<sup>37</sup> 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

<sup>38</sup> Review Body on Senior Salaries, [Review of Parliamentary pay and allowances](#), Report No. 38, Cm 3330-I, 1996

<sup>39</sup> Review Body on Senior Salaries, *Review of parliamentary pay, pensions and allowances 2007*, Report No 64, Cm 7270, January 2008, paras 4.7-4.17

<sup>40</sup> House of Commons Library Research Paper RP 12/29, [Members' pay and expenses – current rates and a review of developments since 2009](#), 22 May 2012

<sup>41</sup> HC Deb 17 June 2008 cc47WS-48WS; HC Deb 31 March 2009 c62WS; and HC Deb 10 March 2010 cc18WS-19WS

**Table 5: Effect of Labour Government ministerial pay freezes on ministerial earnings**

£ per annum	Entitlement April 2010			Drawn April 2010		
	MP	Minister	Total	MP (1)	Minister (2)	Total
<i>Commons</i>						
Prime Minister	65,738	132,923	198,661	63,291	130,594	193,885
Cabinet Minister	65,738	79,754	145,492	63,291	78,356	141,647
Minister of State	65,738	41,370	107,108	63,291	40,646	103,937
Parly Under Sec of State	65,738	31,401	97,139	63,291	30,851	94,142
<i>Lords</i>						
Cabinet Minister		108,253			106,356	
Minister of State		84,524			83,043	
Parly Under Sec of State		73,617			72,326	
(1) April 2008 level						
(2) November 2007 level						

In addition to the announcements made, Gordon Brown had reduced his salary from an entitlement of £198,661 to £150,000. It is not clear when he took the salary cut as it was not made public until after Parliament had been dissolved for the 2010 general election. Following a radio interview, the *Daily Mirror* reported that:

The Prime Minister slashed his own salary by 25% to about the same as that of Cabinet colleagues after the expenses scandal last year. Mr Brown is entitled to £198,661 but has been taking just £150,000.

He let slip his decision as he faced first-time voters on a BBC Radio 1 show.<sup>42</sup>

### 3.3 Ministerial salaries under the Conservative/Liberal Democrat coalition

At the Cabinet Meeting on 13 May 2010, ministers in the new Government agreed that they would be paid “five per cent less than Ministers received in the previous administration”. Fuller details were given in a press notice:

Prime Minister David Cameron and Deputy Prime Minister Nick Clegg have made a clear commitment to cutting the cost of government, including urgent action to begin reducing the deficit this year.

As part of this process of cutting costs, the Prime Minister is today announcing that new Ministers will be paid five per cent less than Ministers received in the previous administration.

In addition, the Government will impose a subsequent Ministerial pay freeze for the lifetime of the Parliament – effectively a further pay cut when inflation is taken into account.

The five per cent reduction in Cabinet Minister salaries alone will save taxpayers approximately £50,000 this year – and approximately £300,000 will be saved this year when all government ministerial positions are taken into account.

Over the lifetime of the Parliament, the Ministerial salary cut and subsequent pay freeze will save approximately £3 million.

<sup>42</sup> “Gordon Brown reveals his massive pay cut”, *Daily Mirror*, 21 April 2010

## Salary changes

Office	Combined Ministerial and Parliamentary salaries under previous administration	Combined Ministerial and Parliamentary salaries under current Government	Annual pay cut
<b>Ministers in the House of Commons</b>			
Prime Minister	£150,000	£142,500	£7,500
Cabinet Minister	£141,647	£134,565	£7,082
Minister of State	£103,937	£98,740	£5,197
Parliamentary Under-Secretary of State	£94,142	£89,435	£4,707
<b>Ministers in the House of Lords</b>			
Cabinet Minister	£106,356	£101,038	£5,318
Minister of State	£83,043	£78,891	£4,152
Parliamentary Under-Secretary of State	£72,326	£68,710	£3,616

### Notes to Editors

1. Ministers sitting in the Commons receive both a Parliamentary salary and a Ministerial salary; Lords Ministers receive only a Ministerial salary.
2. We are cutting the total remuneration – the Parliamentary and Ministerial salaries combined – of all Ministers by five per cent relative to that received previous administration. This will be achieved by maintaining Parliamentary salaries to the entitlement for 2010-11 (£65,737), with the salary reduction taken in full from the ministerial element of the combined total. This means that all MPs will be paid the same – with the pay cut being implemented through the ministerial salary entitlement.<sup>43</sup>

### ***Implementing the Conservative/Liberal Democrat ministerial pay freeze***

On 21 March 2011, the Government laid the draft *Ministerial and other Salaries Act 1975 (Amendment) Order 2011* to give effect to its decision to freeze ministerial salaries at a level that meant that total remuneration (ministerial and Members' salaries) was five per cent below that received by ministers in the previous Labour Government for the life of the current Parliament.

The annual levels of ministerial salaries for ministers in the Coalition Government were set out in Schedule 1 of the Order, as follows:

<sup>43</sup> 10 Downing Street press release, [A new politics: cutting Ministerial pay](#), Thursday 13 May 2010

**Table 6: Ministerial salaries confirmed by the 2011 Order**

	£ per annum
<b><u>Commons</u></b>	
Prime Minister	76,762
Cabinet Member	68,827
Minister of State	33,002
Parliamentary Under-Secretary	23,697
<b><u>Lords</u></b>	
Cabinet Member	101,038
Minister of State	78,891
Parliamentary Under-Secretary	68,710

Source: *Ministerial and other Salaries Act 1975 (Amendment) Order 2011*, SI 2011/1689, Schedule 1

The Order provided that no automatic increases under the formula in the *Ministerial and other Salaries Act 1975* would be payable for the rest of this Parliament.<sup>44</sup>

The draft Order was considered by a delegated legislation committee in the House of Commons on 21 June 2011. In the short debate on the draft Order, the Cabinet Office Minister, Nick Hurd, set out the aim of the Order as “to set in law for the lifetime of this Parliament the current reduced salaries of Ministers and other office holders”. He then explained how the existing arrangements would be affected:

Currently, increases to ministerial salaries are linked to the average increase in the mid-points of the senior civil service pay bands, and the order will effectively nullify the link during this Parliament, but it will apply again on the next Dissolution of Parliament. It is worth noting that over several years now, ministerial salaries have not in practice remained in line with the legislation. Since 2008, Ministers in the former Government were waiving any entitlement to increases in their salary. The order will therefore bridge the gap that has grown between the legislation and what is happening on the ground.<sup>45</sup>

The Opposition spokesman, Jon Trickett, agreed that “There is consensus across the House on this particular matter”.<sup>46</sup>

The draft Order was approved by the House of Commons the following day, on 22 June 2011.<sup>47</sup>

It was debated in Grand Committee in the House of Lords on 5 July and then approved by the House on 6 July 2011.<sup>48</sup>

The Order in Council was made at Buckingham Palace on 13 July 2011, and came into force the following day.

### ***Ministerial salaries from April 2013***

In May 2010, the Government announced that it would “impose a subsequent Ministerial pay freeze for the lifetime of the Parliament”.<sup>49</sup> On 20 May 2013, the *Times* reported that “last

<sup>44</sup> *Ministerial and other Salaries Act 1975 (Amendment) Order 2011*, Article 4

<sup>45</sup> First Delegated Legislation Committee on the draft *Ministerial and other Salaries Act 1975 (Amendment) Order 2011* 21 June 2011 cc3-4

<sup>46</sup> *Ibid.*, c4

<sup>47</sup> HC Deb 22 June 2011 c443

<sup>48</sup> HL Deb 5 July 2011 ccGC101-GC105; HL Deb 6 July 2011 c259

month ministers reduced their government pay to ensure that they did not benefit from a 1 per cent salary increase handed to MPs”.<sup>50</sup>

Levels of ministerial salaries between 1997-2013 are set out in Appendix 1.

### 3.4 Allowances for ministers

#### *Minister's severance payments*

Generally, a lump sum, equivalent to 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*:

#### **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 1 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);

<sup>49</sup> 10 Downing Street press release, *A new politics: cutting Ministerial pay*, Thursday 13 May 2010

<sup>50</sup> Michael Savage, “MPS set for £10,000 rise as backbenchers urge £100,000 salaries”, *Times*, 20 May 2013

(ba) the office of Speaker of the House of Lords;

(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 ”.

(9) Section 13 of the Parliamentary Pensions etc. Act 1984 is hereby repealed except in cases where the loss of office in question was before the passing of this Act.

(10) In section 190(b) of the Income and Corporation Taxes Act 1988 (tax treatment of payments under the said section 13) after the words “section 13 of the Parliamentary Pensions etc. Act 1984” there shall be inserted the words “or section 4 of the Ministerial and other Pensions and Salaries Act 1991”.<sup>51</sup>

### **Former Prime Ministers’ Public Duties Cost Allowance**

The Public Duties Cost Allowance (PDCA) (formerly the Public Duties Allowance) 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.<sup>52</sup> 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”.<sup>53</sup>

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. It was set at a level “equivalent in amount to the parliamentary office costs allowance”.<sup>54</sup> Following the changes to Office Costs Allowance made on 5 July 2001 the Prime Minister, Tony Blair, made an announcement about the Public Duties Allowance. From then the allowance was set at the level of the maximum Staffing Allowance<sup>55</sup> available to Members of Parliament with London constituencies.<sup>56</sup>

The rules that apply to claims made by former Prime Ministers from the PDCA were set out by the then Cabinet Office Minister Tessa Jowell, in response to a parliamentary question in April 2010:

The public duties cost allowance, which is administered by the Cabinet Office, is paid in respect of office and secretarial expenses incurred by former Prime Ministers in connection with their public duties. All claims must be supported by documentary

---

<sup>51</sup> *Ministerial and other Pensions and Salaries Act 1991* (chapter 5), section 4

<sup>52</sup> HC Deb 27 March 1991 c428W

<sup>53</sup> See Library Standard Note, [Short Money](#), SN/PC/1663

<sup>54</sup> HC Deb 27 March 1991 c428W

<sup>55</sup> Subsequently Staffing Expenditure

<sup>56</sup> HC Deb 19 July 2001 c318W

evidence. The allowance is not payable if the former Prime Minister is occupying the position of Leader of the Opposition. The allowance is linked to the ceiling of the centralised arrangements for payment of staff and secretarial support for MPs with London constituencies.<sup>57</sup>

In the same response, Tessa Jowell gave details of the amounts reimbursed under the allowance. Further details about the amounts paid to individual former Prime Ministers were provided in October 2011.<sup>58</sup> Information on the amounts paid to former Prime Ministers in 2011/12 were given in response to a parliamentary question on 16 July 2012.<sup>59</sup>

On 19 July 2012, the Government deposited a document explaining the purpose and operation of the Scheme.<sup>60</sup>

Following the creation of the IPSA, the limit is set as the maximum that can be claimed from Staffing Expenditure under the IPSA Members' Expenses Scheme. Table 7 below shows recent trends in this allowance.

**Table 7: Former Prime Ministers' Public Duties Cost Allowance 1997/98-2011/12**

	Allowance (HoC Rate)	Allowance (IPSA Rate)	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			
2002/03	£72,310			
2003/04	£74,985			
2004/05	£77,534			
2005/06	£84,081			
2006/07	£87,276			
2007/08	£90,505			
2008/09	£100,205			
2009/10	£103,812			
2010/11	£105,265	£109,548		
2011/12		£115,000		

(a) Paid pro rata

#### 4 Parliamentary support for Members

Following the establishment of IPSA, responsibility for expenses claimed by Members in relation to their parliamentary duties ceased to be the responsibility of the House of Commons. However, in addition to paying expenses, the House had also provided other forms of support to Members in carrying their duties. The House has continued to provide assistance to Members in a number of ways.

The Members Estimate Committee provides oversight of the House of Commons Members Estimate. The scope of the Members Estimate was significantly reduced following the

<sup>57</sup> HC Deb 6 April 2010 cc1172W-1173W

<sup>58</sup> HC Deb 27 October 2011 cc338W-339W

<sup>59</sup> [HC Deb 16 July 2012 cc540W-541W](#)

<sup>60</sup> Cabinet Office, *Assistance to former Prime Ministers*, 19 July 2012, DEP 2012-1257

General Election in 2010 as a result of the decision to give responsibility for determining Members' pay and allowances to IPSA. However, a number of items are still within the ambit of the Estimate, and include:

- the Exchequer contribution towards the cost of pensions for Members of Parliament;
- the provision of ICT equipment to Members;
- financial assistance to Opposition parties (Short Money);
- an Exchequer contribution to the Members' Fund;
- provision of some training for Members and their staff; and
- payment for insurance.<sup>61</sup>

On 26 March 2013, the Members Estimate Committee published a *Consolidated list of provisions of the Resolutions of the House relating to expenditure charged to the Estimate for House of Commons: Members as at 1 April 2013*. The Committee commented on the consequences of the transfer of responsibilities to IPSA:

With the transfer of responsibility for most pay and allowance matters to the Independent Parliamentary Standards Authority, the guide to allowances commonly known as the "Green Book" has for the most part become redundant. However, its statement of general principles governing the use of resources remains relevant. An updated version is therefore reproduced as Annex 1. It is intended that Annex 2 should be interpreted in this context.<sup>62</sup>

The Members Estimate funds:

- relevant training of Members and Members' staff in connection with their parliamentary duties;
- insurance of Members in relation to the performance of their duties as Members under arrangements (including financial limits to the cover provided) made from time to time with the approval of the Leader of the House and the Speaker;
- 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;
- pre-paid envelopes and stationery, to a limit of £8,650 per Member per year.<sup>63</sup>

## 5 IPSA's MPs' Expenses Schemes

IPSA's first *MPs' Expenses Scheme* came into force on the day after the 2010 General Election. Before that Members' expenses (previously allowances) were paid in accordance with resolutions of the House of Commons.

Further information on the operation of the House of Commons Scheme is given in the Library Research Paper *Members' pay and expenses – current rates and a review of*

---

<sup>61</sup> Members Estimate Committee, *Members Estimate Committee – role*

<sup>62</sup> Members Estimate Committee, *Consolidated list of provisions of the Resolutions of the House relating to expenditure charged to the Estimate for House of Commons: Members as at 1 April 2013*, 26 March 2013, HC 918 2012-13, para 4

<sup>63</sup> Members Estimate Committee, *Consolidated list of provisions of the Resolutions of the House relating to expenditure charged to the Estimate for House of Commons: Members as at 1 April 2013*, 26 March 2013, HC 918 2012-13, Annex 2 and Annex 3

*developments since 2009* of May 2012,<sup>64</sup> and earlier Research Papers on Members' pay and allowances. A list of previous editions is given in Appendix 4.

Section 5 of the *Parliamentary Standards Act 2009* gave IPSA a statutory duty to prepare and regularly review and revise an allowances scheme for Members of Parliament. In fulfilling that statutory duty it was required to consult:

- (a) the Speaker of the House of Commons,
- (b) the Committee on Standards in Public Life,
- (c) the Leader of the House of Commons,
- (d) any committee of the House of Commons nominated by the Speaker,
- (e) members of the House of Commons,
- (f) the Review Body on Senior Salaries,
- (g) Her Majesty's Revenue and Customs,
- (h) the Treasury, and
- (i) any other person the IPSA considers appropriate.<sup>65</sup>

IPSA is also responsible for paying expenses under the Scheme it prepares.

In the Foreword to the first edition of *The MPs' Expenses Scheme*, IPSA confirmed that it would revise the MPs' Expenses Scheme annually.<sup>66</sup>

### 5.1 First and Second Editions for 2010/11

IPSA issued its initial consultation, *MPs' Expenses – a consultation*, on 7 January 2010.<sup>67</sup> The consultation closed on 11 February 2010. A report on the consultation was annexed to the *MPs' Expenses Scheme*.<sup>68</sup>

IPSA's *MPs' Expenses Scheme* comprised 12 parts and two schedules. After setting out details of processes and general conditions, the scheme described the different expenses that IPSA would reimburse, under the following headings:

- Accommodation Expenses
- London Area Living Payment
- Travel and Subsistence Expenses
- Staffing Expenditure
- Constituency Office Rental Expenditure
- General Administrative Expenditure
- Winding-up Expenses
- Miscellaneous Expenses.

In June 2010, IPSA issued a consultation paper entitled *Consultation on Amendments to the MPs' Expenses Scheme Rules*. IPSA explained that it had "identified some anomalies and unintended consequences [of the Scheme] which it wishes to put right",<sup>69</sup> and that:

<sup>64</sup> House of Commons Library Research Paper RP 12/29, *Members' pay and expenses – current rates and a review of developments since 2009*, 22 May 2012

<sup>65</sup> *Parliamentary Standards Act 2009* (chapter 13), section 5(4)

<sup>66</sup> Independent Parliamentary Standards Authority, *The MPs' Expenses Scheme*, 29 March 2010, HC 501 2009-10, p3

<sup>67</sup> Independent Parliamentary Standards Authority, *MPs' Expenses – a consultation*, 7 January 2010

<sup>68</sup> Independent Parliamentary Standards Authority, *The MPs' Expenses Scheme*, 29 March 2010, HC 501 2009-10

<sup>69</sup> Independent Parliamentary Standards Authority, *Consultation on Amendments to the MPs' Expenses Scheme Rules*, IPSA 03, June 2010, para 1.4

This consultation is focusing on amendments to specific rules within the Scheme which have caused concern in the initial operation of the Scheme. The following proposals reflect concerns which have been raised to IPSA by MPs over recent weeks, and our desire to rectify any anomalies which the Scheme currently contains. Any changes adopted will take effect from 7 May 2010, enabling IPSA to address the anomalies and concerns.<sup>70</sup>

Following the consultation, IPSA issued *The MPs' Expenses Scheme: Second Edition*, in July 2010. It was laid before the House by the Speaker on 26 July 2010.<sup>71</sup> All the rule changes in the Second Edition were applied retrospectively from 7 May 2010.<sup>72</sup>

## 5.2 Third Edition for 2011/12

On 5 January 2011, IPSA issued a consultation paper *Annual Review of the MPs' Expenses Scheme: Consultation – January 2011*. The consultation closed on 11 February 2011.<sup>73</sup> The consultation concentrated on the key themes of:

- Family issues;
- The London Area; and
- The costs of running an office – including staffing

IPSA's *The MPs' Expenses Scheme Third Edition* (April 2011, HC 890), its determination of Members' expenses under the *Parliamentary Standards Act 2009*, came into force on 1 April 2011 (para 3.7). It comprised four parts, covering conditions, working from two locations, office support and other support; three schedules; and three annexes.<sup>74</sup> After setting out details of processes and general conditions, the scheme described the different expenses that IPSA would reimburse.

The Scheme included a number of changes to the rules on eligibility for expenses, while separate budgets for Constituency Office Rental Expenditure and General Administrative Expenditure were combined in the Office Costs Expenditure.

Alongside the Third Edition of the Scheme, IPSA also published its *Annual Review of MPs' Expenses Scheme 2011*.<sup>75</sup>

*The MPs' Expenses Scheme Third Edition* (March 2011, HC 890) was withdrawn in May 2011 and replaced by *The MPs' Expenses Scheme Third Edition* (May 2011, HC 954).

## 5.3 Fourth Edition for 2012/13

In November 2011, IPSA issued the *Annual Review of the MPs' Scheme of Expenses and Costs Consultation*.<sup>76</sup> The consultation identified two key themes: equality and diversity; and MPs' staffing provisions.

---

<sup>70</sup> *Ibid*, para 3.2

<sup>71</sup> Independent Parliamentary Standards Authority, *The MPs' Expenses Scheme: Second Edition*, July 2010, HC 405 2010-12; House of Commons, *Votes and Proceedings*, 26 July 2010, Appendix, Item 57

<sup>72</sup> Independent Parliamentary Standards Authority, *The MPs' Expenses Scheme: Second Edition*, July 2010, HC 405 2010-12, Foreword

<sup>73</sup> Independent Parliamentary Standards Authority, *Annual Review of the MPs' Expenses Scheme: Consultation – January 2011*, January 2011

<sup>74</sup> Independent Parliamentary Standards Authority, *The MPs' Expenses Scheme: Third Edition*, March 2011, HC 890 2010-12 [Note: this paper was withdrawn and replaced by HC 954 2010-12]

<sup>75</sup> Independent Parliamentary Standards Authority, *Annual Review of MPs' Expenses Scheme 2011*, March 2011

<sup>76</sup> Independent Parliamentary Standards Authority, *Annual Review of the MPs' Scheme of Expenses and Costs Consultation – November 2011*, November 2011

IPSA's report on its consultation was published together with the Fourth Edition of its Expenses Scheme, now the *MPs' Scheme of Business Costs and Expenses*, for 2012/13 on 5 March 2012.<sup>77</sup>

#### 5.4 Fifth Edition for 2013/14

In November 2012, IPSA issued the *Review of the MPs' Scheme of Expenses and Costs Consultation – November 2012*. The consultation concentrated on “MPs' accommodation and travel costs”.<sup>78</sup>

IPSA's report on its consultation was published together with the Fifth Edition of its Expenses Scheme, now the *MPs' Scheme of Business Costs and Expenses*, for 2013/14 on 13 March 2012.<sup>79</sup>

At the beginning of the report, IPSA set out the following summary of changes from 2012/13:

#### SUMMARY OF CHANGES

Below is a summary of the changes made to the *MPs' Scheme of Business Costs and Expenses* (“the Scheme”) for its Fifth Edition. The changes come into effect on 1 April 2013.

##### *Accommodation Expenditure*

- The rental element of the budgets for MPs renting in the London Area or the constituencies remains unchanged, although the amount designated for associated expenditure has increased by £100 to reflect inflation. See Chapter 4 and Annex B of the Scheme for more information.
- The budget for MPs who own their home remains at £8,850 as an interim measure while IPSA conducts an in-depth review of the rules on MPs' accommodation. Refer to Chapter 4.
- Provisions relating to the mortgage interest subsidy have been removed as the subsidy has ended. However, some references remain as some repayment plans for any capital gains owed by MPs run until the end of the Parliament. Refer to Chapter 4 and Annex A.
- MPs may continue to rent accommodation from another MP, provided the landlord MP is not a connected party. For transparency, IPSA will publish the names of both the tenant MP and the landlord MP in its regular publication cycle, subject to the publication scheme. See Chapter 4.

##### *Travel and Subsistence Expenditure*

- The rules have been amended to allow MPs to claim for journeys from Westminster to their constituency (or vice versa) that involve a diversion, as well as necessary journeys from anywhere in the UK to Westminster or their constituency. Refer to Chapter 9.

<sup>77</sup> Independent Parliamentary Standards Authority, *Annual Review of the MPs' Scheme of Business Costs and Expenses*, 5 March 2012, HC 1868 2010-12 [IPSA, *Fourth Edition*, HC 1868 2010-12]

<sup>78</sup> Independent Parliamentary Standards Authority, *Review of the MPs' Scheme of Business Costs and Expenses Consultation – November 2012*, November 2012, Foreword

<sup>79</sup> Independent Parliamentary Standards Authority, *Annual Review of the MPs' Scheme of Business Costs and Expenses - 2013*, 13 March 2012, HC 1032 2012-13 [IPSA, *Fifth Edition*, HC 1032 2012-13]

- The rules have been clarified to reflect provisions for staff members who routinely work from a “home office” to claim travel and subsistence in the same manner as staff who are based in Westminster. Refer to Chapter 9.

#### *Office Costs Expenditure*

- The Office Costs Expenditure budgets have been increased to £25,350 for London Area MPs and £22,750 for non-London Area MPs to reflect inflation. Refer to Chapter 6.

#### *Winding-Up Expenditure*

- The Winding-Up Expenditure budget limit has increased to £56,450 for London Area MPs and £53,350 for non-London Area MPs. Refer to Chapter 8.
- Rules have been introduced to ensure MPs make necessary arrangements to wind-up their parliamentary affairs before IPSA will pay a resettlement payment to those MPs eligible to receive one. Refer to Chapter 8.
- *Other*
- Activities relating to reviews of parliamentary constituency boundary changes have been added to the list of activities not considered wholly, necessarily and exclusively for parliamentary purposes. Refer to Chapter 3.
- To provide greater clarity, some non-statutory advice (including from the grey “guidance” boxes and previous IPSA communications to MPs) has been incorporated into the Scheme rules.

## **5.5 Members’ concerns about IPSA<sup>80</sup>**

From the outset, Members were critical of the operation of IPSA, in particular in relation to the treatment of returning staff and the alleged difficulties in obtaining advice from IPSA. Within three weeks of the General Election in 2010, concerns were raised at Business questions. For example, David Winnick referred to IPSA’s system as “deeply bureaucratic and complex, and that it undermines both the work we have been elected to do and that of our staff”.<sup>81</sup> Mr Winnick also initiated a debate in Westminster Hall on the subject of IPSA on 16 June 2010.<sup>82</sup> IPSA issued a response to the debate.<sup>83</sup>

Despite changes being made in the Scheme guidance, and amendments being made to the Scheme itself, criticism continued.

Adam Afriyie introduced a private Member’s bill,<sup>84</sup> and secured debates in Backbench Business Committee time, first to press for changes in IPSA’s Scheme from April 2011,<sup>85</sup> then on 12 May 2011, to put in train a review of the *Parliamentary Standards Act 2009* by the Committee on Members’ Expenses.<sup>86</sup>

---

<sup>80</sup> A fuller account of Members’ concerns about IPSA is given in House of Commons Library Research Paper, *Members’ pay and expenses – current rates and a review of developments since 2009*, RP 12/29, 22 May 2012. That Research Paper also provides information on a National Audit Office review and the subsequent Public Accounts Committee inquiry into IPSA.

<sup>81</sup> HC Deb 27 May 2010 cc286-287

<sup>82</sup> HC Deb 16 June 2010 cc137WH-160WH

<sup>83</sup> Independent Parliamentary Standards Authority, *Westminster Hall Debate 160610 – our response*

<sup>84</sup> *Parliamentary Standards (Amendment) Bill 2010-11* [Bill 55 of 2010-11]

<sup>85</sup> HC Deb 2 December 2010 cc1018-1074

<sup>86</sup> HC Deb 12 May 2011 cc1386-1404

The Committee's review was published on 12 December 2011,<sup>87</sup> and debated on 15 December, when a motion to approve the Committee's recommendation was amended and the report was referred to IPSA to be considered as part of its annual review.<sup>88</sup>

In 2012 and the first few months of 2013, criticisms of IPSA have continued, on its administration of the expenses scheme; its administration; and of statements made by IPSA.<sup>89</sup> IPSA also continued to be criticised in the press.<sup>90</sup>

## 6 Expenses: current rates

A summary of the maximum budgets for expenses under IPSA's scheme is given in Appendix 3.

### 6.1 Accommodation Expenditure

Under the IPSA scheme, Accommodation Expenditure is not payable to London Area MPs or those who occupy 'grace and favour' accommodation.<sup>91</sup> Accommodation Expenditure will only cover hotel accommodation;<sup>92</sup> or rental payments and associated expenditure; or, for MPs who own their own property, associated expenditure. Associated expenditure includes, for example, utility bills and council tax.<sup>93</sup>

Until 31 August 2012, Members who had claimed mortgage costs under the House of Commons allowances scheme were able to claim mortgage interest. Under the Scheme, IPSA "may recover any outstanding amount owed by an MP in respect of the publicly subsidised share of the property of an MP who claimed mortgage interest for that property at any time during the period 7 May 2010 to 31 August 2012".<sup>94</sup>

Members who own their own home are able to claim for associated expenditure.<sup>95</sup> The scheme sets budgets for non-London Area MPs renting in the London area and at five different rates for those renting in non-London Area constituencies. It sets a separate budget for associated expenditure for those who can only claim associated expenditure. The London Area constituencies are listed in Appendix 2. Thirty one constituencies that were defined as London Area seats in 2010/11 were re-defined as non-London Area in 2011/12 (see below).

For Members renting in the London area, the annual Accommodation Expenditure budget for 2013/14 is **£20,100**.<sup>96</sup> In 2010/11 a limit for rental payments, within the overall limit, was set.<sup>97</sup> The limit for rental payments was removed in 2011/12:

---

<sup>87</sup> Committee on Members' Expenses, *The Operation of the Parliamentary Standards Act 2009*, 12 December 2011, HC 1484-I 2010-12

<sup>88</sup> HC Deb 15 December 2011 cc944-978

<sup>89</sup> Recent examples include: HC Deb 7 March 2013 cc1130-1131; 28 February 2013 c485; 31 January 2013 cc1065-1066; 20 December 2013 cc1002-1003; 4 December 2012 cc831-839

<sup>90</sup> Peter Dominiczak, "MP's train ticket row costs public £27,000", *Daily Telegraph*, 15 April 2013

<sup>91</sup> IPSA, *Fifth Edition*, HC 1032 2012-13, para 4.2

<sup>92</sup> "Accommodation Expenditure may only be paid for hotel costs to non-London Area MPs who have informed IPSA of their intention not to claim for rental property, associated expenditure ..., or the London Area Living Payment" [IPSA, *Fifth Edition*, HC 1032 2012-13, para 4.12]

<sup>93</sup> IPSA, *Fifth Edition*, HC 1032 2012-13, paras 4.9-4.10

<sup>94</sup> IPSA, *Fifth Edition*, HC 1032 2012-13, para 4.19

<sup>95</sup> IPSA, *Fifth Edition*, HC 1032 2012-13, para 4.9c

<sup>96</sup> IPSA, *Fifth Edition*, HC 1032 2012-13, para 4.13

<sup>97</sup> Independent Parliamentary Standards Authority, *The MPs' Expenses Scheme: Second Edition*, 26 July 2010, HC 405 2010-12, paras 5.9-5.10

... This is both to simplify the provisions and to add flexibility for MPs at no higher cost to the taxpayer, as the overall budget limits will not be increased. This simplification will apply to the rental limits both in the London Area and elsewhere.<sup>98</sup>

As in previous years, for Members renting outside London, the Accommodation Expenditure budgets are lower. Each eligible constituency is allocated to one of five bands. The total budget limit, in 2013/14, for each band is:

Band A	£15,250
Band B	£13,850
Band C	£12,450
Band D	£11,050
Band E	£10,150

As for Accommodation Expenditure in London, limits for rental payments within this global figure are no longer set.<sup>99</sup> The rates all increased from 2012/13:

The rental element of the budgets for MPs renting in the London Area or the constituencies remains unchanged, although the amount designated for associated expenditure has increased by £100 to reflect inflation.<sup>100</sup>

For MPs claiming associated expenditure only, the annual Accommodation Expenditure budget in 2013/14 is **£8,850**.<sup>101</sup>

The Scheme provides that MPs who share rental accommodation will be entitled to the full Accommodation Expenditure budget.<sup>102</sup> Reduced limits had applied to Members who shared accommodation in 2010/11.<sup>103</sup> But since April 2011, Members who share have been entitled to the full Accommodation Expenditure budget.<sup>104</sup>

Members with caring responsibilities can claim additional budgets: eligibility depends on circumstances. The additional budget limit remains at **£2,425** per dependent. Under the Scheme in 2013/14 caring responsibilities are defined in the following way:

4.24 For the purposes of this Scheme MPs will be deemed to have caring responsibilities where they:

- a. have parental responsibility for a dependent child of up to the age of 16, or up to the age of 18 if in full-time education; or
- b. are the sole carer for a dependent child in full-time education, of up to the age of 21 years; or
- c. are the primary carer for a family member in receipt of one of the following benefits:
  - i. Attendance Allowance;

---

<sup>98</sup> Independent Parliamentary Standards Authority, *Annual Review of MPs' Expenses Scheme 2011*, "Report on the Consultation of January-February 2011", March 2011, para 7.7

<sup>99</sup> Independent Parliamentary Standards Authority, *The MPs' Expenses Scheme: Third Edition, May 2011*, HC 954 2010-12, paras 4.14-4.15, Annex B; Independent Parliamentary Standards Authority, *The MPs' Expenses Scheme: Second Edition, July 2010*, 26 July 2010, HC 405 2010-11, para 5.11 and Guidance

<sup>100</sup> IPSA, *Fifth Edition*, HC 1032 2012-13, Summary of Changes

<sup>101</sup> IPSA, *Fifth Edition*, HC 1032 2012-13, para 4.18

<sup>102</sup> IPSA, *Fifth Edition*, HC 1032 2012-13, paras 4.20-4.21

<sup>103</sup> Independent Parliamentary Standards Authority, *The MPs' Expenses Scheme: Second Edition*, 26 July 2010, HC 405 2010-12, paras 5.14-5.15

<sup>104</sup> Independent Parliamentary Standards Authority, *Annual Review of MPs' Expenses Scheme 2011*, "Report on the Consultation of January-February 2011", March 2011, paras 7.15-7.16

- ii. Disability Living Allowance at the middle or highest rate for personal care; or
- iii. Constant Attendance Allowance at or above the maximum rate with an Industrial Injuries Disablement Benefit, or basic (full day) rate with a War Disablement Pension.<sup>105</sup>

In 2010/11 only Members with “a dependent child up to the age of five years”, rather than under 16 (or 18), were deemed to have parental responsibilities.<sup>106</sup>

In 2013/14 Members choosing not to rent accommodation can claim for hotel accommodation, within the following limits (unchanged from 2011/12 and 2012/13):

In the London Area	£150 per night
Elsewhere in the United Kingdom	£120 per night <sup>107</sup>

In 2010/11, the limits were £130 and £105 per night, respectively.<sup>108</sup>

## 6.2 London Area Living Payment

London Area MPs and non-London Area MPs, who have informed IPSA of their intention not to claim for accommodation expenses, may claim the London Area Living Payment. In 2013/14, the London Area Living Payment is limited to **£3,760** per financial year,<sup>109</sup> unchanged from 2010/11. The number of constituencies in the London area was reduced in 2011/12. Additionally, from 2011/12, MPs representing certain constituencies (outside Greater London) were able to claim a supplement to the London Area Living Payment.<sup>110</sup> In 2013/14 the London area MPs outside Greater London are able to claim an additional **£1,330** per annum in London Area Living Payment,<sup>111</sup> unchanged from 2011/12. A list of London area constituencies is given in Appendix 2. It is annotated to show the reduction in the number of London area constituencies, from 2010/11, and the constituencies which qualify for the additional payment.

## 6.3 Travel and Subsistence

In its November 2012 consultation on its Scheme, IPSA asked some questions about extended travel and changes have been made to the Scheme for 2013/14.

The general scope of Travel and Subsistence Expenditure is unchanged:

9.2 MPs may claim for Travel and Subsistence Expenditure for journeys which are necessary for the performance of their parliamentary functions, and fall into one of the following categories:

- a. for MPs who are eligible for Accommodation Expenditure, journeys between any point in the constituency (or a home or office within 20 miles of their constituency boundary) and Westminster or a London Area home;

<sup>105</sup> IPSA, *Fifth Edition*, HC 1032 2012-13, para 4.24

<sup>106</sup> Independent Parliamentary Standards Authority, *The MPs' Expenses Scheme: Second Edition*, 26 July 2010, HC 405 2010-12, para 5.18

<sup>107</sup> IPSA, *Fifth Edition*, HC 1032 2012-13, para 4.31

<sup>108</sup> Independent Parliamentary Standards Authority, *The MPs' Expenses Scheme: Second Edition*, 26 July 2010, HC 405 2010-12, para 5.22; Independent Parliamentary Standards Authority, *The MPs' Expenses Scheme: Third Edition*, May 2011, HC 954 2010-12, para 4.27; IPSA, *Fourth Edition*, HC 1868 2010-12, para 4.26

<sup>109</sup> IPSA, *Fifth Edition*, HC 1032 2012-13, para 5.3

<sup>110</sup> Independent Parliamentary Standards Authority, *The MPs' Expenses Scheme: Second Edition*, 26 July 2010, HC 405 2010-12, Part 6; Independent Parliamentary Standards Authority, *The MPs' Expenses Scheme: Third Edition*, May 2011, HC 954 2010-12, Chapter 5

<sup>111</sup> IPSA, *Fifth Edition*, HC 1032 2012-13, para 5.4

- b. for MPs who are not eligible for Accommodation Expenditure, journeys between their constituency office and Westminster;
- c. travel within the constituency or within 20 miles of the constituency boundary;
- d. extended UK travel under paragraph 9.3; or
- e. a maximum of three return journeys per year to the national Parliaments of Council of Europe member states, or institutions and agencies of the European Union.<sup>112</sup>

However, the Scheme's provisions on extended travel have changed. The 2013/14 Scheme states:

9.3 MPs may only claim for extended UK travel if they can demonstrate that the journey undertaken was made for at least one of the following reasons and if funding for the journey is not provided by another source.

- a. Journeys from Westminster or the constituency to anywhere in the UK if the journey was required for one of the following:
  - i. a matter currently before the House;
  - ii. a matter currently before a Select Committee on which the MP serves;
  - iii. a journey made as part of an All Party Parliamentary Group (APPG) if the journey has been expressly and formally requested by the APPG;
  - iv. a constituent or general constituency matter; or
- v. opposition front bench or shadow ministerial travel.
  - b. Journeys from Westminster to the constituency (or vice versa) that involved a diversion for a non-parliamentary purpose. The maximum claimable fare is the anytime standard open fare of the direct journey between Westminster and the constituency.
  - c. Journeys necessarily incurred in the performance of the MP's parliamentary functions from anywhere in the UK to Westminster or the constituency. The amount that can be claimed is the lesser of the anytime standard open fare of the direct journey between the constituency and Westminster, or the value of the claim from the starting location to the destination.

9.4 Extended UK travel may not be claimed for:

- a. journeys made on Party business;
- b. travel related to a delegation to an international assembly;
- c. journeys made on Government business; or
- d. journeys made for the purpose of electioneering.<sup>113</sup>

In the previous edition of the scheme, claims for extended UK travel were allowed in the following circumstances:

---

<sup>112</sup> IPSA, *Fifth Edition*, HC 1032 2012-13, para 9.2

<sup>113</sup> IPSA, *Fifth Edition*, HC 1032 2012-13, paras 9.3-9.4

9.3 MPs may only claim for extended UK travel if they can demonstrate that the journey undertaken was made for at least one of the following reasons:

- a. a matter currently before the House;
- b. a matter currently before a Select Committee on which the MP serves, for which travel funding is not provided by another source;
- c. a constituent or general constituency matter; or
- d. any other necessary travel for parliamentary functions for which funding is not provided by another source.<sup>114</sup>

In the November 2012 consultation, IPSA asked the following questions on extended travel. It summarised the responses it received before drawing the following conclusions:

***Consultation question 5: Should MPs be permitted to claim for journeys to Westminster or the constituency from any location in the UK, even if the reason for being in the location was for party political purposes?***

[...]

22. The key purpose of this proposal is to allow claims for journeys to Westminster or a constituency that are wholly, necessary and exclusively for parliamentary purposes. On this basis we will make clear in the rules that the cost of such journeys can be claimed. However, we recognise the risks, particularly to public confidence with the potential for the taxpayer to fund travel from a party political event. Consequently we have limited the value that can be claimed for any journey under this rule to the lesser of the anytime standard open fare of the direct journey between the constituency and Westminster, or the value of the claim from the starting location to the destination.

***Consultation question 6: Should MPs be permitted to claim a notional amount for the journeys which start and end in Westminster or the constituency, but which divert along the way for a non-parliamentary purpose? This amount would not exceed the standard fare of the direct journey.***

[...]

25. The purpose of a journey between an MP's constituency and London must be for parliamentary purposes (otherwise the MP could not claim for it at all). The purpose or location of the diversion does not change this. The need for the travel is a consequence of the nature of MPs' work in two locations. Whatever the reason for the diversion, be it political or otherwise, it is not right that an MP is penalised for making an indirect journey by being able to claim nothing at all for a journey that is necessary for their parliamentary functions. In view of this, we will amend the Scheme to allow MPs to claim for diverted journeys between their constituency and London provided that they would be eligible to claim for a direct journey, and will cap the claim at the cost of the standard open fare for that direct journey.<sup>115</sup>

---

<sup>114</sup> IPSA, *Fourth Edition*, HC 1868 2010-12, paras 9.3

<sup>115</sup> IPSA, *Fifth Edition*, HC 1032 2012-13, "Report on the Consultation of 2012-13 on the MPs' Scheme of Business Costs and Expenses", pp78-79

Motor mileage rates are set out in the Scheme. In 2010/11, they were included in guidance. The rates for 2013/14 are:

Motor mileage rate	To cover business travel by private motor car	45p per mile for the first 10,000 miles 25p per mile thereafter
Motor cycle rate	To cover business travel by motor cycle	24p per mile
Bicycle mileage	To cover business travel by private cycle	20p per mile

Source: IPSA, *Fifth Edition*, HC 1032 2012-13, para 9.12

The IPSA Scheme makes provision for travel by Members' staff and family members.

It also provides for subsistence expenses in certain circumstances. When travelling and staying away from either home or the London Area as a result of parliamentary functions, expenses for meals (within limits) can be claimed. Provisions are also made for meals when the House sits beyond 7.30pm. In certain circumstances Members may also claim for taxis or overnight stays in hotels:

When the House sits late or when MPs undertake their parliamentary functions in the House of Commons until late at night, MPs may use their discretion in claiming for reimbursement of taxi fares for journeys from the House of Commons to a London Area residence, or for the cost of an overnight stay in a hotel. Taxis will be subject to an upper limit of £80 for each such journey. Hotels will be subject to an upper limit of £150 per night.<sup>116</sup>

Limits for subsistence rates are set out in Appendix 3.

#### 6.4 Staffing Expenditure

From 1 April 2012, IPSA introduced separate limits on Staffing Expenditure for London Area and non-London Area Members. The rates, which were not updated in April 2013, are:

In the London Area	£144,000 per annum
Elsewhere in the United Kingdom	£137,200 per annum <sup>117</sup>

These levels of Staffing Expenditure represent a significant increase from 2011/12, when the maximum budget was £115,000 for all Members. The increase in Staffing Expenditure from 2011/12 occurred because IPSA concluded:

The last comprehensive review of MPs' staffing needs was conducted in 2007 by the Senior Salaries Review Body and concluded that MPs required 3.5 FTE members of staff. IPSA is persuaded, on the basis of the evidence it saw of increased workloads and of unpaid overtime to maintain a service to constituents during its 2011 review of staffing needs, that this level of staffing is no longer sufficient. The new staffing budget is therefore based on MPs employing 4 FTE members of staff. It is also based on MPs employing two senior members of staff (an Office Manager and a Senior Parliamentary Assistant) and two caseworkers. This better reflects the office structures that IPSA saw during its staffing review. IPSA is also persuaded that the budget should no longer be calculated on the midpoint of the salary range, but on the 60<sup>th</sup> percentile. As Parliament progresses, staff will gain experience that may warrant their moving up the salary range. Last year this was reflected in an increase to the staffing budget; this

<sup>116</sup> IPSA, *Fifth Edition*, HC 1032 2012-13, paras 9.27-9.39

<sup>117</sup> IPSA, *Fifth Edition*, HC 1032 2012-13, paras 7.5-7.6

year it is again reflected but on this occasion through using a higher point on the salary range in the manner given above.<sup>118</sup>

IPSA also concluded that a distinction in the Staffing Expenditure budget between London Area and non-London Area Members was necessary, reflecting that Member's staff on IPSA contracts who work in London are paid according to higher salary ranges than those based outside London.<sup>119</sup>

The 2013/14 Scheme provides that the Staffing Expenditure budget is available to meet the following costs relating to staffing (paragraphs (f), (g) and (h) did not appear in the Second Edition of the Scheme for 2010/11):

- (a) staff salaries, employers' contributions to National Insurance and employers' contributions to pension schemes;
- (b) payments to pooled staffing resources;
- (c) payments for bought-in services;
- (d) overtime payments, to the extent that these are specified in staff terms and conditions;
- (e) payments for childcare vouchers for staff or other payments by way of salary sacrifice schemes.
- (f) modest reward and recognition payments (but these may not be claimed in respect of any connected parties);
- (g) one-off health and welfare costs associated with provision of staffing support, such as eyesight tests and occupational health assessments;
- (h) costs associated with apprenticeships supported by the National Apprenticeship Service; and
- (i) the incidental expenses of volunteers (as set out in paragraph 7.12).<sup>120</sup>

Paragraph (i) was amended between 2011/12 and 2012/13. In 2011/12 it had read:

- (i) The incidental expenses of interns and volunteers (as set out in paragraph 7.10).<sup>121</sup>

IPSA has made provision to allow Members to employ interns "provided that the employment conditions comply with the requirements of National Minimum Wage legislation".<sup>122</sup>

Under the Scheme, Members are limited to employing one "connected party" (see Box 1), unless arrangements to employ more than one such person were in place when the Scheme came into effect:

---

<sup>118</sup> Independent Parliamentary Standards Authority, *Annual Review of the MPs' Scheme of Business Costs and Expenses*, 5 March 2012, HC 1868 2010-12, "Report on the Consultation of November-January 2011-12", para 2.45

<sup>119</sup> Independent Parliamentary Standards Authority, *Annual Review of the MPs' Scheme of Business Costs and Expenses*, 5 March 2012, HC 1868 2010-12, "Report on the Consultation of November-January 2011-12", paras 2.29-2.31

<sup>120</sup> IPSA, *Fifth Edition*, HC 1032 2012-13, para 7.3

<sup>121</sup> Independent Parliamentary Standards Authority, *The MPs' Expenses Scheme: Third Edition, May 2011*, HC 954 2010-12, para 7.3

<sup>122</sup> IPSA, *Fifth Edition*, HC 1032 2012-13, para 7.9

Staffing Expenditure may only be claimed for the salary of one employee who is a connected party, unless an MP employed more than one connected party on 7 May 2010. In that case the MP may continue to employ these connected parties until the parties in question cease to be employed or otherwise to provide staffing assistance.<sup>123</sup>

**Box 1: IPSA's definition of a connected person**

34. We define a "connected party" as:

- (a) a spouse, civil partner or cohabiting partner of the member;
- (b) a parent, child, grandparent, grandchild, sibling, uncle, aunt, nephew or niece of the member or of a spouse, civil partner or cohabiting partner of the member; or
- (c) an individual or organisation where there exists a relationship as set out in the Companies Act 2006

Source: Independent Parliamentary Standards Authority, *The MPs' Expenses Scheme*, 29 March 2010, HC 501 2009-10, Summary of the Scheme, para 34

## 6.5 Office Costs Expenditure

In 2011/12 a single budget for Office Costs Expenditure (OCE) replaced separate budgets for Constituency Office Rental Expenditure (CORE) and General Administrative Expenditure (GAE). IPSA summarised the scope of OCE:

6.1 Office Costs Expenditure is provided to meet the costs of renting, equipping and running an MP's office or offices and surgeries, where these costs are not claimable from other budgets under this Scheme, or from other sources.

[...]

6.6 Office Costs Expenditure may only be claimed for the performance of parliamentary functions. It may not be claimed for:

- a. any alcoholic drinks;
- b. stationery provided by the House of Commons;
- c. newsletters;
- d. funding any material, excluding a website, that contains a party political logo or emblem;
- e. personal accountancy or tax advice; or
- f. producing or publishing any material which could be construed as campaign expenditure within the scope of the Political Parties, Elections and Referendums Act 2000.<sup>124</sup>

In 2013/14, a budget limit of **£25,350** applies for London MPs and **£22,750** for non-London Area MPs.<sup>125</sup> Previous limits are set out in Appendix 3.

---

<sup>123</sup> IPSA, *Fifth Edition*, HC 1032 2012-13, para 7.13

<sup>124</sup> IPSA, *Fifth Edition*, HC 1032 2012-13, paras 6.1 and 6.6

<sup>125</sup> IPSA, *Fifth Edition*, HC 1032 2012-13, paras 6.3-6.4

## 6.6 Winding-up Expenditure

IPSA state that “Winding-Up Expenditure is designed to meet the cost of completing the outstanding parliamentary functions of a person who ceases to be an MP”. Winding-up Expenditure is payable for two months after a person ceases to be a Member, and is limited to **£56,450** for London Area MPs and **£53,350** for non-London Area MPs.<sup>126</sup> The costs of staff redundancy payments will be met from the contingency fund.<sup>127</sup> (In 2010/11, the limit did not discriminate between London and non-London MPs.<sup>128</sup>)

The limit for Winding-Up Expenses in 2010/11 was based on “three months worth of office-related budgets (CORE, GAE and Staffing Expenditure)”.<sup>129</sup> IPSA concluded that this level appeared to be appropriate. However, in its report on the consultation (published in March 2011), IPSA noted that this could cause difficulties in some cases:

9.4 Where an MP has members of staff who are paid towards the top of their pay scales, there is a risk that their redundancy payments will absorb the majority of the winding up budget, leaving little for the remaining costs. IPSA will therefore move the winding up costs relating to staff redundancies to the Contingency Fund. This mirrors the position if a staff member is made redundant during the year, when the costs are met from the Contingency Fund.

9.5 With this alteration, the winding up budget limit will be based on three months' worth of the Office Costs Expenditure budget. For London Area MPs, this is £46,500; for non-London Area MPs, it is £45,500.<sup>130</sup>

Since the Fourth Edition of the Scheme (from April 2012), MPs have been able to “continue to claim for rental payments or mortgage interest payments and associated expenditure for two months after leaving Parliament. These costs will be met from the Contingency Fund.”<sup>131</sup> (This provision was not included in the Third Edition of the Scheme.)

## 6.7 Resettlement Payment

At the 2010 general election, any Member who had sat in the previous Parliament and was not re-elected was entitled to a Resettlement Grant – the level of payment was based on the former Members' age and length of service. In its report on its initial consultation (which was launched in January 2010), IPSA made the following comments on “payments on leaving Parliament”:

The payments received by MPs on leaving Parliament are not reimbursements of expenses that have been incurred. Although we have the power to make such payments under the Parliamentary Standards Act 2009, we believe it inappropriate to use this power at this stage as we understand our task to be the reimbursement of necessary business expenses, and not the determination of the terms an MP's employment. Redundancy payments in other professions are generally seen as part of a package of employment terms and conditions, not as expenses.

---

<sup>126</sup> IPSA, *Fifth Edition*, HC 1032 2012-13, paras 8.5 and 8.13-8.14

<sup>127</sup> IPSA, *Fifth Edition*, HC 1032 2012-13, para 8.8

<sup>128</sup> Independent Parliamentary Standards Authority, *The MPs' Expenses Scheme: Second Edition*, 26 July 2010, HC 405 2010-12, paras 11.1-11.3 and 11.5

<sup>129</sup> Independent Parliamentary Standards Authority, *Annual Review of MPs' Expenses Scheme 2011*, “Report on the Consultation of January-February 2011”, March 2011, para 9.3

<sup>130</sup> Independent Parliamentary Standards Authority, *Annual Review of MPs' Expenses Scheme 2011*, “Report on the Consultation of January-February 2011”, March 2011, paras 9.4-9.5

<sup>131</sup> IPSA, *Fourth Edition*, HC 1868 2010-12, para 8.9; IPSA, *Fifth Edition*, HC 1032 2012-13, para 8.9

We have therefore made no provision for payments akin to the current resettlement grant under our expenses scheme. If we are charged with setting MPs' pay and pension arrangements, as is envisaged in the Constitutional Reform and Governance Bill, then we would consider that to be the appropriate time for us to consider this question further, as part of our wider consultation on the proper role of an MP and how it should be resourced and remunerated.<sup>132</sup>

IPSA made no provisions for a resettlement payment in its 2011/12 Scheme. However, in the November 2011 consultation document it asked "Should IPSA introduce an interim resettlement grant system for MPs leaving the House of Commons involuntarily? If so, how should the payment be calculated?" It recorded responses to this question in its *Report on the Consultation of November-January 2011-12*.<sup>133</sup> In the 2012/13 (Fourth Edition) Scheme it set out an interim approach:

MPs who lose their seat in a general election held before the next scheduled general election (under the Fixed-term Parliaments Act 2011) will be eligible to receive a resettlement payment in accordance with IPSA's published resettlement payment policy.<sup>134</sup>

Then in guidance, it set out the interim policy.<sup>135</sup>

In the November 2012 consultation on its Scheme, IPSA asked:

***Consultation question 8: Do you support the introduction of winding-up obligations which MPs must meet before receiving a resettlement payment?***

In the report on the consultation exercise, published alongside the Scheme, it reported that:

Our consultation document explained that we intend to introduce into the Scheme provisions to ensure that MPs must make the necessary arrangements to wind up their affairs and repay any loans or payments from us which they hold before we make any resettlement payments.

[...]

In light of these responses we will implement our proposal to introduce provisions to ensure that MPs wind up their affairs and repay any monies due to us before we give them a resettlement payment (if they are eligible for one).<sup>136</sup>

The full list of obligations was then included in the Scheme for 2013/14:

---

<sup>132</sup> Independent Parliamentary Standards Authority, *The MPs' Expenses Scheme*, 29 March 2010, HC 501 2009-10, Report on Consultation, paras 213-214

<sup>133</sup> Independent Parliamentary Standards Authority, *Annual Review of the MPs' Scheme of Business Costs and Expenses*, 5 March 2012, HC 1868 2010-12, "Report on the Consultation of November-January 2011-12", paras 6.1-6.6

<sup>134</sup> IPSA, *Fourth Edition*, HC 1868 2010-12, para 8.11

<sup>135</sup> IPSA, *Fourth Edition*, HC 1868 2010-12, following para 8.11:

The guidance in the Fourth Edition stated:

IPSA's interim resettlement payment policy is as follows.

To qualify for the resettlement payment, the individual must have been an MP on the day before the dissolution of Parliament and a candidate for re-election for the same seat, but not re-elected.

The amount of the resettlement payment payable is one calendar month's salary (at the rate payable to Members immediately before the dissolution) for each completed year of service subject to a maximum payment equal to six month's salary.

<sup>136</sup> IPSA, *Fifth Edition*, HC 1032 2012-13, "Report on the Consultation of 2012-13 on the MPs' Scheme of Business Costs and Expenses", p80

8.11 MPs who lose their seat in a general election held before the next scheduled general election (under the Fixed-term Parliaments Act 2011) will be eligible to receive a resettlement payment in accordance with IPSA's published resettlement payment policy.

*[Guidance] IPSA's interim resettlement payment policy is available on the IPSA website at [www.parliamentarystandards.org.uk](http://www.parliamentarystandards.org.uk).*

8.12 To qualify for a resettlement payment MPs must ensure they make the following necessary arrangements to wind-up their affairs, including:

- a. issuing redundancy notices to staff and sending instructions to IPSA;
- b. repaying any outstanding debts to IPSA (such as repayment of advances, deposit loans, overpaid expenses, and capital gains owed as a result of mortgage interest subsidy);
- c. submitting all expense claims for the period running to the election;
- d. carrying out administrative tasks such as cancellation of the IPSA payment card; and
- e. any other necessary tasks identified by IPSA.<sup>137</sup>

The guidance, referred to in the Scheme (Fifth Edition), which was made available on IPSA's website, states:

#### **IPSA Resettlement Payment Policy**

MPs who lose their seats in a general election held before the next scheduled general election (under the Fixed-term Parliaments Act 2011) will be eligible to receive a resettlement payment in accordance with IPSA's resettlement payment policy.

To qualify for a resettlement payment, an individual must have been an MP on the day before the dissolution of Parliament and a candidate for re-election for the same seat, but not have been re-elected.

The amount of the resettlement payment payable is one calendar month's salary (at the rate payable to MPs immediately before the dissolution) for each completed year of service subject to a maximum payment equal to six months' salary.<sup>138</sup>

### **6.8 Start-up Expenditure**

A new expenditure heading, Start-up Expenditure, was introduced in 2011/12. It is available to Members elected after 1 April 2011.<sup>139</sup> In the Scheme, IPSA set the following rules on Start-up Expenditure:

#### *Purpose and Eligibility*

8.1 Start-Up Expenditure is designed to meet the costs of setting up one or more constituency offices as a new MP.

---

<sup>137</sup> IPSA, *Fifth Edition*, HC 1032 2012-13, paras 8.11-8.12

<sup>138</sup> IPSA, *IPSA Resettlement Payment Policy* [last viewed 29 May 2013]

<sup>139</sup> IPSA, *Consultation Report 2011*, para 5.22

8.2 Start-Up Expenditure is available for MPs elected to Parliament for the first time for a particular constituency. Notwithstanding any budgetary limit applicable, IPSA may in its discretion limit the Start-Up Expenditure Budget for individual MPs.

#### *Duration and Limit*

8.3 The Start-up Expenditure budget is set at £6,000 and lasts for 365 days from the day after the date of election of the MP.

8.4 Notwithstanding paragraph 3.12, if a new MP has not exhausted the Start-Up budget by the end of the financial year and part of the 365 day period remains, the remaining budget will be rolled over into the next financial year. Any unspent funds will expire 365 days after the day after the date of the MP's election.<sup>140</sup>

### **6.9 Miscellaneous Expenses**

Additional expenses to cover the following circumstances are payable subject to various conditions: Disability assistance; Security assistance; Insurance; Contingency payments; Necessary financial assistance.<sup>141</sup>

### **6.10 Recall of Parliament**

Following the two recalls of Parliament during the 2011 summer recess, IPSA made explicit provision for recall expenses in the 2012/13 Scheme. Provision is made in the 2013/14 Scheme:

IPSA will, in the event of a recall of Parliament during Recess, settle claims for any reasonable travel by an MP and their spouse/partner or dependants to Westminster or an MP's London Area residence. This includes international travel back to the UK and may include return travel to the foreign location, up to a maximum of £3,750 per MP.<sup>142</sup>

In the summer of 2011, before provision was made in the Scheme, IPSA confirmed that Members would be able to claim for the cost of "necessary travel to enable them to return to Parliament" as a result of the recall of Parliament.<sup>143</sup>

### **6.11 Expenditure during a general election**

IPSA set out the rules that would apply to claims for expenses in the period when Parliament was dissolved:

10.13 During the period between the dissolution of Parliament and the day after polling day the following restrictions will apply to claims made under this Scheme.

10.14 Accommodation Expenditure may be claimed in accordance with Chapter Four of the Scheme.

10.15 Office Costs Expenditure may be claimed for the performance of parliamentary functions only. Office equipment and supplies purchased for the performance of parliamentary functions may not be used for party political activities. An MP who intends to use his or her IPSA funded office for any activities connected with the election may only claim the proportion of the rent, utilities and other costs which relate to parliamentary activity.

---

<sup>140</sup> IPSA, *Fifth Edition*, HC 1032 2012-13, paras 8.1-8.4

<sup>141</sup> IPSA, *Fifth Edition*, HC 1032 2012-13, paras 10.1-10.12 and 10.20-10.21

<sup>142</sup> IPSA, *Fifth Edition*, HC 1032 2012-13, paras 10.13

<sup>143</sup> IPSA, "Recall of Parliament", *MP Bulletin* 46, 9 August 2011

10.16 Staffing Expenditure may not be claimed for any party political activity. Staff wishing to undertake party political activity must not do so during their working hours and must instead take paid or unpaid leave. If a staff member plans to take unpaid leave, the MP must notify IPSA in advance, so that pay adjustments can be made.

10.17 Travel and Subsistence Expenditure for MPs will be restricted to one single journey from Westminster to the MP's residence or any point in his or her constituency. MPs may also claim for one single journey back to the MP's residence or constituency for any dependant (as defined by paragraph 4.21). Staff may claim one single journey to return to their normal place of work. Staff may also claim for travel between the MP's constituency office and Westminster in accordance with paragraph 9.17 of the Scheme. All of the conditions set out in Chapter Nine of the Scheme apply to travel during the election period.

10.18 For the six months prior to the expected dissolution of Parliament, claims for purchases of office equipment, IT and furniture under Office Costs Expenditure will not be allowed. In exceptional circumstances where such purchases are necessary, prior approval from IPSA will be required.<sup>144</sup>

## 7 IPSA's duties

The *Parliamentary Standards Act 2009*, which received Royal Assent in July 2009, provided for the establishment of the Independent Parliamentary Standards Authority (IPSA) and gave it the responsibility for paying Members' salaries and allowances; and for preparing and regularly reviewing and revising a scheme under which allowances are paid. It also required IPSA to prepare a statutory code of conduct relating to Members' financial interests. It stated that "there is to be a Commissioner for Parliamentary Investigations". He was to investigate payments that were not allowed under the scheme and breaches of the statutory code.

The CSPL's review of Members' allowances made a number of recommendations that required amendments to the Act, and the previous Government brought forward amendments in the *Constitutional Reform and Governance Act 2010*.

These amendments to the *Parliamentary Standards Act 2009* additionally gave IPSA responsibility for determining Members' pay and made changes to the compliance regime. The Commissioner for Parliamentary Investigations was replaced by a Compliance Officer who:

- reviews decisions on the payment of expenses if requested to by Members; and
- conducts investigations if he believes payments have been made that should not have been.

Further information on the role and duties of the Compliance Officer are outlined in the Library Standard Note *the Compliance Officer*.<sup>145</sup>

The *Constitutional Reform and Governance Act 2010* added the following provision on the general duties of IPSA:

### 3A General duties of the IPSA

- (1) In carrying out its functions the IPSA must have regard to the principle that it should act in a way which is efficient, cost-effective and transparent.

---

<sup>144</sup> IPSA, *Fifth Edition*, HC 1032 2012-13, paras 10.14-10.19

<sup>145</sup> House of Commons Library Standard Note, *The Compliance Officer*, SN/PC/5987

(2) In carrying out its functions the IPSA must have regard to the principle that members of the House of Commons should be supported in efficiently, cost-effectively and transparently carrying out their Parliamentary functions.<sup>146</sup>

Additionally, the *Constitutional Reform and Governance Act 2010* transferred the administration of the Parliamentary Contributory Pension Fund to IPSA.<sup>147</sup> Further details on Members' pensions can be found in the Library Standard Notes:

- *Parliamentary Contributory Pension Fund (PCPF)*, for background; and
- *MPs' pensions – 2012 onwards*.<sup>148</sup>

## 8 Allowances in the House of Lords

In November 2009 the Review Body on Senior Salaries (SSRB) published its *Review of Financial Support for Members of the House of Lords*.<sup>149</sup> The SSRB had been asked to conduct the review following allegations about the possible abuse of allowances by certain peers, and wider concern about the nature of the allowances available to members of the House of Lords. It also recommended that a daily fee for attendance of the House of Lords should be introduced, incorporating the allowance for secretarial and office costs. The SSRB recommended a separate overnight allowance for Members "whose principal residence is beyond reasonable commuting distance".<sup>150</sup> At the time peers were able to claim for daily subsistence; overnight subsistence; office costs; and travelling expenses.<sup>151</sup>

The House Committee reviewed the SSRB's report.<sup>152</sup> On 14 December 2009, in line with recommendations from the House Committee, the House of Lords agreed the architecture and principles of the proposed system during a debate. The House of Lords also agreed that the House Committee should work to prepare resolutions to implement the proposals on a timescale which would allow a new system to be operational from the start of the new Parliament.<sup>153</sup>

The House Committee appointed an hoc group to consider and consult on the issues in the SSRB report and advise on their implementation. The ad hoc group, chaired by Lord Wakeham, reported on 28 June 2010.<sup>154</sup> The Group reported on the scheme proposed by the SSRB, but also suggested that consideration should be given to introducing instead a single allowance to replace the daily allowance and the overnight allowance recommended by the SSRB. The daily fee would be set at £300 with £150 available for business outside

<sup>146</sup> *Parliamentary Standards Act 2009* (chapter 13) as amended, section 3A

<sup>147</sup> *Constitutional Reform and Governance Act 2010* (chapter 25), section 40 and Schedule 6

<sup>148</sup> House of Commons Library Standard Note, *Parliamentary Contributory Pension Fund (PCPF)*, SN/BT/1844; House of Commons Library Standard Note, *MPs' pensions – 2012 onwards*, SN/BT/6283

<sup>149</sup> Review Body on Senior Salaries, *Review of Financial Support for Members of the House of Lords*, Report No. 71, November 2009, November 2009, Cm 7746

<sup>150</sup> Review Body on Senior Salaries, *Review of Financial Support for Members of the House of Lords*, Report No. 71, November 2009, November 2009, Cm 7746, pp ix-x

<sup>151</sup> For background on the SSRB, the introduction of the scheme, and details of the previous scheme, see: House of Commons Library Standard Note, *Financial Support for Members of the House of Lords*, SN/PC/5246 and House of Lords Library Note, *Financial Support for Members of the House of Lords*, LLN 2011/039, 13 December 2011

<sup>152</sup> House of Lords House Committee, *SSRB Review of Financial Support for Members of the House of Lords*, HL Paper 12 2009-10

<sup>153</sup> HL Deb 14 December 2009 cc1317-1384

<sup>154</sup> Report of the ad hoc group, *Financial Support for Members of the House of Lords*, 28 June 2010, HL Paper 13 2010-11

the House or if peers wished to claim a reduced amount.<sup>155</sup> This alternative system was accepted by the Government.<sup>156</sup>

The House Committee reported on how such a scheme should operate.<sup>157</sup> Resolutions were debated and agreed by the House of Lords on 20 July 2010.<sup>158</sup> The scheme has operated from October 2010.

The level of the daily allowance has not changed since was introduced.

The *Explanatory notes 2012/13* outlined the eligibility conditions for the allowance and defined “qualifying day of attendance”:

Members of the Lords, who are not paid a salary, may claim a daily allowance of £300 for each qualifying day of attendance at Westminster. Members may elect to claim a reduced allowance at a daily rate of £150, or may choose to make no claim for each sitting day they attend the House. They are also able to recover travel expenses incurred in connection with their Parliamentary duties.

[...]

Allowances and expenses payable to unsalaried Members are linked to attendance at:

- sittings in the chamber of the House when formal business takes place;
- sittings of the Grand Committee;
- voting in a division;
- meetings of committees and sub-committees of the House (providing the Member’s attendance is recorded in the minutes);
- meetings as a member of the Board of the Parliamentary Office of Science and Technology (POST).<sup>159</sup>

---

<sup>155</sup> Report of the ad hoc group, *Financial Support for Members of the House of Lords*, 28 June 2010, HL Paper 13 2010-11, paras 5.60-5.61

<sup>156</sup> HL Deb 28 June 2010 cc1512-1513

<sup>157</sup> House of Lords House Committee, *Financial Support for Members of the House of Lords*, 13 July 2010, HL Paper 18 2010-11

<sup>158</sup> HL Deb 22 July 2010 cc915-946

<sup>159</sup> House of Lords, *Members’ allowances and expenses: Explanatory notes 2012/13*

**Appendix 1: Ministerial salaries – salary entitlements**

(a) Ministers and office-holders in Commons: Ministerial salary entitlements, £

	1997/98	2001/02	2005/06	1 Apr 2006	1 Nov 2006	1 Apr 2007	1 Nov 2007	2008/09	2009/10	2010/11	1 Apr 2011	14 Jul 2011
Prime Minister (a)	100,000	113,596	124,837	126,085	127,334	129,244	130,594	130,959	132,923	132,923	132,923	76,762
Cabinet Minister (a)	60,000	68,157	74,902	75,651	76,400	77,546	78,356	78,575	79,754	79,754	79,754	68,827
Minister of State	31,125	35,356	38,854	39,243	39,631	40,225	40,646	40,759	41,370	41,370	41,370	33,002
Parliamentary Under Secretary	23,623	26,835	29,491	29,786	30,081	30,532	30,851	30,937	31,401	31,401	31,401	23,697
Government Chief Whip (b)	36,613	68,157	74,902	75,651	76,400	77,546	78,356	78,575	79,754	79,754	79,754	68,827
Government Deputy Chief Whip	31,125	35,356	38,854	39,243	39,631	40,225	40,646	40,759	41,370	41,370	41,370	33,002
Government Whip	20,029	22,753	25,005	25,255	25,505	25,888	26,158	26,231	26,624	26,624	26,624	19,239
Assistant Government Whip	20,029	22,753	25,005	25,255	25,505	25,888	26,158	26,231	26,624	26,624	26,624	19,239
Leader of the Opposition	55,000	62,479	68,662	70,035	70,035	71,086	71,828	72,029	73,617	73,617	73,617	63,098
Opposition Chief Whip	31,125	35,356	38,854	39,631	39,631	40,225	40,646	40,759	41,370	41,370	41,370	33,002
Opposition Deputy Chief Whip	20,029	22,753	25,005	25,505	25,505	25,888	26,158	26,231	26,624	26,624	26,624	19,239
Opposition Assistant Whip	20,029	22,753	25,005	25,505	25,505	25,888	26,158	26,231	26,624	26,624	26,624	19,239
Speaker	60,000	68,157	74,902	75,651	76,400	77,546	78,356	78,575	79,754	79,754	79,754	75,766
Chairman of Ways and Means	31,125	35,356	38,854	39,243	39,631	40,225	40,646	40,759	41,370	41,370	41,370	41,370
First Deputy Chairman	27,355	31,073	34,148	34,489	34,831	35,353	35,723	35,823	36,360	36,360	36,360	36,360
Second Deputy Chairman	27,355	31,073	34,148	34,489	34,831	35,353	35,723	35,823	36,360	36,360	36,360	36,360
Attorney General (c)	63,756		In Lords							108,624	108,624	95,772
Solicitor General (d)	In Lords	59,386	65,263	65,916	66,569	67,568	68,273	68,464	69,491	69,491	69,491	59,248
Advocate General for Scotland (e)		59,386	65,263	In Lords								

## (b) Ministers and office-holders in Commons: Full salary entitlements, £

	1997/98	2001/02	2005/06	1 Apr 2006	1 Nov 2006	1 Apr 2007	1 Nov 2007	2008/09	2009/10	2010/11	1 Apr 2011	14 Jul 2011
Prime Minister (a)	143,860	163,418	183,932	185,771	187,611	190,425	192,414	194,250	197,689	198,661	198,661	142,500
Cabinet Minister (a)	103,860	117,979	133,997	135,337	136,677	138,727	140,176	141,866	144,520	145,492	145,492	134,565
Minister of State	74,985	85,178	97,949	98,929	99,908	101,406	102,466	104,050	106,136	107,108	107,108	98,740
Parliamentary Under Secretary	67,483	76,657	88,586	89,472	90,358	91,713	92,671	94,228	96,167	97,139	97,139	89,435
Government Chief Whip (b)	80,473	117,979	133,997	135,337	136,677	138,727	140,176	141,866	144,520	145,492	145,492	134,565
Government Deputy Chief Whip	74,985	85,178	97,949	98,929	99,908	101,406	102,466	104,050	106,136	107,108	107,108	98,740
Government Whip	63,889	72,575	84,100	84,941	85,782	87,069	87,978	89,522	91,390	92,362	92,362	84,977
Assistant Government Whip	63,889	72,575	84,100	84,941	85,782	87,069	87,978	89,522	91,390	92,362	92,362	84,977
Leader of the Opposition	98,860	112,301	127,757	129,721	130,312	132,267	133,648	135,320	138,383	139,355	139,355	128,836
Opposition Chief Whip	74,985	85,178	97,949	99,317	99,908	101,406	102,466	104,050	106,136	107,108	107,108	98,740
Deputy Chief Opposition Whip	63,889	72,575	84,100	85,191	85,782	87,069	87,978	89,522	91,390	92,362	92,362	84,977
Assistant Opposition Whip	63,889	72,575	84,100	85,191	85,782	87,069	87,978	89,522	91,390	92,362	92,362	84,977
Speaker	103,860	117,979	133,997	135,337	136,677	138,727	140,176	141,866	144,520	145,492	145,492	141,504
Chairman of Ways and Means	74,985	85,178	97,949	98,929	99,908	101,406	102,466	104,050	106,136	107,108	107,108	107,108
First Deputy Chairman	71,215	80,895	93,243	94,175	95,108	96,534	97,543	99,114	101,126	102,098	102,098	102,098
Second Deputy Chairman	71,215	80,895	93,243	94,175	95,108	96,534	97,543	99,114	101,126	102,098	102,098	102,098
Attorney General (c)	107,616			In Lords								161,510
Solicitor General (d)		109,208	124,358	125,602	126,846	128,749	130,093	131,755	134,257	135,229	135,229	124,986
Advocate General for Scotland (e)		109,208	124,358		In Lords							

## (c) Ministers and office-holders in Lords: Full salary entitlements, £

	1997/98	2001/02	2005/06	1 Apr 2006	1 Nov 2006	1 Apr 2007	1 Nov 2007	2008/09	2009/10	2010/11	1 Apr 2011	14 Jul 2011
Lord Speaker ( <i>f</i> )				102,685	103,701	105,257	106,356	106,654	108,253	108,253	108,253	101,038
Cabinet Minister ( <i>a</i> )	77,963	88,562	101,668	102,685	103,701	105,257	106,356	106,654	108,253	108,253	108,253	101,038
Minister of State	51,838	68,283	79,382	80,176	80,970	82,185	83,043	83,275	84,524	84,524	84,524	78,891
Parliamentary Under Secretary	43,632	58,961	69,138	69,829	70,521	71,579	72,326	72,529	73,617	73,617	73,617	68,710
Government Chief Whip	51,838	68,283	79,382	80,176	80,970	82,185	83,043	83,275	84,524	84,524	84,524	78,891
Government Deputy Chief Whip	43,632	58,961	69,138	69,829	70,521	71,579	72,326	72,529	73,617	73,617	73,617	68,710
Government Whip	39,462	54,224	63,933	64,572	65,212	66,190	66,881	67,069	68,074	68,074	68,074	63,537
Leader of the Opposition	43,632	58,961	69,138	70,521	70,521	71,579	72,326	72,529	73,617	73,617	73,617	68,710
Opposition Chief Whip	39,462	54,224	63,933	65,212	65,212	66,190	66,881	67,069	68,074	68,074	68,074	63,357
Lord Chancellor ( <i>g</i> )	140,665	173,875	213,899	102,685	103,701	( <i>h</i> )						
Chairman of Committees	51,838	68,283	79,382	80,176	80,970	82,185	83,043	83,275	84,524	84,524	84,524	84,524
Principal Deputy Chairman	47,739	63,626	74,265	75,008	75,750	76,886	77,689	77,907	79,076	79,076	79,076	79,076
Solicitor General ( <i>d</i> )	78,072		In Commons									
Attorney General ( <i>c</i> )	In Commons	92,826	106,358	107,422	108,485	110,112	111,262	111,574	113,248	113,248		
Advocate General for Scotland ( <i>e</i> )		In Commons		93,249	94,173	95,586	96,584	96,854	98,307	98,307	98,307	91,755

## Notes to Appendix 1

These notes refer to the three tables on the previous pages.

- 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.

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 to 3 October 2008, so received Cabinet Minister's salary. Since 3 October 2008, salary has continued to be paid at the same level as a Cabinet minister's salary, in accordance with Schedule 1, Part II of the *Ministerial and other Salaries Act 1975*.
- 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.

From the formation of the Coalition Government in May 2010, office in Commons. Since then, the Attorney General has taken a Cabinet Minister's salary.

- d) Office in Commons in 1992-1997 Parliament, and as from 28 July 1998.
- e) The Office of Advocate General for Scotland was created by the *Scotland Act 1998*: the Lord Advocate and the Solicitor General for Scotland became Ministers in the Scottish Executive.
- f) The Lord Speaker took office on 4 July 2006; the *Constitutional Reform Act 2005* no longer required the Lord Chancellor to fulfil this role.
- g) 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. However, the Lord Chancellor elected to receive the same salary as other Cabinet members in the Lords.
- h) The Lord Chancellor no longer has to sit in the House of Lords.

## Appendix 2: London Area constituencies

In its rules on Accommodation Expenditure, IPSA states that it is payable only to non-London Area MPs. The definition of the London Area changed from the beginning of April 2011. The following constituencies were London Area constituencies in 2010/11 (128 in total).

The 97 that are numbered were London Area constituencies from April 2011. Those in **emboldened text** are eligible for an addition to the London Area Living Payment.

1.	Aldershot	41.	Gravesham
	Barking		Greenwich & Woolwich
	Basildon & Billericay		Guildford
	Basingstoke	42.	Hackney North & Stoke Newington
2.	Battersea	43.	Hackney South & Shoreditch
3.	<b>Beaconsfield</b>	44.	Hammersmith
4.	Beckenham	45.	Hampstead & Kilburn
5.	Bermondsey & Old Southwark	46.	<b>Harlow</b>
6.	Bethnal Green & Bow	47.	Harrow East
7.	Bexleyheath & Crayford	48.	Harrow West
8.	Brent Central	49.	Hayes & Harlington
9.	Brent North		Hemel Hempstead
10.	Brentford & Isleworth	50.	Hendon
11.	<b>Brentwood &amp; Ongar</b>	51.	<b>Hertford &amp; Stortford</b>
12.	Bromley & Chislehurst	52.	<b>Hertsmere</b>
13.	<b>Broxbourne</b>		Hitchin & Harpenden
14.	Camberwell & Peckham	53.	Holborn & St Pancras
15.	Carshalton & Wallington	54.	Hornchurch & Upminster
	Castle Point	55.	Hornsey & Wood Green
	Chatham & Aylesford	56.	Ilford North
	Chelmsford	57.	Ilford South
16.	Chelsea & Fulham	58.	Islington North
	Chesham & Amersham	59.	Islington South & Finsbury
17.	Chingford & Woodford Green	60.	Kensington
18.	Chipping Barnet	61.	Kingston & Surbiton
19.	Cities of London & Westminster	62.	Lewisham East
	Crawley	63.	Lewisham West & Penge
20.	Croydon Central	64.	Lewisham, Deptford
21.	Croydon North	65.	Leyton & Wanstead
22.	Croydon South		Luton North
23.	Dagenham & Rainham		Luton South
24.	<b>Dartford</b>		Maidenhead
25.	Dulwich & West Norwood		Mid Sussex
26.	Ealing Central & Acton		Milton Keynes North
27.	Ealing North		Milton Keynes South
28.	Ealing, Southall	66.	Mitcham & Morden
29.	East Ham	67.	<b>Mole Valley</b>
30.	<b>East Surrey</b>		North East Bedfordshire
31.	Edmonton		North East Hampshire
32.	Eltham	68.	<b>North East Hertfordshire</b>
33.	Enfield North	69.	Old Bexley & Sidcup
34.	Enfield, Southgate	70.	Orpington
35.	<b>Epping Forest</b>	71.	Poplar & Limehouse
36.	<b>Epsom &amp; Ewell</b>	72.	Putney
37.	Erith & Thamesmead		Reading East
38.	<b>Esher &amp; Walton</b>		Reading West
39.	Feltham & Heston	73.	<b>Reigate</b>
40.	Finchley & Golders Green	74.	Richmond Park

- |     |                                  |                     |                          |
|-----|----------------------------------|---------------------|--------------------------|
|     | Rochester & Strood               | 85. <b>Thurrock</b> |                          |
| 75. | Romford                          |                     | Tonbridge & Malling      |
| 76. | Ruislip, Northwood & Pinner      | 86.                 | Tooting                  |
| 77. | <b>Runnymede &amp; Weybridge</b> | 87.                 | Tottenham                |
| 78. | <b>Sevenoaks</b>                 | 88.                 | Twickenham               |
| 79. | <b>Slough</b>                    | 89.                 | Uxbridge & South Ruislip |
|     | South Basildon & East Thurrock   | 90.                 | Vauxhall                 |
|     | South West Bedfordshire          | 91.                 | Walthamstow              |
| 80. | <b>South West Hertfordshire</b>  | 82.                 | <b>Watford</b>           |
|     | South West Surrey                | 93.                 | <b>Welwyn Hatfield</b>   |
| 81. | <b>Spelthorne</b>                | 94.                 | West Ham                 |
| 82. | <b>St Albans</b>                 | 95.                 | Westminster North        |
|     | Stevenage                        | 96.                 | Wimbledon                |
| 83. | Streatham                        | 97.                 | <b>Windsor</b>           |
|     | Surrey Heath                     |                     | Woking                   |
| 84. | Sutton & Cheam                   |                     | Wycombe                  |

Source: IPSA, *The Members' Expenses Scheme, Schedule 2*, 29 March 2010, HC 501 2009-10; *Annual Review of MPS' Expenses Scheme 2011*, "The MPs' Expenses Scheme: Third Edition", Schedule 2 and Schedule 3

The Schedule was not altered by *The MPs' Scheme of Business Expenses and Costs* (Fourth Edition) April 2012

**Appendix 3: IPSA MPs' expenses scheme – summary of rates 2010/11 to 2013/14**

## (a) Accommodation Expenses for London and London Area Living Payment

	Accommodation Expenses		Accommodation Expenses		Associated Expenditure	Hotel Accommodation (per night)		Caring Responsibility	London Area Living Payment	Addition to London Area Living Payment
	London Area (1)	Rent (max)	Total	Mortgage (max)		London Area	Elsewhere			
2010/11	£19,900	£17,400	£17,500	£15,000	-	£130	£105	£2,425	£3,760	-
2011/12	£19,900	-	£17,500	-	-	£150	£120	£2,425	£3,760	£1,330
2012/13	£20,000	-	£8,850 (2)	-	-	£150	£120	£2,425	£3,760	£1,330
2013/14	£20,100	-	-	-	£8,850	£150	£120	£2,425	£3,760	£1,330

(1) For MPs claiming for rental payments within the Member's constituency, or within 20 miles of any point on the constituency boundary, IPSA set out in guidance annual Accommodation Expenses budgets, in 2010/11. From 2011/12 budgets were specified in the Scheme. These budget limits vary, having regard to particular constituencies. (See below.)

(2) Five months at £1,250 (as the transition period ends on 31 August 2012) plus £2,600 for associated expenditure

## (b) Bandings for Accommodation Expenses outside London

	Band A (Rent max)	Band B (Rent max)	Band C (Rent max)	Band D (Rent max)	Band E (Rent max)
2010/11 (1)	£15,050	£12,550	£13,655	£11,155	£12,261
2011/12	£15,050		£13,655		£12,261
2012/13	£15,150		£13,750		£12,450
2013/14	£15,250		£13,850		£12,350

(1) Rates set in Scheme guidance

## (c) Staffing, Office, Administrative and Expenses

	Staffing Expenditure			Constituency Office Rental Expenditure		General	Office Costs Expenditure	
	All areas	London	non-London	London Area	Non-London Area	Administrative Expenditure	London Area	Non-London Area
2010/11	£109,548	-	-	£12,761	£10,663	£10,394	-	-
2011/12	£115,000	-	-	-	-	-	£24,000	£21,500
2012/13	-	£144,000	£137,200	-	-	-	£24,750	£22,200
2013/14	-	£144,000	£137,200	-	-	-	£25,350	£22,750

## (d) Start-Up and Winding-Up Expenses

	Start-up	Winding-up	Winding-up Expenditure	
	Expenses (1)	Expenses	London Area	Non-London Area
2010/11	-	£40,609	-	-
2011/12	£6,000	-	£46,500	£45,500
2012/13	£6,000	-	£56,250	£53,150
2013/14	£6,000	-	£56,450	£53,350

(1) Available for 365 days from the day after the date of election of the MP

## (e) Travel and subsistence

	Rate per mile			Bicycle	Subsistence		Taxi
	Motor car		Motorcycle		Overnight	Late sitting	Late sitting
	< 10,000 miles	> 10,000 miles			(1)	(2)	(3)
2010/11	40p	25p	24p	20p	£25	£15	£80
2011/12 (4)	40p	25p	24p	20p	£25	£15	£80
2012/13	45p	25p	24p	20p	£25	£15	£80
2013/14	45p	25p	24p	20p	£25	£15	£80

(1) Away from London Area or constituency

(2) MPs may claim reimbursement of the costs of an evening meal when they are required to be at the House of Commons because it is sitting beyond 7.30pm.

(3) In 2010/11, taxi fares could only be claimed if the House sat beyond 11pm

(4) The mileage rate for motor cars (< 10,000 miles) increased to 45p from 1 May 2011

## **Appendix 4: Library Research Papers on Members' pay and allowances since 2001**

*Parliamentary Pay and Allowances: Current Rates*, RP 01/43, 3 April 2001

*Parliamentary Pay, Allowances and Pensions: the Reviews of 2001*, RP 01/86, 8 November 2001

*Parliamentary Pay and Allowances: Current Rates*, RP 01/87, 8 November 2001

*Members' office costs – the new system*, RP 01/88, 8 November 2001

*Parliamentary pay and allowances*, RP 03/64, 16 July 2003

*Parliamentary pay and allowances*, RP 04/40, 18 May 2004

*Parliamentary pay and allowances*, RP 05/42, 9 June 2005

*Parliamentary pay and allowances*, RP 06/47, 9 October 2006

*Parliamentary pay, allowances and pensions*, RP 08/31, 31 March 2008

*Members' pay and the independent review process*, RP 09/29, 31 March 2009

*Members' allowances*, RP 09/60 25 June 2009

*Members' pay and expenses – current rates and a review of developments since 2009*, RP 12/29, 22 May 2012