



# Library Note

## Opposition Parties: Financial Assistance

In 1975, official financial assistance was provided to opposition parties in Parliament for the first time. The Wilson Government introduced a financing scheme in the House of Commons, under which opposition parties that met certain criteria became entitled to financial assistance. In setting out details of the scheme in December 1974, Edward Short, the then Leader of the House of Commons, made reference to an expectation that this money would be shared with Members in the House of Lords.

In 1996, separate financial assistance for opposition parties in the House of Lords was introduced. This became known as 'Cranborne Money' after Viscount Cranborne, the then Leader of the House of Lords. The original motion allowed that the largest opposition party in the House of Lords would receive £100,000 per financial year, and the second largest opposition party would receive £30,000. In 1999, official financial assistance was extended to the Convenor of the Crossbench Peers for the first time. This assistance was to be increased annually in line with the retail prices index. At various points, the sums have been increased above inflation, by resolution of the House.

In response to the fact that the Liberal Democrats were no longer in opposition following the general election in May 2010, the House agreed a motion to suspend the allocation of financial assistance to the second largest opposition party. This was reversed following the May 2015 general election.

Salaries for the Leader of the Opposition and the Opposition Chief Whip were first introduced in 1965, and these salaries are currently provided for under the Ministerial and Other Salaries Act 1975. The Ministerial and Other Salaries Act (1975) Amendment Order 2011 set these salaries at £68,710 and £63,537 respectively. Since 1997, these salaries have been increased annually in line with average increases in Senior Civil Service pay bands.

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## 1. Historical Background

### 1.1 Short Money

In 1975, official financial assistance was provided to opposition parties in Parliament for the first time.<sup>1</sup> The Wilson Government introduced a financing scheme in the House of Commons which became known as ‘Short Money’, after Edward Short, the then Leader of the House of Commons. Under this scheme, opposition parties that meet certain criteria are entitled to financial assistance, based on number of seats and votes won at the most recent general election. The resolution passed by the House of Commons establishing Short Money states that the cost of the provision would be borne by the House of Commons Vote.

In setting out details of the scheme in December 1974, Edward Short made reference to an expectation that this money would be shared with Members in the House of Lords, stating:

The allocation of funds between the two Houses is a matter for the parties themselves to decide, but I would consider it appropriate for a percentage of these funds to be allocated for the Opposition’s work in the House of Lords.<sup>2</sup>

In 1993, for the first time funding was allocated specifically for travel expenses,<sup>3</sup> and in 1999 a separate allocation was made for the Leader of the Opposition in the House of Commons.<sup>4</sup>

## 2. Cranborne Money

### 2.1 Introduction

In 1996, separate financial assistance for opposition parties in the House of Lords was introduced.<sup>5</sup> This became known as ‘Cranborne Money’ after Viscount Cranborne, the then Leader of the House of Lords.

In moving the motion to introduce the scheme, Viscount Cranborne stated:

It has been the practice for the opposition parties to make some contribution from their Short Money to their colleagues in this House, but I believe that the time is now right to provide noble Lords opposite with some support, as of right, which does not depend on the generosity of their colleagues in another place.<sup>6</sup>

The original motion allowed that the largest opposition party in the House of Lords would receive £100,000 per financial year, and the second largest opposition party would receive £30,000.<sup>7</sup> This amount was to be increased annually in line with the retail prices index. Viscount Cranborne argued that this sum was decided upon because “modest though they are, I believe that the sums are large enough to meet the costs of a small research staff to support the work

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<sup>1</sup> [HC Hansard, 20 March 1975, col 1869.](#)

<sup>2</sup> [HC Hansard, 19 December 1974, cols 1823–4.](#)

<sup>3</sup> [HC Hansard, 4 November 1993, col 595.](#)

<sup>4</sup> [HC Hansard, 26 May 1999, col 428.](#)

<sup>5</sup> [HL Hansard, 27 November 1996, col 272.](#)

<sup>6</sup> [ibid, col 267.](#)

<sup>7</sup> [ibid, col 269.](#)

of the Front Benches opposite”.<sup>8</sup> The motion specified that in order to claim this money, parties would need to certify that the expenses in respect of which the assistance was claimed were incurred exclusively in relation to the party’s parliamentary business, and have their accounts independently audited.<sup>9</sup> This money is provided from the House of Lords administration budget.<sup>10</sup>

Provision four of the resolution specified that in a year where a general election was held, the period ending immediately before the election and the period beginning on election day would be treated as separate periods, and the maximum amount which could be given to each party for each of those periods would be a proportionate part of the maximum amount for the year in question.<sup>11</sup>

## 2.2 Increases and Extension to Crossbench Peers

In October 1998 the Committee on Standards in Public Life, chaired by Lord Neill of Bladen (Crossbench), published a report on the funding of political parties.<sup>12</sup> In this report, the Committee cited evidence from Lord Richard, former Leader of the Opposition, who advocated increased funding for the Opposition in the House of Lords:

On the amount of money that we got, which was broadly about £100,000, frankly we managed to employ three researchers and that was not only for the whole of the Front Bench, it was also for the whole of the parliamentary party in the Lords. So if I was pressed as to whether the Cranborne Money was inadequate for the purposes of the Opposition as we used it in the House of Lords, I would be bound to give an unqualified ‘Yes’ to that, it was not adequate to do the job that we set out to do.<sup>13</sup>

The Committee recommended that in light of this evidence, and its simultaneous recommendation that Short Money in the House of Commons be increased, the political parties in the House of Lords should review the amount of money available to the opposition parties under the Cranborne Money scheme, with a view to increasing it.

A new resolution, agreed in July 1999, increased the sums available to opposition parties to £216,842 for the largest opposition party and £65,052 to the second largest party.<sup>14</sup> This resolution also provided for financial assistance to “assist the Convenor of the Crossbench Peers in carrying out parliamentary business on behalf of the Crossbench Peers”.<sup>15</sup> This financial assistance was limited to £20,000 for the financial year beginning in April 2000, increasing annually by the retail prices index.

In July 2002, the House of Lords agreed a resolution which replaced the original 1996 resolution on support to opposition parties and the 1999 resolution covering support to the Convenor of the Crossbench Peers, meaning the two elements were combined under the same resolution.<sup>16</sup> This resolution also increased the sums of money available for opposition parties

<sup>8</sup> [HL Hansard, 27 November 1996, col 268.](#)

<sup>9</sup> [ibid, col 269.](#)

<sup>10</sup> House of Lords, [Financing of the House of Lords](#), March 2009.

<sup>11</sup> [HL Hansard, 27 November 1996, col 270.](#)

<sup>12</sup> Committee on Standards in Public Life, [Funding of Political Parties in the United Kingdom](#), October 1998.

<sup>13</sup> [ibid](#), p 105.

<sup>14</sup> [HL Hansard, 29 July 1999, col 1678.](#)

<sup>15</sup> [ibid.](#)

<sup>16</sup> [HL Hansard, 30 July 2002, col 817.](#)

and the Convenor of the Crossbench Peers above the level indicated by the retail prices index, to a maximum of £390,555 for the Opposition, £195,000 for the second largest opposition party, and £35,000 for the Convenor of the Crossbench Peers.

The amount of financial assistance available to the Convenor of the Crossbench Peers was increased above inflation in 2008, when the House agreed a resolution increasing the sum to £61,003.<sup>17</sup>

## 2.3 Coalition Government, 2010–2015

Following the general election in May 2010, the Conservative and Liberal Democrat parties formed a coalition government. In response to the fact that the Liberal Democrats were no longer in opposition, in June 2010 the House agreed a motion to remove references to the second largest opposition party from the 2002 resolution.<sup>18</sup> In July 2015, this resolution was reversed when the House passed a motion stating that:

[...] with effect from 8 May 2015, the resolution of the House of 24 June 2010 (financial assistance to opposition parties) shall cease to have effect; and the resolution of the House of 30 July 2002 (financial assistance to opposition parties) shall have effect from 8 May 2015 as it would have done if the resolution of the House of 24 June 2010 had not been passed.<sup>19</sup>

In addition, this motion provided for an above-inflation increase in the financial assistance available to the Convenor of the Crossbench Peers, to £87,761.<sup>20</sup> In moving this motion, Baroness Stowell of Beeston, the Leader of the House, stated:

The effect of the second limb of the Motion is to adjust the amount of funding available to the Convenor of the Crossbenches to provide the resources needed for him to operate an office with two full-time members of staff.<sup>21</sup>

## 2.4 Payments Made

The following table contains the sums of financial assistance claimed by the official Opposition, the second largest opposition party and the Convenor of the Crossbench Peers since the 2001/02 financial year.<sup>22</sup>

<sup>17</sup> [HL Hansard, 20 March 2008, col 371.](#)

<sup>18</sup> [HL Hansard, 24 June 2010, cols 1429–30.](#)

<sup>19</sup> [HL Hansard, 9 July 2015, col 251.](#)

<sup>20</sup> [ibid, col 252.](#)

<sup>21</sup> [ibid.](#)

<sup>22</sup> UK Parliament website, [‘Financial Assistance for Opposition Parties’](#), accessed 29 April 2016.

Financial Year	Official Opposition		Second Largest Opposition Party		Convenor of the Crossbench Peers
	Party	Amount (£)	Party	Amount (£)	Amount (£)
2001/02	Conservative	226,552	Liberal Democrat	68,278	20,981
2002/03	Conservative	390,210	Liberal Democrat	194,998	29,322
2003/04	Conservative	343,873	Liberal Democrat	201,045	35,896
2004/05	Conservative	358,353	Liberal Democrat	206,272	37,023
2005/06	Conservative	426,236.42	Liberal Democrat	212,863	38,208
2006/07	Conservative	430,177	Liberal Democrat	217,982	39,125
2007/08	Conservative	436,399	Liberal Democrat	228,445	41,003
2008/09	Conservative	462,485	Liberal Democrat	237,126	59,674
2009/10	Conservative	474,927	Liberal Democrat	237,126	59,002
2010/11 to 10 May 2010 from 11 May 2010	Conservative Labour	55,658 314,785	to 10 May 2010	27,808	63,687
2011/12	Labour	512,701	-	-	64,579
2012/13	Labour	540,898	-	-	56,254
2013/14	Labour	558,748	-	-	8,180*
2014/15	Labour	572,717	-	-	0**

\* In addition to the £566,928 financial assistance for opposition parties, staff costs of £58,768 were incurred by the House of Lords for the Convenor of the Crossbench Peers. In previous years, these costs were incurred directly by the Convenor of the Crossbench Peers.<sup>23</sup>

\*\* Staff costs of £66,617 were incurred by the House of Lords in relation to assistance for the Convenor of the Crossbench Peers in 2014/15.

### 3. Salaried Positions

Salaries for the Leader of the Opposition and the Opposition Chief Whip were first introduced in 1965.<sup>24</sup> These salaries are currently provided for under the Ministerial and Other Salaries Act 1975.<sup>25</sup> In 1997, legislation was passed which increased these salaries annually in line with average increases in Senior Civil Service pay bands.<sup>26</sup> The Ministerial and Other Salaries Act Amendment (1975) Amendment Order 2011 set these salaries at £68,710 and £63,537 respectively.<sup>27</sup>

The following table contains the changes made by legislation to the salaries of the Leader of the Opposition and the Opposition Chief Whip in the House of Lords.

<sup>23</sup> House of Lords, [Resource Accounts 2013/14](#), 14 July 2014, HL Paper 24 of session 2014–15, p 39.

<sup>24</sup> Sir William McKay (ed), *Erskine May's Treatise on The Law, Privileges, Proceedings and Usage of Parliament*, 2004, p 19.

<sup>25</sup> Ministerial and other Salaries Act 1975.

<sup>26</sup> Ministerial and other Salaries Act 1997, s 1.

<sup>27</sup> Ministerial and other Salaries Act Amendment (1975) Amendment Order 2011, schedule 2.

Date salary effective from	Salary of the Leader of the Opposition in the House of Lords (£)	Salary of the Opposition Chief Whip in the House of Lords (£)
16 October 1964 <sup>28</sup>	2,000	1,500
1 April 1972 <sup>29</sup>	3,500	2,500
30 July 1977 <sup>30</sup>	4,003	2,953
31 July 1978 <sup>31</sup>	4,403	3,248
26 July 1979 <sup>32</sup>	8,701	7,124
28 July 1980 <sup>33</sup>	11,900	9,950
13 June 1981 <sup>34</sup>	18,600	16,275
23 June 1982 <sup>35</sup>	19,350	16,925
27 July 1983 <sup>36</sup>	20,390	17,840
1 January 1984 <sup>37</sup>	21,450	18,770
1 January 1985 <sup>38</sup>	22,520	19,710
1 January 1986 <sup>39</sup>	23,580	20,640
1 January 1987 <sup>40</sup>	24,640	21,570
1 January 1988 <sup>41</sup>	28,688	25,618
1 January 1989 <sup>42</sup>	30,647	27,377
1 January 1990 <sup>43</sup>	33,241	29,971
1 January 1991 <sup>44</sup>	36,066	32,519
1 January 1992 <sup>45</sup>	37,689	33,982
1 January 1994 <sup>46</sup>	38,894	35,099
1 January 1995 <sup>47</sup>	41,065	37,111
1 January 1996 <sup>48</sup>	42,361	38,313
24 July 1996 <sup>49</sup>	43,632	39,462
14 July 2011 <sup>50</sup>	68,710	63,537

<sup>28</sup> Ministerial Salaries and Members' Pensions Act 1965, s 2.

<sup>29</sup> Ministerial and other Salaries Act 1972, schedule 2.

<sup>30</sup> Ministerial and other Salaries Order 1977, SI 1977/1295, article 3.

<sup>31</sup> Ministerial and other Salaries Order 1978, SI 1978/1102, schedule 2.

<sup>32</sup> Ministerial and other Salaries and Pensions Order 1979, SI 1979/905, schedule 2.

<sup>33</sup> Ministerial and other Salaries and Pensions Order 1980, SI 1980/1073, schedule 2.

<sup>34</sup> Ministerial and other Salaries Order 1981, SI 1981/834, schedule 2.

<sup>35</sup> Ministerial and other Salaries Order 1982, SI 1982/848, schedule 2.

<sup>36</sup> Ministerial and other Salaries Order 1983, SI 1983/1128, schedule 2.

<sup>37</sup> *ibid.*

<sup>38</sup> *ibid.*

<sup>39</sup> *ibid.*

<sup>40</sup> *ibid.*

<sup>41</sup> Ministerial and other Salaries Order 1987, SI 1987/1836, schedule 2.

<sup>42</sup> Ministerial and other Salaries Order 1988, SI 1988/2253, schedule 2.

<sup>43</sup> Ministerial and other Salaries Order 1989, SI 1989/2416, schedule 2.

<sup>44</sup> Ministerial and other Salaries Order 1990, SI 1990/2596, schedule 2.

<sup>45</sup> Ministerial and other Salaries Order 1991, SI 1991/2886, schedule 2.

<sup>46</sup> Ministerial and other Salaries Order 1993, SI 1993/3166, schedule 2.

<sup>47</sup> Ministerial and other Salaries Order 1994, SI 1994/3206, schedule 2.

<sup>48</sup> Ministerial and other Salaries Order 1995, SI 1995/2984, schedule 2.

<sup>49</sup> Ministerial and other Salaries Order 1996, SI 1996/1913, schedule 2.

<sup>50</sup> Ministerial and other Salaries Act (1975) Amendment Order 2011, schedule 2.

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