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(Replaces Research Paper 03/64)

# Parliamentary pay and allowances

This paper summarises the current levels of pay and allowances of Members of Parliament, Members of the House of Lords and Ministers in both Houses. It provides some background on the formulae used to set levels of pay and allowances, and reports on the establishment of the Members Estimate Committee. In general, the figures given are maximum entitlements and are not necessarily the amounts actually claimed by individual Members. In the autumn of 2004, both Houses will publish, for the first time, summary statistics on allowances claimed by individual Members, as part of their preparations for the full implementation of the *Freedom of Information Act 2000*.

Members seeking advice and information on the calculation of, or arrangements relating to, their salaries or allowances should consult the Operations Directorate, Department of Finance and Administration (previously *The Fees Office*) or their handbook, *Parliamentary Salaries, Allowances and Pensions* (the “Green book”).

This edition replaces Research Paper 03/64 of 16 July 2003.

Richard Kelly

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## Summary of current rates With effect from 1 April 2004

**Table 1: Summary of current rates**  
With effect from April 2004

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Members' Parliamentary Salary	<b>£57,485</b>
Staffing Allowance	<b>£66,458 - £77,534</b> per annum
Incidental Expenses Provision (IEP)	<b>£19,325</b> per annum
IT equipment (centrally provided)	[worth circa <b>£3,000</b> ]
Pension provision for Members' staff	Group Stakeholder Arrangement
London Supplement	<b>£1,618</b>
Additional Costs Allowance	<b>£20,902</b> per annum
Winding up Allowance	One third of the sum of the staffing provision and the IEP
Car Mileage Higher	<b>57.7p</b> per mile
Lower	<b>26.6p</b> per mile
Motorcycle allowance	<b>24p</b> per mile
Bicycle allowance	<b>20p</b> per mile

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## I Introduction

The Senior Salaries Review Body (SSRB) most recent report on MPs' pay and allowances was published in March 2001.<sup>1</sup> This included the finding that Members' pay had fallen behind that of their comparators, and the SSRB recommended that the parliamentary salary, in addition to the usual formula increase, should be increased by £2,000 in both 2001 and 2002.<sup>2</sup>

The SSRB also recommended that the salaries of House of Lords Ministers and other office holders be similarly increased by £2,000 in each of the next two years, in addition to the usual increase,<sup>3</sup> and that the Prime Minister and Cabinet Ministers should draw their full salary entitlement (which they did not then do) so as to remedy the perceived distortion in the parliamentary pay system.<sup>4</sup> This last recommendation was implemented in June 2001 following the general election. Significant changes to the Office Costs Allowance were also proposed.

Following the 2001 SSRB review, the House debated a series of motions relating to parliamentary pay, allowances and pensions and to related issues on 5 July 2001.<sup>5</sup> The resolutions agreed by the House made significant changes to the rates of parliamentary pay, pensions and some allowances.<sup>6</sup> Fundamental changes were made to the way in which Members receive their office expenses, abolishing the Office Costs Allowance and replacing it with a radically different system.<sup>7</sup> The resolutions agreed on that date are still effective and the April 2004 pay levels and some of the allowances are based on the uprating formulae they introduced.

On 29 January 2004, the House agreed to changes to the way in which it administers Members' allowances. It added a new Standing Order to establish the House of Commons Members Estimate Committee which would have the power to amend resolutions of the House relating to Members' allowances.<sup>8</sup>

For comparative purposes, section II of this paper includes the pay rates for members of the devolved legislatures. Each section of the paper includes details of the latest figures,

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<sup>1</sup> *Review of Parliamentary Pay and Allowances*, Review Body on Senior Salaries report no 48, Cm 4997, <http://www.ome.uk.com/downloads/volume1.pdf>

<sup>2</sup> *Ibid*, para 2.13

<sup>3</sup> *Ibid*, para 2.21

<sup>4</sup> *Ibid*, para 2.17

<sup>5</sup> HC Deb 5 July 2001 Vol 371 cc421-77. Information on Members' pensions can be found in Library standard note, SN/BT/1844, *MPs pensions scheme*

<sup>6</sup> *Parliamentary Pay, Pensions and Allowances: the 2001 Review*, Research Paper 01/86, 8 November 2001, <http://www.parliament.uk/commons/lib/research/rp2001/rp01-086.pdf>

<sup>7</sup> For further information see: *Members' Office Costs: the new system*, Research Paper 01/88, 8 November 2001, <http://www.parliament.uk/commons/lib/research/rp2001/rp01-088.pdf>

<sup>8</sup> HC Deb 29 January 2004 cc406-418

a note on the appropriate uprating formula and details of the relevant resolution of the House. Tables giving comparative information over a number of years are also provided.<sup>9</sup>

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

## II Salary Entitlement

### A. Members’ pay

Members’ salaries rose on 1 April 2004 from £56,358 to **£57,485**. This followed the Twenty-Sixth report on senior salaries from the Senior Salaries Review Body<sup>10</sup> and a Written Ministerial Statement by the Prime Minister on 12 February 2004 in which he announced:

The 26th report of the Review Body on Senior Salaries, which makes recommendations about the pay of the senior civil service, senior military personnel and the judiciary, is being published today... Pay increases for Members of Parliament and Ministers are linked automatically to the increase in pay bands for the senior civil service. Their pay entitlement will therefore increase by 2 per cent from 1 April 2004.<sup>11</sup>

**Uprating formula:** Pay increases for Members are linked automatically to the increase in pay bands for the Senior Civil Service. This follows the recommendation of the Review Body on Senior Salaries (SSRB) report of 4 July 1996.<sup>1</sup> Further changes to the pay levels were made on 5 July 2001.

[Resolution debated and agreed: 10 July 1996, no division](#)<sup>12</sup>

[Resolution debated and agreed: 5 July 2001, on division \(276 to 42\)](#)<sup>13</sup>

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<sup>9</sup> More historic details are provided in the House of Commons Information Office Factsheet, *Members’ pay, pensions and allowances*, Factsheet M5, <http://www.parliament.uk/documents/upload/M05.pdf>

<sup>10</sup> Cm 6099, February 2004, see:

<http://www.ome.uk.com/downloads/26th%20Report%20on%20Senior%20Salaries.pdf>

<sup>11</sup> HC Deb 12 February 2004 c76WS

<sup>12</sup> HC Deb 10 July 1996 cc488-543, at c533 (motion approving SSRB report including these proposals agreed to 279-154, c530)

<sup>13</sup> HC Deb 5 July 2001 cc469-71

Table 2 shows recent trends in Members' pay. Members' pay has increased by 31 per cent since 1997, compared to a 19 percent increase in the RPI and a 36 percent increase in average earnings.<sup>14</sup>

**Table 2: Members' pay since 1997**

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

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

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

## B. Dual Mandate MPs and Devolved Legislature Members

Members of Parliament who are also members of devolved legislatures or the European Parliament receive a full parliamentary salary, currently **£57,485** per annum. In addition, they receive one third of the salary in respect of their membership of the devolved legislature or European Parliament. In future, members of national parliaments, but not the devolved legislatures, will no longer be able to hold a dual mandate in the European Parliament:

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

...

– members of the United Kingdom Parliament who are also members of the European Parliament during the five-year term preceding election to the European Parliament in 2004 may have a dual mandate until the 2009 European Parliament elections, when the first subparagraph of this paragraph shall apply.<sup>15</sup>

<sup>14</sup> National Statistics series CHAW and LNMQ; comparisons of 1<sup>st</sup> quarter 1997 and 2004 data.

<sup>15</sup> Foreign and Commonwealth Office, *Council Decision of 25 June and 23 September 2002 amending the Act concerning the election of the representatives of the European Parliament by direct universal suffrage, annexed to Decision 76/787/ECSC, EEC, EURATOM (2002/772/EC, Euratom)*, Cm 6093, December 2003, pp5-6

The derogation would have permitted John Hume, Rev Ian Paisley, Lord Inglewood, Baroness Ludford and Baroness Nicholson to continue to serve as MEPs until 2009.<sup>16</sup> However, both John Hume and Rev Paisley have announced that they will not be contesting the 2004 European Parliamentary Elections.<sup>17</sup> Therefore following the June 2004 elections there will be no dual mandate MPs in the European Parliament or the National Assembly for Wales or the Scottish Parliament. However, since the elections to the Northern Ireland Legislative Assembly on 26 November 2003, there are 12 dual mandate MPs.<sup>18</sup>

The standard level of pay of the members of the devolved legislatures is as follows:

### 1. National Assembly for Wales

With effect from 1 April 2004 the salary payable to Members of the National Assembly for Wales is **£43,283** per annum.<sup>19</sup> In addition, Members who hold any of the following offices are entitled to receive an additional salary as follows:

**Table 3: National Assembly for Wales salaries: 2004/05**

	Addition	Total
Assembly First Minister	£72,863	£116,146
Assembly Minister	£37,797	£81,080
Presiding Officer	£37,797	£81,080
Leader of the largest non-cabinet party	£37,797	£81,080
Deputy Presiding Officer	£23,675	£66,958
Chairs of Subject Committees (a)	£5,507	£48,790
Assembly Member		£43,283

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

Details of allowances available to Members of the National Assembly for Wales are available in the *National Assembly for Wales (Assembly Members and Officers) (Salaries, Allowances, etc) Determination 2002*.

<sup>16</sup> Department for Constitutional Affairs, *EPR Newsletter* 3/04, 8 April 2004

<sup>17</sup> John Murray Brown, "Hume to stand down after 24 years as an MEP", *Financial Times*, 5 February 2004, and David McKittrick, "Paisley to step down as Euro MP", *The Independent*, 20 January 2004

<sup>18</sup> There are four Sinn Fein Members whose Northern Ireland Assembly salaries are not abated as they do not receive Westminster salaries.

<sup>19</sup> Assembly Members who are also Members of Parliament or Members of the European Parliament will have their Assembly salary reduced by two-thirds in accordance with the *National Assembly for Wales (Assembly Members)(Salaries)(Limitation)Order 1999* (SI 1999 No 1083)

## 2. Northern Ireland Assembly<sup>20</sup>

From 1 April 2002 the salary payable to Members of the Northern Ireland Assembly (MLAs) was £41,321 per annum. The Assembly was suspended from midnight on 14 October 2002, and from 15 November 2002, MLAs were entitled to the pay level paid prior to devolution adjusted for the subsequent increases to date, which was £31,817 per annum.<sup>21</sup> The Presiding Officer's salary was also reduced to a total of £48,850. All ministers, committee chairmen, deputy presiding officers and members of the Northern Ireland Commission receive only their salary as MLAs during the suspension period.

These salaries were in place until the passing of the *Northern Ireland Assembly (Elections and Periods of Suspension) Act 2003*,<sup>22</sup> which postponed the Assembly elections to the autumn of 2003 and included provisions to allow former Members to receive salaries and allowances up to the last nomination day for the next election, and, if nominated, up to the end of the day of the poll for that election. These salaries, which amount to £20,660 for MLAs and £37,693 for the Presiding Officer, were determined by the Secretary of State. The dissolution period covered by these arrangements began on 1 June 2003.

Following the elections on 26 November, MLAs received no salary from 27 November until 4 December 2003. On 5 December 2003, the pre-devolution salaries of £31,817 for MLAs, and £48,850 for the Presiding Officer were reinstated. These salaries were determined by the Secretary of State.

In May 2002, the SSRB published a report on pay and allowances in the Northern Ireland Assembly.<sup>23</sup> The SSRB noted that it had previously recommended that MLAs' salaries should be approximately 82 per cent of that of a Westminster MP, and therefore recommended:

Recommendation 1: We recommend that the slippage in an MLA's salary in comparison with that of a Westminster MP should be made good. As a result:

- MLA pay before the uprating due on 1 April 2002 should be a notional £42,546.
- This figure should be uprated by 2.5 per cent from 1 April 2002.
- An additional £1,640 should be added as the relevant proportion of the sum awarded to MPs this year to ensure comparability with salaries elsewhere in the public sector.
- This gives rise to a recommended new salary of £45,250 from 1 April 2002.<sup>24</sup>

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<sup>20</sup> Source: Northern Ireland Assembly Personnel Office and Finance Office

<sup>21</sup> Northern Ireland Office press notice, "Secretary of State announces determination of Assembly salaries and allowances", 6 November 2002

<sup>22</sup> See Library Research Paper 03/43, *The Northern Ireland Assembly (Elections and Periods of Suspension) Bill*, <http://hcl1.hclibrary.parliament.uk/rp2003/rp03-043.pdf>

<sup>23</sup> Review Body on Senior Salaries, *Northern Ireland Assembly: Pay and Allowances*, Report No. 52, <http://www.ome.uk.com/downloads/Senior%20Salaries%20NI.pdf>

<sup>24</sup> *Ibid*, paras 2.1 and 2.8

The report also made recommendations about the salaries of the Presiding Officer, all ministers, committee chairmen, deputy presiding officers, and members' allowances. However, the recommendations have not been implemented.

### 3. Scottish Parliament

On 21 March 2002<sup>25</sup> the Scottish Parliament approved a new *Scottish Parliament Salaries Scheme*.<sup>26</sup> This provided for an annual review of MSPs' salaries commencing on 1 April 2003 to maintain those salaries at 87.5% of the salary payable to Members of the House of Commons. Officeholders' salaries were increased to retain this differential. The salary payable to MSPs from 1 April 2004 is **£50,300**.

Table 4 summarises current salaries in the Scottish Parliament:

**Table 4: Scottish Parliament salaries: 2004/05**

	Addition	Total
First Minister	£72,862	£123,162
Presiding Officer	£37,798	£88,098
Deputy Presiding Officer	£23,675	£73,975
Lord Advocate ( <i>a</i> )	£49,382	£99,682
Solicitor General for Scotland ( <i>a</i> )	£35,707	£86,007
Scottish Minister	£37,798	£88,098
Junior Scottish Minister	£23,675	£73,975
MSP		£50,300

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

Details of allowances available to Members of the Scottish Parliament can be found in the Scottish Parliament Official Report.<sup>27</sup>

### 4. European Parliament

With effect from 1 April 2001, the salary payable to UK Members of the European Parliament is the same as for Members of Parliament, currently **£57,485**.<sup>28</sup>

<sup>25</sup> *Meeting of the Parliament*, 21 March 2002, O.R. cc10577-10587, 10592-10600

<sup>26</sup> See Scottish Parliament Paper 554

<sup>27</sup> SPOR 21 June 2001 cc1907-17

<sup>28</sup> European Parliament, *Welcome to the European Parliament*, see: [http://www.europarl.eu.int/presentation/default\\_en.htm](http://www.europarl.eu.int/presentation/default_en.htm)

### C. Parliamentary salary for ministers, etc.

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

**Uprating formula:** Parliamentary salary, see Section I.A; ministerial salary, see Section I.D.

### D. Ministers' pay

Before 1996, ministerial salaries had been uprated by Order in line with Members' salaries but this had not been enshrined in legislation or parliamentary resolution.<sup>29</sup> However the 1996 SSRB report,<sup>30</sup> which was accepted by the Commons, recommended that the uprating formula and 1 April implementation date should also apply to ministers and other paid office holders.

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

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

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<sup>29</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>30</sup> Cm 3330

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

	1997/98	2000/01	2001/02	2002/03	2003/04	2004/05
Prime Minister ( <i>a</i> )	100,000	110,287	113,596	116,436	119,056	121,437
Cabinet Minister ( <i>a</i> )	60,000	66,172	68,157	69,861	71,433	72,862
Minister of State	31,125	34,326	35,356	36,240	37,055	37,796
Parliamentary Under Secretary	23,623	26,053	26,835	27,506	28,125	28,688
Government Chief Whip ( <i>b</i> )	36,613	66,172	68,157	69,861	71,433	72,862
Government Deputy Chief Whip	31,125	34,326	35,356	36,240	37,055	37,796
Government Whip	20,029	22,090	22,753	23,322	23,847	24,324
Assistant Government Whip	20,029	22,090	22,753	23,322	23,847	24,324
Leader of the Opposition ( <i>c</i> )	55,000	60,659	62,479	64,041	65,482	66,792
Opposition Chief Whip	31,125	34,326	35,356	36,240	37,055	37,796
Deputy Chief Opposition Whip ( <i>d</i> )	20,029	22,090	22,753	23,322	23,847	24,324
Assistant Opposition Whip ( <i>d</i> )	20,029	22,090	22,753	23,322	23,847	24,324
Speaker	60,000	66,172	68,157	69,861	71,433	72,862
Chairman of Ways and Means	31,125	34,326	35,356	36,240	37,055	37,796
First Deputy Chairman	27,355	30,168	31,073	31,850	32,567	33,218
Second Deputy Chairman	27,355	30,168	31,073	31,850	32,567	33,218
Attorney General ( <i>f</i> )	63,756			In Lords		
Solicitor General ( <i>g</i> )	In Lords	57,656	59,386	60,871	62,241	63,486
Advocate General for Scotland		57,656	59,386	60,871	62,241	63,486

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

	1997/98	2000/01	2001/02	2002/03	2003/04	2004/05
Prime Minister ( <i>a</i> )	143,860	158,658	163,418	171,554	175,414	178,922
Cabinet Minister ( <i>a</i> )	103,860	114,543	117,979	124,979	127,791	130,347
Minister of State	74,985	82,697	85,178	91,358	93,413	37,796
Parliamentary Under Secretary	67,483	74,424	76,657	82,624	84,483	28,688
Government Chief Whip ( <i>b</i> )	80,473	114,543	117,979	124,979	127,791	72,862
Government Deputy Chief Whip	74,985	82,697	85,178	91,358	93,413	37,796
Government Whip	63,889	70,461	72,575	78,440	80,205	24,324
Assistant Government Whip	63,889	70,461	72,575	78,440	80,205	24,324
Leader of the Opposition ( <i>c</i> )	98,860	109,030	112,301	119,159	121,840	66,792
Opposition Chief Whip	74,985	82,697	85,178	91,358	93,413	37,796
Deputy Chief Opposition Whip ( <i>d</i> )	63,889	70,461	72,575	78,440	80,205	24,324
Assistant Opposition Whip ( <i>d</i> )	63,889	70,461	72,575	78,440	80,205	24,324
Speaker	103,860	114,543	117,979	124,979	127,791	72,862
Chairman of Ways and Means	74,985	82,697	85,178	91,358	93,413	37,796
First Deputy Chairman	71,215	78,539	80,895	86,968	88,925	33,218
Second Deputy Chairman	71,215	78,539	80,895	86,968	88,925	33,218
Attorney General ( <i>f</i> )	107,616			In Lords		
Solicitor General ( <i>g</i> )	In Lords	106,027	109,208	115,989	118,599	63,486
Advocate General for Scotland	43,860	106,027	109,208	115,989	118,599	63,486

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

	1997/98	2000/01	2001/02	2002/03	2003/04	2004/05
Cabinet Minister (a)	77,963	85,983	88,562	94,826	96,960	98,899
Minister of State	51,838	66,294	68,283	74,040	75,706	77,220
Parliamentary Under Secretary	43,632	57,244	58,961	64,485	65,936	67,255
Government Chief Whip	51,838	66,294	68,283	74,040	75,706	77,220
Government Deputy Chief Whip	43,632	57,244	58,961	64,485	65,936	67,255
Government Whip	39,462	52,645	54,224	59,630	60,972	62,191
Leader of the Opposition	43,632	57,244	58,961	64,485	65,936	67,255
Opposition Chief Whip	39,462	52,645	54,224	59,630	60,972	62,191
Lord Chancellor (e)	140,665	167,760	173,875	180,045	202,736	207,736
Chairman of Committees	51,838	66,294	68,283	74,040	75,706	77,220
Principal Deputy Chairman	47,739	61,773	63,626	69,267	70,826	72,243
Lord Advocate	78,072					
Solicitor General (g) (h)	78,072			In Commons		
Attorney General (f)	In Commons	90,125	92,826	99,200	101,432	103,461
<b>Minister in neither House</b>						
Solicitor General (Scotland)	66,811					

**Notes on ministers' pay tables:**

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

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

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

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

- (b) Government Chief Whip in Cabinet as from 28 July 1998, so receives Cabinet Minister's salary.
- (c) Office in Lords from 29 July 1999 [*Attorney General's Salary Order 2000*, SI 2000/1827] - implementing 1996 SSRB recommendation that the salary should have same differential over the rate for a Cabinet Minister in Lords as it had in the Commons. From April to July 1999, the Commons ministerial salary was £68,332.
- (d) Office in Commons in 1992-1997 Parliament, and as from 28 July 1998.
- (e) From 1 April 1997, in line with the staged increase for the Lord Chief Justice. The *Ministerial and Other Pensions and Salaries Act 1991*, as amended by the *Ministerial and Other Salaries Order 1996* [SI 1996/1913], determined that the Lord Chancellor should receive £2,500 a year more than the salary for the time being payable to the Lord Chief Justice. The Lord Chancellor receives 14% of his salary from the House of Lords in respect of his Speaker's salary. The remainder of 86% is paid from the

Consolidated Fund. In February 2003 the Lord Chancellor announced that he would not take his full pay entitlement from 1 April 2003 of £202,736 and would instead take £184,096, in line with the increase given to MPs and ministers.

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

## **E. Parliamentary salary for select committee chairmen**

On 30 October 2003, the House agreed to pay certain select committee chairmen £12,500 per annum in addition to their salary as a Member, following a recommendation to that effect from the Review Body on Senior Salaries (SSRB). The new arrangements came into effect from the beginning of the current, 2003-04, Session. From 1 April 2004, the salary increased, in line with the increase in Members' salaries, to **£12,750**.

In June 2002, following the debate on the Modernisation Committee's proposals, Robin Cook, the then Leader of the House, wrote to the Review Body on Senior Salaries (SSRB) requesting that it advise the House on 'what additional remuneration is appropriate for chairmen of select committees'.<sup>31</sup> Peter Hain, the new Leader of the House, laid the SSRB's report on 17 July 2003.

The SSRB recommended that 'a single level of additional payment should be introduced for the Chairmen of the relevant committees' and that it should be set at £12,500. It recommended that the House rule on whether chairmen of select committees should relinquish paid or conflicting outside interests. (The Committee on Standards and Privileges reported on this matter.<sup>32</sup>) The SSRB also recommended that the chairmen of the following select committees should qualify for the additional salary:

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

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<sup>31</sup> Review Body on Senior Salaries, *Pay for Select Committee Chairmen in the House of Commons*, Report No 55, Cm 5673

<sup>32</sup> Committee on Standards and Privileges, *Pay for Select Committee Chairmen*, 15 October 2003, HC 1150 2002-03

Office of the Deputy Prime Minister:	Regulatory Reform Committee
Housing, Planning, Local Government and the Regions	Joint Committee on Human Rights Joint Committee on Statutory Instruments <sup>33</sup>

The House endorsed all the SSRB's recommendations.<sup>34</sup>

### III Members' Allowances

#### A. Members Estimate Committee

On 29 January 2004, the House agreed to delegate a number of responsibilities concerning the House of Commons: Members Estimate and some responsibilities previously conferred on the Speaker relating to allowances and insurance, to the House of Commons Members Estimate Committee.

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

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

- 1) 'the intention is to improve the governance of the House';
- 2) 'the rules on Members' allowances are governed by a large number of complex resolutions, dating back as far as 1945'; and
- 3) 'establishing the new Committee would reduce the need for minor administrative changes to be taken on the floor of the House'.<sup>35</sup>

Mr Hain acknowledged that some Members might question the powers of the Committee to vary resolutions of the House but argued that 'the proposed Standing Order contains safeguards'.<sup>36</sup> He continued that:

Paragraph 4 explicitly excludes the creation of a new form of charge or an increase to any rate of charge or payment. I emphasise that the Committee would not be empowered to create a new form of charge—such as a new expense

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<sup>33</sup> Review Body on Senior Salaries, *Pay for Select Committee Chairmen in the House of Commons*, Report No 55, Cm 5673

<sup>34</sup> HC Deb 30 October 2003 Vol 412 cc448-507

<sup>35</sup> HC Deb 29 January 2004 c407

<sup>36</sup> *Ibid*

allowance—on the Members' estimate, or to increase any rate of charge or payment determined by resolution of the House. For example, the Committee could not increase Members' pay. Such matters would have to be a matter for the House, debated on the Floor as we are debating now.<sup>37</sup>

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

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

Similarly, it has been proposed that Members who have money left in their incidental expenses provision or staffing allowance at the end of one allowances year should be able to carry some of it forward to the next, and that Members who want, for example, to move office in one allowances year should be able to draw down up to 10 per cent of the next year's incidental expense provision early. This, too, would seem an appropriate matter for the Committee to consider, and again not a matter to detain us on the Floor of the House.<sup>38</sup>

The new Standing Order<sup>39</sup> was agreed without a division.<sup>40</sup>

## **B. Allowances and rates**

### **1. Staffing allowance**

The March 2001 Review Body on Senior Salaries (SSRB) report on Members' pay and allowances, examined a number of other issues in addition to recommending an increase in MPs' pay.<sup>41</sup> One of these was the Office Costs Allowance (OCA). The report recommended fundamental changes to the way in which Members of Parliament were reimbursed for their office expenses. The proposals were adopted by the Government and debated by the House on 5 July 2001, together with other motions on Members' pay,

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<sup>37</sup> *Ibid* c408

<sup>38</sup> *Ibid*

<sup>39</sup> *Ibid* c406

<sup>40</sup> *Ibid* c418

<sup>41</sup> Review Body on Senior Salaries, Report No 48, *Review of parliamentary pay and allowances*, Cm 4997, 2 volumes

etc.<sup>42</sup> Further details of the new system are available in a separate Library Research Paper;<sup>43</sup> the main points are:

- The Office Costs Allowance was phased out on 31 March 2003.
- Under the new system, staff salaries are paid centrally by the House Authorities, although staff remain the employees of MPs. New staff will be employed on agreed pay scales and standard contracts, and existing staff should be moved to these as soon as possible, although with transitional arrangements.
- Members can now claim central provision and maintenance of certain IT equipment for their offices. Each Member is entitled to a standard package of 3 PCs, 1 laptop computer, 2 combined printers/scanners/copiers/answer machines (or dedicated printers) and associated software. This includes provision for constituency offices.
- A new Incidental Expenses Provision is available for other expenses involved in running an office (eg, office rents and rates).
- A new General Services Budget has been established to provide central funding for such items as: training of Members and their staff; appropriate insurance provision; exceptional expenses incurred by MPs who have constituencies with particular problems (to date, no scheme of payments for exceptional needs has yet been activated); additional payments in respect of security precautions; and reimbursing disabled Members for additional expenses.
- A Speaker's Advisory Panel [now the Advisory Panel on Members' Allowances] was set up to supervise the transition and advise on the implementation of the new system. The Leader of the House announced membership of the new Panel on 19 July 2001.<sup>44</sup>

**Uprating formula:** the staffing allowance will be uprated annually to reflect changes in pay levels for equivalent jobs outside the House.

[Resolution debated and agreed: 5 July 2001](#), as amended, agreed to<sup>45</sup>

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<sup>42</sup> HC Deb 5 July 2001 c421-77

<sup>43</sup> *Members' office costs - the new system*, Research Paper 01/88, <http://hcl1.hclibrary.parliament.uk/rp2001/rp01-088.pdf>

<sup>44</sup> HC Deb 19 July 2001 Vol 372 c317W

<sup>45</sup> HC Deb 5 July 2001 c463

The staffing allowance varies between **£66,458** and **£77,534** depending on where a Member's employees are based (higher rates are available for those based in London). Figures are given in Table 8 below.

## 2. Incidental expenses

As a result of the changes to the Office Cost Allowance, a new provision called an Incidental Expenses Provision was established, at the initial rate of £14,000 per year for each Member, to meet any other expenditure which Members incurred wholly necessarily and exclusively in discharging their duties as Members. The current rate is **£19,325**.

**Uprating formula:** The Incidental Expenses Provision is uprated annually on 1 April by the percentage increase in the RPI (the general index for all items) in the year to March [from April 2004, the percentage increase in the RPI in the year to December].

[Resolution debated and agreed:](#) 5 July 2001, as amended, agreed to<sup>46</sup>

## 3. Supplementary London Allowance

The Supplementary London Allowance ("London Supplement") is payable to Members for Inner London seats, and certain others, to reflect higher costs in London. It is not paid to Ministers with an official residence in London. The current rate is **£1,618**.

**Uprating formula:** The London Supplement is uprated annually on 1 April by the percentage increase in the RPI (the general index for all items) in the year to March [from April 2004, the percentage increase in the RPI in the year to December].

[Resolution debated and agreed:](#) 13 July 1994, no division<sup>47</sup>

The House resolved on 27 June 1997 that the following constituencies are specified as 'Inner London constituencies':<sup>48</sup>

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

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<sup>46</sup> HC Deb 5 July 2001 c463

<sup>47</sup> HC Deb 13 July 1994 Vol 246 cc1105-1114. The basis of the formula, and the previous arrangements, were explained by the Leader of the House, Tony Newton, at cc1107-9

<sup>48</sup> HC Deb 27 July 1997 Vol 296 c1130

#### 4. Additional Costs Allowance

The Additional Costs Allowance (ACA) reimburses Members with constituencies outside inner London for expenses incurred in staying overnight away from home whilst performing parliamentary duties. The current rate is **£20,902**.

**Uprating formula:** Since 1994, the ACA has been uprated annually on 1 April by the percentage increase in the RPI (the general index for all items) in the year to March [from April 2004, the percentage increase in the RPI in the year to December], until, exceptionally, during the debate on pay and allowances on 5 July 2001, a backbench amendment was agreed which increased the ACA by some 42%.

[Resolution debated and agreed:](#) *13 July 1994, no division*<sup>49</sup>

[Resolution debated and agreed:](#) *5 July 2001, on division (229 to 117)*<sup>50</sup>

#### 5. Motor Mileage Allowance

The Motor Mileage Allowance (MMA) reimburses Members for the cost of travel by car between Westminster and Members' constituencies and homes and for other approved journeys on parliamentary business. MMA may be claimed for standard journeys by car. The MMA rate reduces after 20,000 miles in any financial year. The rate of the MMA takes account of the full cost of owning and using a vehicle. This incorporates parking, membership of a breakdown service, road tax, insurance, servicing or maintenance, depreciation, fuel etc. The rate is adjusted if a Member does not own or wholly maintain the vehicle in question.

The current scheme, introduced on 1 April 1997, introduced flat rates for all engine sizes. The current rates are **57.7 pence** per mile for the first 20,000 miles and **26.6 pence** per mile thereafter.

**Uprating formula:** the Motor Mileage Allowance is uprated annually on 1 April by the percentage increase in the RPI (the general index for all items) in the year to March [from April 2004, the percentage increase in the RPI in the year to December].

[Resolution debated and agreed:](#) *10 July 1996, on a division (376-39)*<sup>51</sup>

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<sup>49</sup> Debated: HC Deb 13 July 1994 Vol 246 cc1105-1114, no division. The basis of the formula, and the previous arrangements, were explained by the Leader of the House, Tony Newton, at cc1107-9

<sup>50</sup> HC Deb 5 July 2001 Vol 371 cc464-6

<sup>51</sup> HC Deb 10 July 1996 Vol 281, cc488-542

## 6. Motorcycle Allowance

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

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

[Resolution debated and agreed:](#) 29 January 2004, no division<sup>52</sup>

## 7. Bicycle Allowance

The Bicycle Allowance first took effect from 1 April 1998.<sup>53</sup> Following its introduction, it was uprated annually by the percentage increase in the RPI (the general index for all items) in the year to March. For the year from 1 April 2003 it amounted to 7.2p per mile.

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

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

[Resolution debated and agreed:](#) 29 January 2004, no division<sup>54</sup>

## 8. Temporary Secretarial Allowance

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

Resolution debated and agreed: 5 June 1981, no division<sup>55</sup>

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

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<sup>52</sup> HC Deb 29 January 2004 cc406-418

<sup>53</sup> HC Deb 20 March 1998 Vol 308 c1597

<sup>54</sup> HC Deb 29 January 2004 cc406-418

<sup>55</sup> HC Deb 5 Jun 1981 Vol 5 cc1201-1260. See brief explanation by the then Leader of the House, Mr Pym, at c1205. Based on proposal in TSRB report no. 17, Cmnd 8244, para 13

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

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

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

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

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

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

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

More than one claim for temporary assistance may be admitted in relation to an employee's absence on sick leave provided the limit of 52 weeks sick pay in any four years is not breached.<sup>56</sup>

## 9. Winding Up Allowance

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

Until 2001 the maximum amount was expressed in terms of multiples of the Office Costs Allowance (OCA): four-thirds of the quarterly OCA payable in the year in which the person ceases to be a Member maximum (in effect, annual OCA x  $\frac{1}{3}$ ).<sup>57</sup>

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<sup>56</sup> Operations Directorate - Department of Finance and Administration (The Fees Office) Guidance Note, July 2001

<sup>57</sup> [Resolution debated and agreed](#): 13 July 1994, no division<sup>57</sup>

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

[Resolution debated and agreed: 5 July 2001](#)<sup>58</sup>

## 10. Summary of trends in allowance rates

Table 8 summarises recent trends in allowance rates

**Table 8: MPs allowances: summary 1997/98 - 2004/05**

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

## 11. Reimbursement of costs due to recall during a recess

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

[Resolution debated and agreed: 13 July 1994, no division](#)<sup>59</sup>

## 12. Members’ Resettlement Grant

A person who is a Member immediately before the dissolution of Parliament and does not stand for re-election or is defeated may claim a Resettlement Grant to assist with the costs of ‘adjusting to non-parliamentary life’. The grant was introduced in 1991 following a Top Salaries Review Body<sup>60</sup> recommendation.

The grant is calculated as a proportion of final salary; the proportion payable depends on both age and length of service. The relevant percentages are shown in the table below. Only

<sup>58</sup> HC Deb 5 July 2001 Vol 371 c466

<sup>59</sup> HC Deb 13 Jul 1994 Vol 246 cc1105-14. Tony Newton, then Leader of the House, explained the basis of this new allowance during his remarks in the 13 July 1994 debate, c1110

<sup>60</sup> The TSRB, which was the predecessor of the Senior Salaries Review Body

whole years of service are counted, and any period of service which was taken account of in the payment of a previous Resettlement Grant is not counted.<sup>61</sup>

The SSRB was asked to look at the calculation of the Resettlement Grant in its review that commenced in October 2000. It considered evidence arguing that the calculation should not be based on full years' service, as small differences in length of service could result in significant variations between Members. It concluded, however, that no change was warranted.<sup>62</sup>

[Resolution debated and agreed: 22 May 1991, no division](#)<sup>63</sup>

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

**Table 9: Resettlement grant**

Percentages of final annual salary

MP's age	Full years served						
	Under 10	10	11	12	13	14	15 or more
Under 50	50	50	50	50	50	50	50
50	50	50	52	54	56	58	60
51	50	52	55	58	62	65	68
52	50	54	58	63	67	72	76
53	50	56	62	67	73	78	84
54	50	58	65	72	78	85	92
55 to 64	50	60	68	76	84	92	100
65	50	58	65	72	78	85	92
66	50	56	62	67	73	78	84
67	50	54	58	63	67	72	76
68	50	52	55	58	62	65	68
69	50	50	52	54	56	58	60
70 or over	50	50	50	50	50	50	50

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

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

The House passed a [resolution](#) on 9 May 2002 to allow the reimbursement of members travelling on parliamentary duties to European Union institutions and national

<sup>61</sup> Any period of service which was *disregarded* when a previous Resettlement Grant was paid is also disregarded when any subsequent claim is made

<sup>62</sup> *Review of Parliamentary Pay and Allowances*, Review Body on Senior Salaries report no 48, Cm 4997, chapter 5

<sup>63</sup> HC Deb 22 May 1991 Vol 191 cc1033-1038

parliaments for up to three journeys.<sup>64</sup> It replaced a previous resolution which had allowed one journey per year.<sup>65</sup>

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

Special travel provisions are available for Members' spouses, and children under the age of 18. They can claim a certain number of free journeys between London and the constituency and/or London and home. This concession was extended to include Members' children on 10 June 1982, where previously it applied to Members' spouses only. Until 31 December 2003, each child could make up to 15 return journeys or 30 designated single journeys per calendar year and the same limit applied to spouses. New arrangements will permit up to 30 designated single journeys in the allowances' year beginning 1 April 2005. (Under transitional arrangements, 38 designated single journeys, or 19 return journeys, will be allowable in the period 1 January 2004 to 31 March 2005.)<sup>66</sup>

Members' staff could claim an entitlement for up to 18 designated single journeys each calendar year, shared between all employees. New arrangements from 1 April 2005 will permit 24 single journeys or 12 designated return journeys each allowances' year, shared between all employees of a Member. (Under transitional arrangements 15 designated return journeys will be allowed between 1 January 2004 and 31 March 2005.)<sup>67</sup> Members' staff may also claim travel expenses if they attend training events provided by the House.

### **C. Allowances for ministers**

#### **1. Ministers' severance payments**

Generally, three months of annual ministerial salary is payable when a minister ceases to hold office. Full details are set out in section 4 of the *Ministerial and other Pensions and Salaries Act 1991*, as amended.<sup>68</sup>

#### **2. Former Prime Ministers' Public Duties Allowance**

The Public Duties Allowance (PDA) is a financial allowance, paid from the Cabinet Office vote, to help former Prime Ministers to meet the continuing additional office costs which they are liable to incur because of their special position in public life.<sup>69</sup> The

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<sup>64</sup> HC Deb 9 May 2002 Vol 385 c401

<sup>65</sup> HC Deb 26 May 1999 Vol 332 cc411-426

<sup>66</sup> Department of Finance and Administration, *The Quick Guide*, April 2004

<sup>67</sup> *Ibid.* Under transitional arrangements, 15 designated return journeys will be allowed between 1 January 2004 and 31 March 2005

<sup>68</sup> *s.4, Ministerial and other Pensions and Salaries Act 1991*, as amended

<sup>69</sup> HC Deb 27 Mar 1991 Vol 188 c428W

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>70</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.<sup>71</sup> Following the changes to Office Costs Allowance made on 5 July 2001 the Prime Minister, Tony Blair, made an announcement about the PDA:

#### **Public Duties Allowance**

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

**The Prime Minister:** The Public Duties Allowance can be claimed by former Prime Ministers for expenses incurred for their continuing work for the public service and charity. The allowance, which was formerly linked to the Office Costs Allowance, will from 5 July 2001 be set at the same level as the ceiling under the new centralised arrangements for the payment by the House Authorities of the support and secretarial staff of Members of Parliament with London constituencies. This is currently £70,000.<sup>72</sup>

Table 10 below shows recent trends in this allowance

**Table 10: Former Prime Ministers' Public Duties Allowance: 1997/98 - 2004/05**

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

(a) Paid pro rata

<sup>70</sup> See Library Standard Note SN/PC/1663, *Short Money*, available on the Intranet.

<sup>71</sup> HC Deb 27 Mar 1991 Vol 188 c428W

<sup>72</sup> HC Deb 19 July 2001 Vol 372 c318W

## IV Allowances for Members of the House of Lords

The main allowances for Peers were debated and agreed on 20 July 1994.<sup>73</sup> The Lords ministers' night subsistence allowance was introduced by s5 of the *Ministerial and other Pensions and Salaries Act 1991*, and the Lords ministers' and office holders' secretarial allowance by a House of Lords resolution of 22 July 1980.<sup>74</sup> On 27 November 1996, the then Leader of the House, Viscount Cranborne, announced a new facility for the reimbursement of travel expenses of peers' spouses "in connection with attendance at parliamentary occasions".<sup>75</sup>

The SSRB review, published in March 2001, included the following recommendations on Lords allowances:<sup>76</sup>

### *House of Lords allowances*

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

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

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

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

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

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

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<sup>73</sup> HL Deb Vol 557 cc235-250. For a detailed explanation, see Viscount Ullswater's speech (cc235-238).

<sup>74</sup> HL Deb Vol 412 cc201-6

<sup>75</sup> HC Deb Vol 576 c273

<sup>76</sup> *Review of Parliamentary Pay and Allowances*, Review Body on Senior Salaries report no 48, Cm 4997

an official delegation or a Committee visit away from the House. (Paragraph 4.35)

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

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

[Resolution debated and agreed: 5 July 2001 agreed, no division<sup>77</sup>](#)

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

**Table 11: Main Peers' allowances: current summary**

Rates apply 1 August 2003 - 31 July 2004 except where stated

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**Backbench peers**

Subsistence		
Day	£64	Per day the House sits (usually 150 days)
Overnight	£128	
Travel		
Motor mileage allowance (a)	57.6p	Per mile up to 20,000
	26.6p	Per mile further
Bicycle Allowance (a)	7.4p	Per mile
Spouse's expenses		2 return journeys for parliamentary occasions per year
Office secretarial allowance	£53.50	Per sitting day and for up to 40 additional days per year

**Lords Ministers and paid office holders**

Ministers' Night Subsistence Allowance	£28,160	For those who maintain a second home in London
London Supplement (a)	£1,618	Except those in receipt of Lords' Ministers Night Allowance or with an official residence
Secretarial allowance	£4,742	
Family travel expenses		Expenses for up to 15 return journeys per calendar year for spouses and children aged under 18

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(a) Applies 1 April 2004 - 31 March 2005

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

Under the provisions of the *Freedom of Information Act 2000*, there will be a statutory right to request information from public authorities, including both Houses of Parliament. The Act also specified that it is 'the duty of every public authority ... to adopt and

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<sup>77</sup> HL Deb 5 July 2001 Vol 626 cc875-85

maintain a scheme which relates to the publication of information by the authority'.<sup>78</sup> As part of their preparations for the full implementation of the Act in January 2005, both Houses have decided to publish additional information in relation to Members' allowances.

## **A. House of Commons**

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

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

- Additional Costs Allowance or London Supplement,
- Incidental Expenses Provision,
- Staffing allowance,
- Members' travel,
- Members' staff travel,
- centrally purchased stationery,
- central IT provision, and
- other central budgets (such as the winding up allowance or temporary secretarial allowance).

The figures for Members' travel will cover travel on parliamentary business within the UK plus individual travel to designated European destinations.<sup>79</sup>

## **B. House of Lords**

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

- a) The House of Lords' Publication Scheme should be amended to include information relating to Members' expenses. This information should be published annually (related to financial years), broken down by the main categories of expenses available, namely: travelling expenses, day subsistence, night subsistence, secretarial etc. costs and the costs of the post-paid envelope scheme for correspondence on parliamentary business. Since travel costs vary widely, an indication should be given of the location of each Member's main residence.
- b) Details of expenditure on select committee and parliamentary delegation travel should be published separately.
- c) Details held by the House of claims for Financial Assistance to the Opposition parties and the Convenor of the Crossbench Peers ("Cranborne money") should also be published.

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<sup>78</sup> The *Freedom of Information Act 2000* (chapter 36), s19

<sup>79</sup> House of Commons Commission Press Notice, *The Speaker sets out his timetable for the publication of Members' allowances under the Freedom of Information Act 2000*, 18 June 2003

- d) This information should be made available before the rights of access under the Freedom of Information Act come into force on 1 January 2005. It should be published in Autumn 2004, once all claims by Lords for the financial year 2003-04 have been submitted and paid. The House should also publish information in respect of the financial years 2001-02, 2002-03 and 2003-04 because the Act is fully retrospective and records of expenses are retained in the Accountant's Office for a period of three years, as agreed by the National Audit Office.<sup>80</sup>

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

- a) Following the Lord Chairman's undertaking made in the House on 14 January, there should be an opportunity for Members to give an indication of the location of their main residence if they so wish. The indication should be expressed by reference to county or equivalent region.
- b) The number of days each Member attended the House or a committee of the House should be published along with the data on expenses claims.
- c) All claims for the Office Costs allowance should be aggregated and a single figure published of the total sums claimed under this head.
- d) Information about reimbursement of Members' travel costs should be given on a single aggregated basis encompassing all the three schemes: travel from the principal place of residence to Westminster; UK travel on parliamentary business; and EU travel on parliamentary business.
- e) Information about claims for travelling expenses by spouses of Members or Officeholders should not be published.
- f) Information about additional expenses incurred by disabled Members in attending the House and reimbursed on account of their disability should not be published.
- g) A simple indication should be given whether or not a Member is provided by the House with IT equipment on loan. This should be accompanied by a general description of the support available.
- h) The information to be published should include that relating to Members of the House who have died, retired or otherwise left the House during the year in question.<sup>81</sup>

The House of Lords agreed the House Committee's *Fifth Report* on [21 January 2004](#).<sup>82</sup>

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<sup>80</sup> House Committee, *First Report*, 17 December 2002, HL 19 2002-03, para 7

<sup>81</sup> House Committee, *Fifth Report*, 20 November 2003, HL 176 2002-03

<sup>82</sup> HL Deb 21 January 2004 cc1033-1039