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05/42)

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. It reports on the work of the Senior Salaries Review Body and the Members Estimate Committee. It also outlines the background to the publication of the allowances claimed by individual Members under the *Freedom of Information Act 2000*.

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

This edition replaces Research Paper 05/42 of 9 June 2005.

Richard Kelly

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Summary of current rates With effect from 1 April 2006

Table 1: Summary of current rates: House of Commons
With effect from April 2006

Members' Parliamentary Salary	
From 1 April	£59,686
From 1 November	£60,277
Staffing Allowance	£87,276 (maximum)
Incidental Expenses Provision (IEP)	£20,440
IT equipment (centrally provided)	[worth circa £3,000]
Pension provision for Members' staff	Group Stakeholder Arrangement
London Supplement	£2,712
Additional Costs Allowance	£22,110
Winding up Allowance	£35,905 (maximum - one third of staffing provision plus IEP)
Car Mileage First 10,000 miles	40p per mile
In excess of 10,000 miles	25p per mile
Motorcycle allowance	24p per mile
Bicycle allowance	20p per mile

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I Introduction

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

Members' pay and allowances are periodically reviewed by the Review Body on Senior Salaries (SSRB). In its 1996 review, the SSRB recommended an automatic review mechanism for Members' salaries. The House of Commons adopted this recommendation when it debated the SSRB's report on 19 July 1996. Since its 1996 review, the SSRB has published further reviews of Members' pay and allowances in March 2001 and October 2004. The next review was commissioned by the Prime Minister in July 2006. Brief details of these reviews are given in section III.B.

Section III.C sets out the current rates of Members' allowances and summarises previous rates. Section III also outlines the establishment and work of the Members Estimate Committee.

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

In October 2004, in advance of the implementation of the *Freedom of Information Act 2000*, both Houses of Parliament published details of the allowances claimed by Members in the 2001 Parliament. The background to the decisions in both Houses is given in Section V, along with links to the information that was published. Information relating to the 2004/05 financial year was published in October 2005.

Parliamentary pay and allowances are set in accordance with the specific resolutions cited in this paper. Fuller details of the resolutions are given in the *Concordance of Resolutions*.² The Operations Directorate, Department of Finance and Administration provides details of current pay and allowances for Members in its publication *Parliamentary salaries, allowances and pensions* (summarised in a *Quick Guide*) and by notices to Members.

II Salary Entitlement

A. Members' pay

Members' salaries rose on 1 April 2006 from £59,095 to **£59,686**. They will rise again, on 1 November 2006 to **£60,277** (giving a two per cent increase on the 2005/06 salary, by the end of the year). The decision to pay this year's increase in two stages was

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

² Members Estimate Committee, *Concordance of Resolutions*, June 2006, HC 950-II 2005-06 <http://www.publications.parliament.uk/pa/cm200506/cmselect/cmmemest/950/950ii.pdf>

announced by the Prime Minister in a Written Ministerial Statement, on the publication of the Twenty-Eighth report from the SSRB,³ on 30 March 2006:

The 28th report of the Review Body on Senior Salaries, which makes recommendations about the pay of the senior civil service, senior military personnel and the judiciary, is being published today ... Pay increases for Members of Parliament and Ministers are linked automatically to the movement of the mid point of the pay bands for the senior civil service. This therefore results in an increase to their salaries of 2 per cent. However, the Government proposes that this increase should also be paid in two stages—1 per cent. with effect from 1 April 2006, and the remainder with effect from 1 November 2006.⁴

However, before the pay rise could be implemented in two stages, the House had to agree to do so, as the 1996 Resolution on Members' pay only provided for a single yearly salary. In a brief debate on the staging of the increase, Jack Straw, the Leader of the House, explained the reasons for staging the salary increase:

The motion on Members' salaries will give effect to the proposal announced by my right hon. Friend the Prime Minister on 30 March that the pay increases for Members of Parliament for 2006-07 should be staged, with the full increase being deferred until 1 November rather than being payable from 1 April last. The proposal is made in the context of the Government's response to the 28th report of the Senior Salaries Review Body, which provides that the award to the senior civil service, to which Members' pay is linked under the formula agreed in 1996, is being staged in a similar way.⁵

Up-rating formula: Pay increases for Members are linked automatically to the increase in pay bands for the Senior Civil Service. This follows the recommendation of the Review Body on Senior Salaries (SSRB) report of 4 July 1996. Further changes to the pay levels were made on 5 July 2001. On 18 May 2006, it was agreed that the 2006/07 formula increase should be paid in two stages.

[Resolution debated and agreed: 10 July 1996, no division](#)⁶

[Resolution debated and agreed: 5 July 2001, on division \(276 to 42\)](#)⁷

[Resolution debate and agreed: 18 May 2006, no division](#)⁸

Table 2 and the following chart show recent trends in Members' pay:

³ Review Body on Senior Salaries, *Twenty-Eighth Report on Senior Salaries*, Report No 62, Cm 6727, March 2006,

<http://www.ome.uk.com/downloads/28th%20Report%20on%20Senior%20Salaries%20-%202006.pdf>

⁴ HC Deb 30 March 2006 cc96WS-97WS

⁵ HC Deb 18 May 2006 c1152

⁶ HC Deb 10 July 1996 cc488-543, at c533 (motion approving SSRB report including these proposals agreed to 279-154, c530)

⁷ HC Deb 5 July 2001 cc469-71

⁸ HC Deb 18 May 2006 cc1152-1164

Table 2: Members' pay since 1997

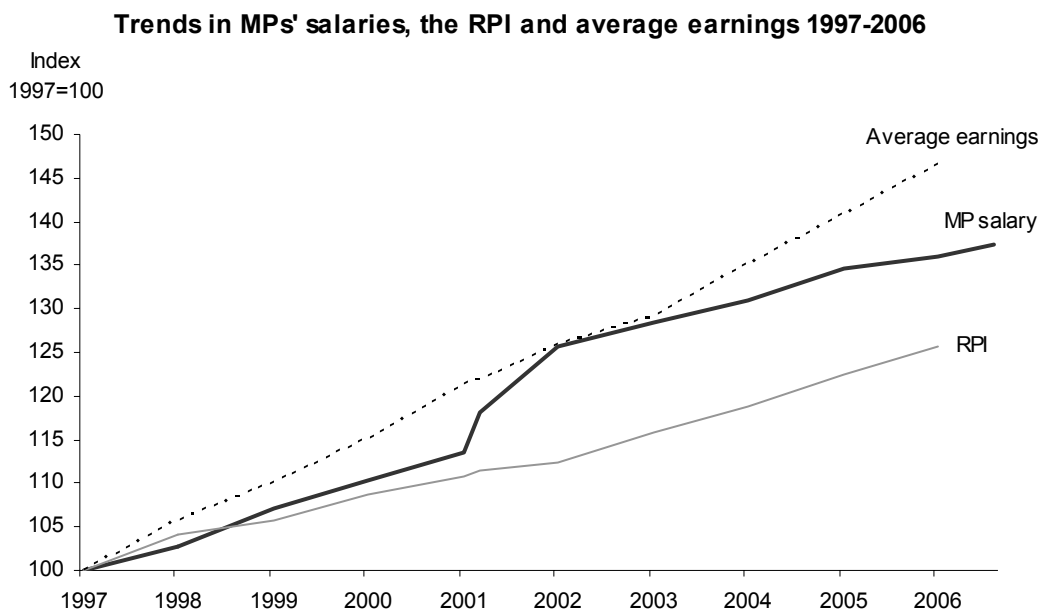
1 April 1997	£43,860
1 April 1998	£45,066
1 April 1999	£47,008
1 April 2000	£48,371
1 April 2001	£49,822
20 June 2001(a)	£51,822
1 April 2002 (b)	£55,118
1 April 2003	£56,358
1 April 2004	£57,485
1 April 2005	£59,095
1 April 2006 (c)	£59,686
1 November 2006 (c)	£60,277

(a) Comprises formula increase of 3 percent 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

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



When the full 2006/07 pay rise is implemented, in November, Members' pay will have increased by 37 per cent since 1997 (36 per cent in April 2006). This compares with a 26 per cent increase in the RPI and a 47 per cent increase in average earnings, to the end of March 2006.⁹

⁹ National Statistics series CHAW and LNMQ; comparisons of 1st quarter 1997 and 2006 data

B. European Parliament and Devolved Legislature Members

1. Dual Mandate MPs

Members of Parliament who are also members of devolved legislatures receive a full parliamentary salary, currently **£59,686** (increasing to £60,277 from 1 November 2006) per annum. In addition, they receive one third of the salary in respect of their membership of the devolved legislature.

Since the European Parliamentary elections in June 2004, members of national parliaments (including the House of Lords), but not the devolved legislatures, have no longer been permitted to hold a dual mandate in the European Parliament, although a derogation exists until 2009 for Members who previously had seats in both the European Parliament and a national Parliament.¹⁰

After the June 2004 elections there were no dual mandate MPs in the European Parliament (although two peers, Baronesses Ludford and Nicholson, still sit there).¹¹

There are no statutory provisions preventing Members of Parliament from becoming Members of the Scottish Parliament, the Welsh Assembly or the Northern Ireland Assembly. The Labour Party has a general policy of having no dual mandate MPs, although party rules are not quite as inflexible.¹² Other parties seem to have similar policies. However, at the 2005 General Election, one MSP, two AMs, 16 MLAs and two MEPs were elected to the House of Commons.¹³

¹⁰ 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

¹¹ See RP 05/42 section II. B. 1 for further details.

¹² HC Deb 21 October 1999 c658; Labour Party, *Rule Book 2004*, January 2004, rule 5C.2

¹³ **MSP**

David Mundell (Con) subsequently resigned as an MSP on 17 June 2005 [Scottish Parliament Fact Sheet, *Cumulative List of Male MSPs: Session 2*, 10 August 2006,

<http://www.scottish.parliament.uk/business/research/factsheets/documents/MaleMSPs-Cumulative-Session2.pdf>]

AMs

David Davies (Con) sits for Monmouth in both the National Assembly for Wales and the House of Commons;

Peter Law (Ind) sat for Blaenau Gwent in both the National Assembly for Wales and the House of Commons, until his death on 25 April 2006.

MLAs

The following 16 MPs also hold seats in the Northern Ireland Assembly: Gerry Adams (SF); Gregory Campbell (DUP); Nigel Dodds (DUP); Pat Doherty (Sinn Fein); Jeffrey Donaldson (DUP); Mark Durkan (SDLP); Michelle Gildernew (Sinn Fein); Rev William McCrea (DUP); Alasdair McDonnell (SDLP); Martin McGuinness (Sinn Fein); Conor Murphy (Sinn Fein); Rev Ian Paisley (DUP); Iris Robinson (DUP); Peter Robinson (DUP); David Simpson (DUP); and Sammy Wilson (DUP).

The five Sinn Fein Members' Northern Ireland Assembly salaries are not abated as they do not receive Westminster salaries.

MEPs

Chris Huhne (Lib Dem) and Theresa Villiers (Con) resigned from the European Parliament on their election to the House of Commons (*European Parliament Minutes*, 11 May 2005).

2. National Assembly for Wales

With effect from 1 April 2006 the salary payable to Members of the National Assembly for Wales is **£46,191** per annum.¹⁴ 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: 2006/07

	Addition	Total
Assembly First Minister	£76,491	£122,682
Assembly Minister	£39,677	£85,868
Presiding Officer	£39,677	£85,868
Leader of the largest non-cabinet party	£39,677	£85,868
Deputy Presiding Officer	£24,438	£70,629
Chairs of Subject Committees (a)	£5,781	£51,972
Assembly Member		£46,191
AMs who are also MPs or MEPs		£15,397

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

Unlike Members' salaries at Westminster, Members of the National Assembly for Wales received their full salary increase in one step, with effect from 1 April 2006.

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

3. Northern Ireland Assembly¹⁵

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

In 2004, the Government confirmed that the decision to continue paying MLAs' salaries, albeit at a reduced rate, was being kept under review.¹⁷ Baroness Amos told peers that "MLAs carry out constituency duties and have done so since the elections in November

¹⁴ Assembly Members who are also Members of Parliament or Members of the European Parliament have their Assembly salary reduced by two-thirds in accordance with the *National Assembly for Wales (Assembly Members)(Salaries)(Limitation) Order 1999* (SI 1999 No 1083)

¹⁵ Source: Northern Ireland Assembly Personnel Office and Finance Office

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

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

2003".¹⁸ However, in 2006, Parliament passed the *Northern Ireland Act 2006*, which gives the Secretary of State the power to dissolve the Northern Ireland Assembly before the next elections are due. In such circumstances, MLAs' salaries and allowances would cease to be paid.¹⁹

4. Scottish Parliament

On 21 March 2002²⁰ the Scottish Parliament approved a new *Scottish Parliament Salaries Scheme*.²¹ This provided for an annual review of MSPs' salaries. Since 1 April 2003 the objective of the annual reviews has been to maintain those salaries at 87.5 per cent of the salary payable to Members of the House of Commons. Officeholders' salaries were increased to retain differentials. In 2006/07, in line with the staging of Members' and Ministers' salaries at Westminster, MSPs' salary increases will also be staged. The salary payable to MSPs from 1 April 2006 is **£52,226**, and from 1 November 2006 it will be **£52,743**.

Table 4 summarises current salaries in the Scottish Parliament:

Table 4: Scottish Parliament salaries: 2006/07

	From 1 April 2006		From 1 November 2006	
	Addition	Total	Addition	Total
First Minister	£75,653	£127,879	£76,402	£129,145
Presiding Officer	£39,246	£91,472	£39,635	£92,378
Deputy Presiding Officer	£24,582	£76,808	£24,825	£77,568
Lord Advocate (a)	£51,273	£103,499	£51,781	£104,524
Solicitor General for Scotland (a)	£37,075	£89,301	£37,442	£90,185
Scottish Minister	£39,246	£91,472	£39,635	£92,378
Junior Scottish Minister	£24,582	£76,808	£24,825	£77,568
MSP		£52,226		£52,743

(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.²²

5. European Parliament

The salary payable to UK Members of the European Parliament is the same as for Members of Parliament. Accordingly, during 2006/07, MEPs' pay will increase in two

¹⁸ HL Deb 17 March 2004 c262

¹⁹ for further information see House of Commons Library, *The Northern Ireland Bill – Bill 169 of 2005-06*, Research Paper RP 06/23, 21 April 2006, <http://www.parliament.uk/commons/lib/research/rp2006/rp06-023.pdf>; see also letter of 20 July 2006 from Clare Salters, assistant Director, Devolution & Legislation, Northern Ireland Office to Members of the Legislative Assembly (DEP 06/1439)

²⁰ SP OR 21 March 2002, cols 10577-10587, cols 10592-10600

²¹ See Scottish Parliament Paper 554

²² SPOR 21 June 2001, cols 1907-17; current rates are detailed in Scottish Parliament Information Centre briefings, <http://www.scottish.parliament.uk/business/research/subject/index.htm>

stages to **£60,277** from 1 November 2006 (it will be £59,686 from 1 April to 31 October 2006).²³

C. Parliamentary salary for ministers, etc.

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

D. Ministers' pay

Before 1996, ministerial salaries had been uprated by Order in line with Members' salaries but this had not been enshrined in legislation or parliamentary resolution.²⁴ However the 1996 SSRB report,²⁵ which was accepted by the Commons, recommended that the uprating formula and 1 April implementation date should also apply to ministers and other paid office holders. In 2006/07, Ministers' salary increases were staged, as the Prime Minister announced in a Written Ministerial Statement on 30 March 2006:

Pay increases for Members of Parliament and Ministers are linked automatically to the movement of the mid point of the pay bands for the senior civil service. This therefore results in an increase to their salaries of 2 per cent. However, the Government proposes that this increase should also be paid in two stages—1 per cent. with effect from 1 April 2006, and the remainder with effect from 1 November 2006.²⁶

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

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

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

²³ House of Commons Library Standard Note SN/IA/3049, *The Statute for Members of the European Parliament*, gives details of the changes to MEPs' pay and allowances that will introduced following the 2009 European Parliamentary elections

²⁴ Such an Order would have been required for an 'uprating' increase from 1 April 1997, but there was no such Order, and therefore no uprating for the year beginning 1 April 1997

²⁵ Review Body on Senior Salaries, *Review of Parliamentary pay and allowances*, Report No. 38, Cm 3330-I, 1996, <http://www.ome.uk.com/downloads/volume1.pdf>

²⁶ HC Deb 30 March 2006 cc96WS-97WS

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

	1997/98	2001/02	2005/06	1 Apr 2006	1 Nov 2006
Prime Minister (a)	100,000	113,596	124,837	126,085	127,334
Cabinet Minister (a)	60,000	68,157	74,902	75,651	76,400
Minister of State	31,125	35,356	38,854	39,243	39,631
Parliamentary Under Secretary	23,623	26,835	29,491	29,786	30,081
Government Chief Whip (b)	36,613	68,157	74,902	75,651	76,400
Government Deputy Chief Whip	31,125	35,356	38,854	39,243	39,631
Government Whip	20,029	22,753	25,005	25,255	25,505
Assistant Government Whip	20,029	22,753	25,005	25,255	25,505
Leader of the Opposition	55,000	62,479	68,662	70,035	70,035
Opposition Chief Whip	31,125	35,356	38,854	39,631	39,631
Opposition Deputy Chief Whip	20,029	22,753	25,005	25,505	25,505
Opposition Assistant Whip	20,029	22,753	25,005	25,505	25,505
Speaker	60,000	68,157	74,902	75,651	76,400
Chairman of Ways and Means	31,125	35,356	38,854	39,243	39,631
First Deputy Chairman	27,355	31,073	34,148	34,489	34,831
Second Deputy Chairman	27,355	31,073	34,148	34,489	34,831
Attorney General (c)	63,756		In Lords		
Solicitor General (d)	In Lords	59,386	65,263	65,916	66,569
Advocate General for Scotland (e)		59,386	65,263	In Lords	

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

	1997/98	2001/02	2004/05	1 Apr 2006	1 Nov 2006
Prime Minister (a)	143,860	163,418	183,932	185,771	187,611
Cabinet Minister (a)	103,860	117,979	133,997	135,337	136,677
Minister of State	74,985	85,178	97,949	98,929	99,908
Parliamentary Under Secretary	67,483	76,657	88,586	89,472	90,358
Government Chief Whip (b)	80,473	117,979	133,997	135,337	136,677
Government Deputy Chief Whip	74,985	85,178	97,949	98,929	99,908
Government Whip	63,889	72,575	84,100	84,941	85,782
Assistant Government Whip	63,889	72,575	84,100	84,941	85,782
Leader of the Opposition	98,860	112,301	127,757	129,721	130,312
Opposition Chief Whip	74,985	85,178	97,949	99,317	99,908
Deputy Chief Opposition Whip	63,889	72,575	84,100	85,191	85,782
Assistant Opposition Whip	63,889	72,575	84,100	85,191	85,782
Speaker	103,860	117,979	133,997	135,337	136,677
Chairman of Ways and Means	74,985	85,178	97,949	98,929	99,908
First Deputy Chairman	71,215	80,895	93,243	94,175	95,108
Second Deputy Chairman	71,215	80,895	93,243	94,175	95,108
Attorney General (c)	107,616		In Lords		
Solicitor General (d)	In Lords	109,208	124,358	125,602	126,846
Advocate General for Scotland (e)		109,208	124,358	In Lords	

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

	1997/98	2001/02	2005/06	1 Apr 2006	1 Nov 2006
Lord Speaker (f)				102,685	103,701
Cabinet Minister (a)	77,963	88,562	101,668	102,685	103,701
Minister of State	51,838	68,283	79,382	80,176	80,970
Parliamentary Under Secretary	43,632	58,961	69,138	69,829	70,521
Government Chief Whip	51,838	68,283	79,382	80,176	80,970
Government Deputy Chief Whip	43,632	58,961	69,138	69,829	70,521
Government Whip	39,462	54,224	63,933	64,572	65,212
Leader of the Opposition	43,632	58,961	69,138	70,521	70,521
Opposition Chief Whip	39,462	54,224	63,933	65,212	65,212
Lord Chancellor (g)	140,665	173,875	213,899	102,685	103,701
Chairman of Committees	51,838	68,283	79,382	80,176	80,970
Principal Deputy Chairman	47,739	63,626	74,265	75,008	75,750
Solicitor General (d)	78,072		In Commons		
Attorney General (c)	In Commons	92,826	106,358	107,422	108,485
Advocate General for Scotland (e)		In Commons		93,249	94,173

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.

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) 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 has elected to receive the same salary as other Cabinet members in the Lords.

E. Parliamentary salary for select committee chairmen

On 30 October 2003, the House agreed to pay certain select committee chairmen £12,500 per annum in addition to their salary as a Member, following a recommendation to that effect from the Review Body on Senior Salaries (SSRB). The new arrangements

came into effect from the beginning of the 2003-04 Session. In 2006/07, the additional salary increases were staged, in line with Members' pay. From 1 April 2006, the salary increased to **£13,239**, and then to **£13,370** from 1 November 2006.

Details of the background to the introduction of the additional salary, of historic levels of the additional salary and of the Committees whose chairmen receive an additional salary are given in the Library Standard Note, *Modernisation: Select committees – pay for chairmen*.²⁷

The House endorsed all the SSRB's recommendations on 30 October 2003:

[Resolution debated and agreed: 30 October 2003, on division \(86 to 59\)](#)²⁸

It increased the number of committees whose chairmen qualified for an additional salary, with immediate effect, on 13 July 2005:

[Resolution debated and agreed: 13 July 2005, on division \(232 to 59\)](#)²⁹

On 18 May 2006, one further chairman (the chairman of the *Crossrail Bill* Committee) was added to the list of those who qualified for an additional salary, with effect from 13 December 2005:

[Resolution debated and agreed: 18 May 2006, no division](#)³⁰

F. Standing Committee chairmen

On 13 July 2005, when the House debated the membership of select committees, it also agreed to introduce additional salaries for the chairmen of standing committees, following an SSRB review which, "on balance" considered that:

... a good case can be made for additional payment for at least those Chairmen of Standing Committees undertaking more substantial duties. Payment could support membership of the Panel as a possible step in a career path leading ultimately to the role of Deputy Speaker, or possibly even Speaker.³¹

The new arrangements, which came into effect from 1 November 2005, allowed for a tiered salary structure, based on length of service. Under this approach the most experienced chairmen receive an additional salary that is equivalent to that of a select committee chairman.

[Resolution debated and agreed: 13 July 2005, on division \(226 to 74\)](#)³²

²⁷ House of Commons Library Standard Note SN/PC/2725, *Modernisation: Select committees – pay for chairmen*, <http://www.parliament.uk/commons/lib/research/notes/snpc-02725.pdf>

²⁸ HC Deb 30 October 2003 Vol 412 cc448-507

²⁹ HC Deb 13 July 2005 cc840-930

³⁰ HC Deb 18 May 2006 cc1152-1164

³¹ Review Body on Senior Salaries, *Pay for Standing Committee Chairmen in the House of Commons*, July 2005, Cm 6566, para 2.11

³² HC Deb 13 July 2005 cc840-930

The tiers are shown in Table 8, which also shows the salaries that applied in 2005/06 and those that will be paid in 2006/07.

Table 8: Committee Chairmen additional salaries 2005/06 and 2006/07

	2005/06 (a)	2006/07	
		From 1 April	From 1 November
Select Committee Chair	£13,107	£13,239	£13,370
Standing Committee Chair			
Tier 1 <i>Less than 1 year</i>	£2,615	£2,642	£2,668
Tier 2 <i>1-3 years</i>	£7,340	£7,414	£7,487
Tier 3 <i>3-5 years</i>	£9,960	£10,060	£10,160
Tier 4 <i>At least 5 years</i>	£13,107	£13,239	£13,370

Note (a): Standing Committee Chair salaries were introduced with effect from 1 November 2005

Details of the background to the introduction of the additional salary are given in the Library Standard Note, *Standing committees: pay for chairmen*.³³

III Members' Allowances

A. Members Estimate Committee

1. Establishment

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

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

The new Standing Order³⁴ was agreed without a division.³⁵

The Members Estimate Committee is advised by the Advisory Panel on Members' Allowances (formerly the Speaker's Advisory Panel).

³³ House of Commons Library Standard Note SN/PC/3718, *Standing committees: pay for chairmen*, <http://www.parliament.uk/commons/lib/research/notes/snpc-03718.pdf>

³⁴ HC Deb 29 January 2004 c406; Standing Order No. 152D

³⁵ HC Deb 29 January 2004 c418. More details of the debate are given in RP 05/42, section III.A..1

2. Work of the Committee in 2004/05

The Members Estimate Committee published its first yearly report on 21 January 2005.³⁶ The Committee reported that it had agreed a number of “technical changes” to the Members allowances regime in the year; these changes were reported in a concordance of resolutions relating to Members’ allowances that the Standing Order establishing the Committee required it to publish each year.³⁷

In December 2004, the Committee published a first edition of its “Concordance” or “List of provisions of the Resolutions of the House relating to expenditure charged to the Estimate for House of Commons: Members, as modified by the House of Commons Members Estimate Committee”, which is available on line.³⁸

A revised version of the Concordance was published in May 2005 to accompany the Committee’s First Report.³⁹

In addition, at its first meeting in the 2004-05 Session the Committee agreed to the “regular publication of its formal minutes on a Committee website”.⁴⁰ Formal minutes can be found on the Committee’s homepage.⁴¹

3. Work of the Committee in 2005/06

In June 2006, the second edition of the “Concordance” was published.⁴²

A number of changes to the operation of the allowances system that the Committee sanctioned during the year are reflected in changes to the *Green Book*.⁴³ These changes included:

- allowing increased mortgage interest payments from the Additional Cost Allowance, if Members move house (MEC meeting of 18 July 2005);
- extending the provision on spouse’s travel to civil partners (12 December 2005);
- travel entitlements for under 18s extended to cover 18 year olds in full-time secondary education (12 December 2005);

³⁶ Members Estimate Committee, *First Report of Session 2004-05*, 21 January 2005, HC 240-I 2004-05

³⁷ *Ibid*, paras 4 and 6

³⁸ Members Estimate Committee, <http://www.parliament.uk/documents/upload/MECCConcordance.pdf>

³⁹ Members Estimate Committee, *Concordance of Resolutions*, 6 May 2005, HC 240-II 2004-05, <http://www.publications.parliament.uk/pa/cm200405/cmselect/cmmemest/240/240ii.pdf>

⁴⁰ Members Estimate Committee, *Formal Minutes*, 13 December 2004,

http://www.parliament.uk/parliamentary_committees/mec/mecfm131204.cfm

⁴¹ See: http://www.parliament.uk/parliamentary_committees/mec.cfm

⁴² Members Estimate Committee, *Concordance of Resolutions*, June 2006, HC 950-II 2005-06

<http://www.publications.parliament.uk/pa/cm200506/cmselect/cmmemest/950/950ii.pdf>

⁴³ Department of Finance and Administration, *The Green Book – Parliamentary Salaries, Allowances and Pensions*, July 2006, <http://www.parliament.uk/documents/upload/HofCpsap.pdf>

- varying the allocation of IT equipment – allowing the substitution of up to two laptops for two desktop PCs (27 February 2006);
- allowing overnight stays on journeys to or from constituencies to be claimed from the Additional Costs Allowance when it was not practicable to complete the journey in one day (19 June 2006).⁴⁴

A summary of the Members Estimate Committee's work was published in *The House of Commons: Members Resource Accounts 2005-06*.⁴⁵

B. Reviews of pay and allowances

1. The 1996 Review

In its 1996 review of Members' pay and allowances, the Review Body on Senior Salaries (SSRB) recommended an automatic review mechanism for Members' salaries.⁴⁶ The House of Commons adopted this recommendation when it debated the SSRB's 1996 report on 19 July 1996. Since its 1996 review, the SSRB has published further reviews of Members' pay and allowances in March 2001 and October 2004.

2. The 2001 Review

Following a request from the Prime Minister in October 2000, the SSRB's next review of Parliamentary pay and allowances was published in March 2001.⁴⁷ It included reviews of peers' expenses, the Office Costs Allowances in the House of Commons, and the system of calculating the resettlement grant. The SSRB recommended significant changes to the Members' allowances system. These changes are described in more detail in earlier Library Research Papers.⁴⁸

In its 2001 report, the SSRB also concluded that Members' pay had fallen behind that of their comparators, and recommended that the parliamentary salary, in addition to the usual formula increase, should be increased by £2,000 in both 2001 and 2002. The SSRB also recommended that the salaries of House of Lords Ministers and other office holders be similarly increased by £2,000 in each of the next two years, in addition to the usual increase; and that the Prime Minister and Cabinet Ministers should draw their full salary entitlement (which they did not then do) so as to remedy the perceived distortion in the

⁴⁴ Members Estimate Committee, *Formal Minutes*, various dates

⁴⁵ House of Commons, *The House of Commons: Members Resource Accounts 2005-06*, 20 July 2006, HC 1454 2005-06, p6, <http://www.publications.parliament.uk/pa/cm/cmresource/1454.pdf>

⁴⁶ Review Body on Senior Salaries, *Review of Parliamentary pay and allowances*, Report No. 38, Cm 3330-I, 1996, recommendation 14, paras 66-78, <http://www.ome.uk.com/downloads/volume1.pdf>

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

⁴⁸ *Parliamentary Pay, Pensions and Allowances: the 2001 Review*, Research Paper 01/86, 8 November 2001, <http://www.parliament.uk/commons/lib/research/rp2001/rp01-086.pdf>; *Members' Office Costs: the new system*, Research Paper 01/88, 8 November 2001, <http://www.parliament.uk/commons/lib/research/rp2001/rp01-088.pdf>

parliamentary pay system.⁴⁹ This last recommendation was implemented in June 2001 following the general election.

The proposals were adopted by the Government and debated by the House on 5 July 2001, together with other motions on Members' pay, etc.⁵⁰

3. The 2004 Review

In November 2003, the Government asked the SSRB to conduct its next review of Parliamentary pay and allowances. The SSRB published its report in October 2004.⁵¹ It recommended no changes to the structure of allowances but it did recommend some increases. One major change was a recommendation that the Motor Mileage Allowance should be reduced considerably, to be paid in line with rates recommended by the Inland Revenue. It recommended no changes to either Members' or ministers' salaries beyond the formula increases recommended in the 1996 report.

On 3 November 2004, the House debated the SSRB's recommendations. Debate centred on the staffing allowance and the motor mileage allowance. On the staffing allowance, an amendment to delete the reference to a base level and to allow up to 10 per cent of the allowance to be used in funding constituency offices was agreed to (on a division by 239 votes to 109). An amendment to hold motor mileage allowances at existing rates until the Inland Revenue rates reached them was rejected (on a division by 193 votes to 118).⁵²

4. The Next Review

On 25 July 2006, Jack Straw, the Leader of the House of Commons, announced that the Prime Minister had written to the SSRB, requesting it to undertake a review of Members' pay and allowances:

The Leader of the House of Commons (Mr. Jack Straw): In 1996 the independent Senior Salaries Review Body (SSRB) recommended that parliamentary pay, allowances and pensions should be reviewed every three years starting in 2000. In line with this recommendation, my right hon. Friend the Prime Minister, has written to John Baker, the Chairman of The Review Body, in the following terms:

Terms of the review

"I understand that the Senior Salaries Review Body is ready to undertake the triennial review of parliamentary pay and allowances;

You will be aware of recent statements by the Chancellor of the Exchequer and the Chief Secretary to the Treasury on public sector pay restraint and

⁴⁹ Review Body on Senior Salaries, *Review of Parliamentary pay and allowances*, Report No. 48, Cm 4997-I, 2001, para 2.13, para 2.21 and para 2.17

⁵⁰ HC Deb 5 July 2001 c421-77

⁵¹ Review Body on Senior Salaries, *Review of Parliamentary Pay and Allowances 2004*, October 2004, Cm 6354,

<http://www.ome.uk.com/downloads/SSRB%20pay%20review%20Cm%206354%20part%201.pdf>

⁵² HC Deb 3 November 2004 cc315-369

the underlying rate of inflation. I am sure that the review body will wish to take account of this important context in its deliberations.

I am writing to confirm that the Government would like to see the following areas covered in your report:

- (a) The salaries of Members of the House of Commons taking into account the benefits of the parliamentary pension scheme;
- (b) the salaries of Ministers and other office holders, including those with additional responsibilities in Parliament, and the operation of severance pay;
- (c) aspects of the benefits and funding of the parliamentary contributory pension fund;
- (d) an appropriate approach to the annual increase to parliamentary salaries between triennial reviews to replace the current automatic link to the senior civil service given the changing recruitment and retention strategy for senior staff;
- (e) the rate of allowances for Members of the House of Commons, including eligibility for the additional costs allowance and the London supplement, and the operation of the resettlement grant in the light of forthcoming age discrimination legislation;
- (f) the rate of peers' expenses allowances; and
- (g) the extension to unmarried partners of eligibility to spouses' travel costs, and to cover travel to devolved assemblies for Scottish, Welsh and Northern Ireland MPs.

I should also be grateful for your recommendations on the adequacy of the current provision of IT equipment for Members both in the House of Commons and in their constituencies.

I look forward to receiving your recommendations next year."

The review will also take into account the recent appointment of the Lords Speaker.

Consultation with Members of Parliament

As previously outlined to the House following the last triennial review, the SSRB will be pro-active in seeking contributions from each Member of Parliament. The SSRB will write to Members of Parliament in due course.

Contacting the SSRB

Notwithstanding this, Members who have views should submit their comments to the SSRB by early December 2006 at the following address:

Alan Dawson
 Senior Salaries Review Body
 The Office of Manpower Economics
 6th Floor
 Kingsgate House
 66-74 Victoria Street
 London, SW1E 6SW

Alternatively, those Members of Parliament who have comments can email the secretariat to the SSRB. Please contact: alan.dawson@dti.gsi.gov.uk⁵³

C. Allowances and rates

The rules relating to allowances are published in *The Green Book* and the resolutions in the *Concordance of Resolutions*.⁵⁴

A summary of the current and recent rates is given in Table 9, below.

1. Staffing allowance

The 2001 SSRB review created a new staffing allowance. Initially different maxima were set for MPs depending on whether their constituency was in London or not. The 2004 SSRB review recommended that this practice continue; it recommended an increase in excess of the uprating formula; and that the allowance should be increased annually, with effect from 1 April 2005, in line with the Average Earnings Index for public and private sectors combined, in place of the previous “to reflect changes in pay levels for equivalent jobs outside the House”. However, the House agreed that all Members should be entitled to the higher level of allowance, and that up to 10 per cent of the allowance could be used to fund constituency offices.⁵⁵

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

[Resolution debated and agreed:](#) 5 July 2001, as amended, agreed to.⁵⁶

[Resolution debated and agreed:](#) 3 November 2004, as amended, agreed to.⁵⁷

The maximum entitlement to staffing allowance is **£87,276**.

2. Incidental expenses

As a result of the changes to the Office Cost Allowance in 2001, a new provision called an Incidental Expenses Provision was established, at the initial rate of £18,000 per year for each Member,⁵⁸ to meet any other expenditure which Members incurred wholly necessarily and exclusively in discharging their duties as Members. The current rate is **£20,440**.

⁵³ HC Deb 25 July 2005 cc102WS-103WS

⁵⁴ Department of Finance and Administration, *The Green Book – Parliamentary Salaries, Allowances and Pensions*, July 2006, <http://www.parliament.uk/documents/upload/HofCpsap.pdf>; and Members Estimate Committee, *Concordance of Resolutions*, June 2006, HC 950-II 2005-06, <http://www.publications.parliament.uk/pa/cm200506/cmselect/cmmemest/950/950ii.pdf>

⁵⁵ HC Deb 3 November 2004 cc362-363

⁵⁶ HC Deb 5 July 2001 c466

⁵⁷ HC Deb 3 November 2004 cc362-363

⁵⁸ The SSRB had recommended that the IEP should be initially set at £14,000 but an amendment (£18,000) was agreed to during the debate on 5 July 2001

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

[Resolution debated and agreed:](#) 5 July 2001, as amended, agreed to⁵⁹

3. Supplementary London Allowance

The Supplementary London Allowance (“London Supplement”) is payable to Members for Inner London seats, and certain others, to reflect higher costs in London. The current rate is **£2,712**.

Until March 2005, it was uprated in line with the Retail Price Index but the SSRB recommended that this should change. From April 2005, it also proposed that the London Supplement should increase to £2,500 plus uprating, as it was previously “low by comparison with London allowances in the public sector generally”.⁶⁰ In line with backbench MPs, from April 2005 Ministers can claim the London supplement only if they do not claim the Additional Cost Allowance.

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

[Resolution debated and agreed:](#) 3 November 2004, no division⁶¹

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

Battersea; Bethnal Green and Bow; Camberwell and Peckham; Cities of London and Westminster; Dulwich and West Norwood; Eltham; Greenwich and Woolwich; Hackney North and Stoke Newington; Hackney South and Shoreditch; Hammersmith and Fulham; Hampstead and Highgate; Holborn and St. Pancras; Islington North; Islington South and Finsbury; Kensington and Chelsea; Lewisham, Deptford; Lewisham East; Lewisham West; North Southwark and Bermondsey; Poplar and Canning Town; Putney; Regent's Park and Kensington North; Streatham; Tooting; Vauxhall.⁶²

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 **£22,110**.

⁵⁹ HC Deb 5 July 2001 c463

⁶⁰ Review Body on Senior Salaries, *Review of Parliamentary pay and allowances 2004*, Report No 57, Cm 6354-I, October 2004,, para 4.48

⁶¹ HC Deb 13 November 2004 c368

⁶² HC Deb 27 July 1997 Vol 296 c1130

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

[Resolution debated and agreed:](#) 13 July 1994, no division⁶³

[Resolution debated and agreed:](#) 5 July 2001, on division (229 to 117)⁶⁴

5. Motor Mileage Allowance

The Motor Mileage Allowance (MMA) reimburses Members for the cost of travel by car between Westminster and their constituencies and homes and for other approved journeys on parliamentary business. From 1 April 2005, in line with SSRB recommendations, the MMA has been reduced. It is now set in line with approved Inland Revenue rates which are calculated to “represent the actual cost of motoring, including fuel costs, wear and tear (including servicing and depreciation), road fund licence, and insurance”.⁶⁵ The current rates are **40.0 pence** per mile for the first 10,000 miles and **25.0 pence** per mile thereafter.

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

[Resolution debated and agreed:](#) 3 November 2004, no division (but a proposed amendment had been negatived)⁶⁶

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 division⁶⁷

⁶³ 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

⁶⁴ HC Deb 5 July 2001 Vol 371 cc464-6

⁶⁵ Review Body on Senior Salaries, *Review of Parliamentary pay and allowances 2004*, Report No 57, Cm 6354-I, October 2004, para 4.51

⁶⁶ HC Deb 3 November 2004 cc315-367

⁶⁷ HC Deb 29 January 2004 cc406-418

7. Bicycle Allowance

The Bicycle Allowance first took effect from 1 April 1998.⁶⁸ Following its introduction, it was updated annually by the percentage increase in the RPI (the general index for all items) in the year to March.

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.

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

[Resolution debated and agreed:](#) 29 January 2004, no division⁶⁹

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 division⁷⁰

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 on paid maternity leave, or
- be absent on sick leave for **more** than two continuous weeks, or
- be absent on paid adoption leave
- continue to receive a salary paid from the Member's allowances
- submit supporting medical certificates, or a MATB1 form (for evidence of pregnancy), or a matching certificate from the adoption agency
- 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' gross salary (available to be used over a period of 4 years)

Maternity – 26 weeks' gross salary and Employers' National Insurance contributions (available for each maternity absence)

Adoption – 26 weeks' gross salary and Employers' National Insurance contributions

⁶⁸ HC Deb 20 March 1998 Vol 308 c1597

⁶⁹ HC Deb 29 January 2004 cc406-418

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

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 must 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.⁷¹

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. The maximum rate is now **£35,905** in 2006/07.

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

[Resolution debated and agreed: 5 July 2001](#)⁷²

Until 2001 it was based on the Office Costs Allowance.⁷³

10. Summary of trends in allowance rates

Table 9 summarises recent trends in allowance rates.

⁷¹ Operations Directorate - Department of Finance and Administration (The Fees Office) Guidance Note, July 2001

⁷² HC Deb 5 July 2001 Vol 371 c466

⁷³ HC Deb 13 July 1994 cc1105-1114. [Resolution debated and agreed: 13 July 1994, no division](#)

Table 9: MPs allowances: summary 1997/98 - 2005/06

	Old Office Costs Allowance (max)	Staffing (max)	Additional costs	Incidental expenses	Vehicle mileage (pence per mile)				Maximum winding- up	
					London	Car (a) <10,000	>10,000	Motor- cycle		Bicycle
1997/98	£47,568		£12,287		£1,358	48.8	22.3		£15,856	
1998/99	£49,232		£12,717		£1,406	50.1	23.1	6.4	£16,411	
1999/00	£50,264		£12,984		£1,436	51.2	23.6	6.5	£16,755	
2000/01	£51,572		£13,322		£1,473	52.5	24.2	6.7	£17,191	
2001/02	£52,760		£19,469		£1,507	53.7	24.8	6.9	£17,587	
2002/03	£53,446	£72,310	£19,722	£18,234	£1,527	54.4	25.1	7.0	£30,181	
2003/04		£74,985	£20,333	£18,799	£1,574	56.1	25.9	7.2	£31,261	
2004/05		£77,534	£20,902	£19,325	£1,618	57.7	26.6	24.0	20.0	£32,286
2005/06		£84,081	£21,634	£20,000	£2,613	40.0	25.0	24.0	20.0	£34,694
2006/07		£87,276	£22,110	£20,440	£2,712	40.0	25.0	24.0	20.0	£35,095

Note: (a) Higher rate was paid for up to 20,000 miles per year before 2005/06

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 division⁷⁴](#)

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 recommendation.

The grant is calculated as a proportion of final salary; the proportion payable depends on both age and length of service. The relevant percentages are shown in the table below. Only whole years of service are counted, and any period of service which was taken account of in the payment of a previous Resettlement Grant is not counted.⁷⁵

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.⁷⁶

[Resolution debated and agreed: 22 May 1991, no division⁷⁷](#)

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

⁷⁵ Any period of service which was *disregarded* when a previous Resettlement Grant was paid is also disregarded when any subsequent claim is made

⁷⁶ *Review of Parliamentary Pay and Allowances*, Review Body on Senior Salaries report no 48, Cm 4997, chapter 5

⁷⁷ HC Deb 22 May 1991 Vol 191 cc1033-1038

Table 10 below shows resettlement grant rates by age and length of service:

Table 10: Resettlement grant
Percentages of final annual salary

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

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

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

The House passed a [resolution](#) on 9 May 2002 to allow the reimbursement of members travelling on parliamentary duties to European Union institutions and national parliaments for up to three journeys.⁷⁸ It replaced a previous resolution which had allowed one journey per year.⁷⁹ In February 2004, the Members Estimate Committee further extended the scope of the resolution:

Provision should be made for reimbursing Members in respect of the cost of travelling on parliamentary duties between the United Kingdom and any European Union Institution or agency and the national parliament of an EU state, of a candidate or applicant country, or of a European Free Trade Association Member State, and any additional expenses necessarily incurred in such travelling ...⁸⁰

⁷⁸ HC Deb 9 May 2002 Vol 385 c401

⁷⁹ HC Deb 26 May 1999 Vol 332 cc411-426

⁸⁰ Members Estimate Committee, *List of provisions of the Resolutions of the House relating to expenditure charged to the Estimate for House of Commons: Members, as modified by the House of Commons Members Estimate Committee*, First Edition, December 2004, para 7.8 [The Concordance]

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

Special travel provisions are available for Members' spouses, and children under the age of 18. They can claim a certain number of free journeys between London and the constituency and/or London and home. From 1971 this concession applied to Members' spouses. On 10 June 1982, it was extended to include Members' children under 18 years of age. In December 2005, it was further extended to include 18 year olds in full-time secondary education and civil partners. The arrangements permit up to 15 return journeys between London and the Member's constituency or London and the Member's home each year (April to March).

Arrangements are also in place for travel for Members' staff. They permit 12 return journeys between London and the Member's constituency each year (April to March), shared between all employees of a Member.

D. Allowances for ministers

1. Ministers' 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*, as amended.⁸¹

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.⁸² 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".⁸³

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.⁸⁴ 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

⁸¹ s.4, *Ministerial and other Pensions and Salaries Act 1991*, as amended

⁸² HC Deb 27 Mar 1991 Vol 188 c428W

⁸³ See Library Standard Note SN/PC/1663, *Short Money*, <http://www.parliament.uk/commons/lib/research/notes/snpc-01663.pdf>

⁸⁴ HC Deb 27 Mar 1991 Vol 188 c428W

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 £70,000.⁸⁵

Table 11 below shows recent trends in this allowance.

Table 11: Former Prime Ministers' Public Duties Allowance: 1997/98 - 2005/06

	Allowance	Office staff pension contributions	Total
1997/98	£47,568	£4,757	£52,325
1998/99	£49,232	£4,923	£54,155
1999/00	£50,264	£5,026	£55,290
2000/01	£51,572	£5,157	£56,729
2001/02	£52,760	£5,276	£58,036
5 July 2001 (a)	£70,000		£70,000
2002/03	£72,310		£72,310
2003/04	£74,985		£74,985
2004/05	£77,534		£77,534
2005/06	£84,081		£84,081
2006/07	£87,276		£87,276

(a) Paid pro rata

IV Allowances for Members of the House of Lords

The main allowances for Peers were debated and agreed on 20 July 1994.⁸⁶ The Lords ministers' night subsistence allowance was introduced by section 5 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 1980.⁸⁷ 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".⁸⁸ In 2004, this facility was extended to allow up to six (from two) visits to Parliament by spouses, and six visits by the children (up to age 18) of peers.⁸⁹

The SSRB review, published in October 2004, made recommendations on Lords allowances, which were debated on 10 November 2004. The changes agreed to were implemented with immediate effect.

[Resolutions debated and agreed: 10 November 2004, no division](#)⁹⁰

⁸⁵ HC Deb 19 July 2001 Vol 372 c318W

⁸⁶ HL Deb Vol 557 cc235-250. For a detailed explanation, see Viscount Ullswater's speech (cc235-238).

⁸⁷ HL Deb Vol 412 cc201-6

⁸⁸ HL Deb Vol 576 c273

⁸⁹ HL Deb 10 November 2004 c929, cc932-933

⁹⁰ HL Deb 10 November 2004 cc928-933

Allowances for backbench peers are updated in line with previous resolutions from 1 August each year. Rates for 2005/06 are shown in Table 12 below.

Table 12: Main Peers' allowances: current summary (July 2006)

Backbench peers		
Subsistence (a)		
Day	£77	Per day the House sits (usually about 150 days per year)
Overnight	£154.50	
Office costs (a)	£67	Per sitting day and for up to 40 additional days per year
Travel (b)		
Motor mileage allowance	40p	Per mile up to 10,000
	25p	Per mile further
Motorcycle allowance	24p	Per mile
Bicycle Allowance	20p	Per mile
Spouse/children's expenses		Six return journeys for parliamentary occasions per year
Lords Ministers and paid office holders		
Ministers' Night Subsistence Allowance (a)	£33,990	For those who maintain a second home in London
London Supplement (b)	£1,710	Except those in receipt of Lords' Ministers Night Allowance or with an official residence
Secretarial allowance (a)	£5,025.50	
Family travel expenses		Expenses for up to 15 return journeys per calendar year for spouses and children aged under 18

(a) 1 August 2005 - 31 July 2006

(b) 1 April 2006 - 31 March 2007

The rates for backbench allowances for 2006/07 are likely to be announced shortly after the House returns in from its Summer Recess. For 2006/07, the Ministerial allowances paid on an August to July basis will be as follows:

Ministers' Night Subsistence Allowance	£35,090
Secretarial Allowance	£5,192

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

Under the provisions of the *Freedom of Information Act 2000*, from 1 January 2005 there has been a statutory right to request information from public authorities, including both Houses of Parliament. The Act also specified that it is "the duty of every public authority ... to adopt and maintain a scheme which relates to the publication of information by the authority".⁹¹ 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.

⁹¹ The *Freedom of Information Act 2000* (chapter 36), s19

A. House of Commons

In October 2004, the House of Commons published “details of each Member’s spend against the allowances” for each of the last three financial years (2001/02 to 2003/04, although only from the start of the current Parliament in 2001), in three separate tables. Data for the 2004/05 financial year were published in October 2005. Before the first information was published, the Speaker announced what information would be made available:

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.⁹²

The information on Members’ receipt of allowances was published electronically on the United Kingdom Parliament’s website.⁹³ Details for later financial years will be published in due course.

B. House of Lords

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

- a) The House of Lords’ Publication Scheme should be amended to include information relating to Members’ expenses. This information should be published annually (related to financial years), broken down by the main categories of expenses available, namely: travelling expenses, day subsistence, night subsistence, secretarial etc. costs and the costs of the post-paid envelope scheme for correspondence on parliamentary business. Since travel costs vary widely, an indication should be given of the location of each Member’s main residence.
- b) Details of expenditure on select committee and parliamentary delegation travel should be published separately.
- c) Details held by the House of claims for Financial Assistance to the Opposition parties and the Convenor of the Crossbench Peers (“Cranborne money”) should also be published.
- d) This information should be made available before the rights of access under the Freedom of Information Act come into force on 1 January 2005.

⁹² 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

⁹³ House of Commons: Members’ Allowances, http://www.parliament.uk/site_information/allowances.cfm

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.⁹⁴

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.⁹⁵

The House of Lords agreed the House Committee's *Fifth Report* on [21 January 2004](#).⁹⁶

The information on peers' receipt of allowances was published electronically on the United Kingdom Parliament's website.⁹⁷ Details for later financial years will be published in due course.

⁹⁴ House Committee, *First Report*, 17 December 2002, HL 19 2002-03, para 7

⁹⁵ House Committee, *Fifth Report*, 20 November 2003, HL 176 2002-03

⁹⁶ HL Deb 21 January 2004 cc1033-1039

⁹⁷ House of Lords: Members' Allowances,
http://www.parliament.uk/about_lords/holallowances/hol_expenses04.cfm