

Parliamentary Pay and Allowances: The Current Rates

Research Paper 96/88

19 August 1996



This paper sets out the current rates and formulae for a range of parliamentary salaries and allowances to which Members, peers, MEPs and ministers are entitled. It does **not** seek to provide a comprehensive guide to each salary/allowance nor does it deal with pensions. Members should note that some amounts may be calculated during, or even after, a relevant period of entitlement, and therefore not all amounts contained in this Paper may be final for particular periods. Members who wish advice and information on the calculation of or arrangements relating to any item of salary or allowance should consult the Fees Office handbook, *Parliamentary salaries, allowances and pensions* (2nd ed, 1992), as amended, or contact the Fees Office itself (see section 7A of the *Members' Handbook*). This edition replaces Research Paper 96/65 of 16 May 1996, to take account of the major changes of 10 July following the SSRB review (Cm 3330), and the regular uprating of Peers' allowances from 1 August.

The information in this paper sets out levels (or maximum levels) of salary and allowance **in general terms**. It cannot and should not be used as the basis for a calculation of the level of salary and/or allowances any particular Member may actually be receiving at any time.

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Introduction

This Paper is intended to provide a quick checklist of the current rates of the major Parliamentary and related salaries and allowances, together with references to the appropriate formulae for their calculation for present and future years, and to relevant parliamentary proceedings. Each section of this Paper is designed to be self-contained unless otherwise indicated.

Background briefing on the history and development of MPs' pay; the office costs allowance, and finance for Opposition parties is provided in the following Research Papers:

- (i) *The review of Parliamentary pay and allowances*, Research Paper 96/79, 9.7.96
- (ii) *Members' pay*, Research Paper 93/98, 2.11.93
- (iii) *Members' office costs allowance*, Background Paper 306, 19.11.92
- (iv) *'Short Money': financial assistance to Opposition parties*, Research Paper 93/99, 3.11.93

The Fees Office provide details of pay and allowances for Members in its publication, *Parliamentary salaries, allowances and pensions*, 2nd ed, 1992, as amended, and by notices to Members.

On 6 February 1996 the Government asked the SSRB to conduct a full review of Parliamentary pay and allowances:¹ It reported on 3 July (Cm 3330) and the House debated pay and allowances on 10 July.² Parliamentary pay and allowances will be in accordance with the specific resolutions cited in this Paper and the following resolution:³

That this House takes note of the Review Body on Senior Salaries' Report on Parliamentary pay and allowances presented to Parliament on 4th July (Command Paper 3330), and calls on the Government to provide that, in the case of Members of this House whose service in the House ceases after 1st July 1996, they shall be treated for pension purposes as having had a yearly rate of salary of £43,000 and to take any necessary action to enable implementation of the other recommendations.

¹ HC Deb vol 271 cc101-2W, 6.2.96

² HC Deb vol cc488-543, 10.7.96 See Research Paper 96/79

³ c.533, agreed to on a division, 279-154; an amendment to insert the words from "to provide that" to £43,000 and "agreed to 302-123, c.527 and amendment to insert "other" in final line agreed to without a division, c.530

1. Members' Pay⁴

1.1.94 - 31.12.94: £31,687

1.1.95 - 31.12.95: £33,189 (ie £32,538 as set out in para (2)(a) of the 3.11.93 formula, increased by 2%)

1.1.96 - 31.6.96 £34,085 (ie formula increase of 2.7%)

1.7.96 - 31.3.97: £43,000

1.4.97 - 31.3.98 and
subsequent years: Previous year's salary + formula increase

Up-rating formula (and 1996-97 rate):⁵

(2) For each year starting with 1st April, from 1997 onwards, the yearly rate shall be increased by the average percentage by which the mid-points of the Senior Civil Service pay bands having effect from 1st April of that year have increased compared with the previous 1st April.

(3) The mid-point of a Senior Civil Service pay band is the point half way between the maximum.

Formula debated & agreed: 10.7.96, no division:⁶

(1) In respect of service in the period starting with 1st July 1996 and ending with 31st March 1997, the salary of a Member shall be at a yearly rate of £43,000.

(2) For each year starting with 1st April, from 1997 onwards, the yearly rate shall be increased by the average percentage by which the mid-points of the Senior Civil Service pay bands having effect from 1st April of that year have increased compared with the previous 1st April.

(3) The mid-point of a Senior Civil Service pay band is the point half way between the

⁴ All amounts, unless otherwise stated, are yearly rates

⁵ HC Deb vol 281 c.533, 10.7.96

⁶ HC Deb vol 281 cc488-543 at c.533 (motion approving SSRB report including these proposals agreed to 279-154, c.530)

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maximum and the minimum.

2. Parliamentary Salary for Ministers etc

1.1.94 - 31.12.94: £23,854

1.1.95 - 31.12.95: £24,985 (ie £24,495 as set out in para (2)(b) of the 3.11.93 formula, increased by 2%).

1.1.96 - 31.6.96: £25,660 (ie formula increase of 2.7%)

1.7.96 - 31.3.97: £43,000

1.4.94 - 31.3.98 and
subsequent years: Previous year's salary + formula increase

Ministers no longer receive a *reduced* Parliamentary salary, as from 1.7.96. For the uprating formula for full Parliamentary salary, see Section 1 of this Paper. See Section 3 of this Paper for Ministers' pay.

3. Ministers' Pay

The pay of Ministers and other paid office-holders for various relevant periods is set out in the tables below:⁷ The various periods take account of (a) the decision of the Commons to grant Commons ministers and paid office-holders the *full* Parliamentary salary as from 1 July 1996 (b) increases to certain Ministers etc. during the 'interim period' ie 24 July 1996 to polling day of next general election⁸ and (c) increases to certain Ministers etc. from the end of the 'interim period' i.e. the day after polling day. This is described the 'next Parliament' in the tables in the schedules in the Order. Under recent policy, Ministerial salaries have been uprated in line with Members' salaries but this is not enshrined in legislation or Parliamentary resolution. However the SSRB report, which was accepted by the Commons⁹, recommended that its uprating formula and 1 April implementation be applied to Ministers etc. as it is to Members. A new Order would be required for a further increase from 1 April 1997, and any application of an uprating formula for subsequent years would presumably

⁷ Applied by *Ministerial and other Salaries Act 1975* as amended by the *Ministerial and other Salaries Order 1996*, SI 1996/ (draft order - the 'no.2 Order' - approved by the Commons on a division 253-49, HC Deb vol 281 c.534, 10.7.96, and by the Lords, HL Deb vol 574 cc. 743-753, 16.7.96, no division)

⁸ see Order esp. art 6

⁹ See the resolution reproduced in the Introduction to this Paper

require primary legislation.

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Pay of Ministers and other office-holders (£)

	Before 1 July 1996	From 1 July 1996	From 24 July 1996	After next election (a)
Ministers in Commons (Ministerial salary only)				
Prime Minister	58,557	58,557	58,557	100,000
Cabinet Minister	43,991	43,991	43,991	60,000
Minister of State	31,125	31,125	31,125	31,125
Parliamentary Under Secretary	23,623	23,623	23,623	23,623
Government Chief Whip	36,613	36,613	36,613	36,613
Government Deputy Chief Whip	31,125	31,125	31,125	31,125
Government Whip	20,029	20,029	20,029	20,029
Assistant Government Whip	20,029	20,029	20,029	20,029
Leader of the Opposition (b)	40,332	40,332	40,332	55,000
Opposition Chief Whip	31,125	31,125	31,125	31,125
Assistant Opposition Whip	20,029	20,029	20,029	20,029
Speaker (c)	46,156	46,156	46,156	60,000
Chairman of Ways and Means	31,125	31,125	31,125	31,125
First Deputy Chairman	27,355	27,355	27,355	27,355
Second Deputy Chairman	27,355	27,355	27,355	27,355
Attorney General	46,745	46,745	46,745	63,756
Solicitor General	38,329	38,329	38,329	52,278

Ministers in Commons (including Parliamentary salary)

Prime Minister	84,217	101,557	101,557	143,000
Cabinet Minister	69,651	86,991	86,991	103,000
Minister of State	56,785	74,125	74,125	74,125
Parliamentary Under Secretary	49,283	66,623	66,623	66,623
Government Chief Whip	62,273	79,613	79,613	79,613
Government Deputy Chief Whip	56,785	74,125	74,125	74,125
Government Whip	45,689	63,029	63,029	63,029
Assistant Government Whip	45,689	63,029	63,029	63,029
Leader of the Opposition (b)	65,992	83,332	83,332	98,000
Opposition Chief Whip	56,785	74,125	74,125	74,125
Assistant Opposition Whip	45,689	63,029	63,029	63,029
Speaker (c)	71,816	89,156	89,156	103,000
Chairman of Ways and Means	56,785	74,125	74,125	74,125
First Deputy Chairman	53,015	70,355	70,355	70,355
Second Deputy Chairman	53,015	70,355	70,355	70,355
Attorney General	72,405	89,745	89,745	106,756
Solicitor General	63,989	81,329	81,329	95,278

	Before 1 July 1996	From 1 July 1996	From 24 July 1996	After next election (a)
Ministers in Lords				
Cabinet Minister	57,161	57,161	58,876	77,963
Minister of State	50,328	50,328	51,838	51,838
Parliamentary Under Secretary	42,361	42,361	43,632	43,632
Government Chief Whip	50,328	50,328	51,838	51,838
Government Deputy Chief Whip	42,361	42,361	43,632	43,632
Government Whip	38,313	38,313	39,462	39,462
Leader of the Opposition	42,361	42,361	43,632	43,632
Opposition Chief Whip	38,313	38,313	39,462	39,462
Lord Chancellor	132,906	132,906	133,406	134,678 (d)
Chairman of Committees	50,328	50,328	51,838	51,838
Principal Deputy Chairman	46,349	46,349	47,739	47,739
Lord Advocate	57,241	57,241	58,958	78,072
Minister in neither House				
Solicitor General (Scotland)	48,985	48,985	50,455	66,811

(a) See explanation above.

(b) The Leader of the Opposition declined an increase from 1 Jan 1995 and is accepting an increase of only 3% in his total remuneration, including the London supplement) from July 1996. The result is that, from 23 July 1996, his total remuneration will be £67,456 per annum [Source: Office of Leader of Opposition].

(c) Draws same salary as a Cabinet Minister.

(d) From 1 December 1996, in line with the staged increase for the Lord Chief Justice.

4. Members' Office Costs Allowance ('OCA')

Maximum allowance:

1.4.94 - 31.3.95: £41,308 (+ £4,131 for OCA-paid staffs' pension contributions)

1.4.95 - 31.3.96: £42,754 (+ £4,275 for OCA-paid staffs' pension contributions)

1.4.96 - 31.3.97: £46,364 (+ £4,636 for OCA-paid staffs' pension contributions)

1.4.97 and subsequent years: previous year's limit + 'March RPI%' (+ 10% of new limit for OCA-paid staffs' pension contributions)

March RPI%:¹⁰

(2) For any quarter in each subsequent year starting with 1st April the limit should be the limit for a quarter in the previous year increased by the percentage (if any) by which the retail prices index for the previous March has increased compared with the index for the March before that.

(6) In this Resolution-

- (a) "quarter" means a period of three months starting with 1st April, 1st July, 1st October or 1st January; and
- (b) "the retail prices index" means the general index of retail prices (for all items) published by the Office for National Statistics (or any index or figures published by that Office in place of that index).

Formula debated and agreed: 10.7.96, HC Deb vol 281 cc488-543, no division (amendment to set the new rate from 1 April 1996 rather than 1 April 1997 carried on a division, 215-189, c.540):¹¹ (NB: The words in italics in paragraph (1) were deleted by resolution of 22 July 1996: V&P, pp755, 22.7.96 and HC Deb vol 282 c.121, 22.7.96 inserted as corrigendum, c.262, 23.7.96).

Resolved,

¹⁰ paras (2) and (6) of the resolution are set out below

¹¹ c.543

That, in the opinion of this House, the following provision should be made with respect to the limit on the Office Costs Allowance-(1)The limit for any quarter in the year starting with 1st April 1996 should be £11,591 *increased by the percentage (if any) by which the retail prices index for March 1997 has increased compared with the index for March 1996.*

(2) For any quarter in each subsequent year starting with 1st April the limit should be the limit for a quarter in the previous year increased by the percentage (if any) by which the retail prices index for the previous March has increased compared with the index for the March before that.

(3) The limit in relation to Mr. David Blunkett should be 2.57 times that determined in accordance with paragraph (1) or (2).

(4) The limit in relation to Mr. Bernie Grant should be 1.33 times that determined in accordance with paragraph (1) or (2).

(5) The limit should be calculated to the nearest pound (with exactly 50 pence being rounded up).

(6) In this Resolution-

(a) "quarter" means a period of three months starting with 1st April, 1st July, 1st October or 1st January; and

(b) "the retail prices index" means the general index of retail prices (for all items) published by the Office for National Statistics (or any index or figures published by that Office in place of that index).

5. Supplementary London Allowance ('London Supplement')

(Payable to members for Inner London seats and certain others to reflect higher costs in London)

1.4.94 - 31.3.95: £1,245 pa

1.4.95 - 31.3.96: £1,289 pa

1.4.96 - 31.3.97: £1,324 pa

Subsequent years: previous year's rate + 'March RPI'%

*March RPI%:*¹²

(c) for any subsequent year, should be the amount obtained by increasing the rate for the immediately preceding year by the

¹² paras (1)(c) and (4) of Part B of resolution set out below. 'Year' means 1 April - 31 March: para (3) of Part B of the resolution

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percentage by which the retail prices index for March in that immediately preceding year has increased compared with the retail prices index for the previous March.

(4) The references in paragraph (1)(c) of this Part of this Resolution to the retail prices index are references to the general index of retail prices (for all items) published by the Central Statistical Office; but if that index is not published for a month which is relevant for the purposes of this Part of this Resolution, those references in that paragraph shall be construed as references to any index or index figure published in place of that index.

Formula debated and agreed: 13.7.94¹³ no division:

Part B. Supplementary London allowance

- (1) The annual rate of the supplementary London allowance -
 - (a) for the period of three months beginning with 1st January 1994, should be the amount obtained by increasing the annual rate at which the allowance was paid immediately before that period by 1.5 per cent;
 - (b) for the year beginning with 1st April 1994, should be the amount obtained by increasing the annual rate determined in accordance with sub-paragraph (a) of this paragraph by 0.4 per cent; and
 - (c) for any subsequent year, should be the amount obtained by increasing the rate for the immediately preceding year by the percentage by which the retail prices index for March in that immediately preceding year has increased compared with the retail prices index for the previous March.
- (2) Any rate determined in accordance with this part of this Resolution should be calculated to the nearest pound.
- (3) In this Part of this Resolution -
 - "the supplementary London allowance" means the allowance payable in accordance with paragraph (1) of the Resolution of 20th December 1971 relating to Parliamentary expenses;
 - "year" means a period of twelve months beginning with 1st April.
- (4) The references in paragraph (1)(c) of this Part of this Resolution to the retail prices index are references to the general index of retail prices (for all items) published by the Central Statistical Office; but if that index is not published for a month which is relevant for the purposes of this Part of this Resolution, those references in that paragraph shall be construed as references to any index or index figure published in place of that index.

¹³ HC Deb vol 246 cc1105-1114

Mr Newton, Leader of the House, explained the basis of the formula during the 13 July 1994 debate:¹⁴

I will deal first briefly with the four existing allowances, uprating mechanisms that have failed. The main one is, of course, the office costs allowance. That was formerly increased with effect from each April by reference to the pay of senior secretaries in the civil service. However, in the same way as the move to new civil service pay arrangements broke the old automatic linkage for Members' pay, which we replaced last year, so this one too is breaking down and needs to be replaced.

The additional costs allowance, to help with the problem of Members needing accommodation in two locations, was formerly uprated in August by reference to civil service overnight subsistence rates. With greater delegation to individual Departments, that too has ceased to be viable.

The position in regard to its near relation, the London supplement is a little more complicated. Essentially, however, it is that it used to be linked to the inner London weighting paid to civil servants. That is being replaced by a recruitment and retention allowance paid at the discretion of individual Departments - which, once again, makes it unusable as an uprating mechanism.

Lastly, the motor mileage allowance used to be tied, in a very specific and detailed way, to a schedule of motoring costs which is no longer available in a form which can be operated within the terms of the underlying resolution of the House. Here too, therefore, we need a new uprating mechanism.

Against that background we spent some time considering the possibility of devising what might be called fancy new mechanisms which could be presented as in some way cleverly and specifically related to each of those different purposes. We concluded that all of them would be vulnerable to endless argument and probably in due course once again be overtaken by change comparable with what has caused the present problem.

We therefore decided that far and away the simplest, most straightforward and most sensible solution was to link them all to the retail prices index. That also has what I, and I suspect the House, regard as the inestimable advantage of being the most durable solution - that is, the one most likely to remain workable on an automatic basis, and thus to avoid the need for the House to

¹⁴ HC Deb vol 246 cc1107-9, 13.7.94

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have to keep passing new resolutions.

That is what the first four parts of this resolution do: they provide for all four allowances to be uprated with effect from April 1994 by reference to the RPI, and henceforth to be uprated with effect from each succeeding April by reference to the RPI.

The only reason for the slight variation in the actual percentage increases from April 1994 is that we have also taken the opportunity to make another sensible simplification, which is to end the variations of uprating date and to put everything on to an April to March basis.

6. Additional Costs Allowance

(Reimbursement of expenses incurred in staying overnight away from home)

Maximum allowance:

1.4.94 - 31.3.95: £11,268

1.4.95 - 31.3.96: £11,661

1.4.96 - 31.3.97: £11,976

Subsequent years: previous year's limit + 'March RPI'%

March RPI%:¹⁵

(c) for any subsequent year, should be the amount obtained by increasing the limit for the immediately preceding year by the percentage by which the retail prices index for March in that immediately preceding year has increased compared with the retail prices index for the previous March.

(5) The references in paragraph (1)(c) of this Part of this Resolution to the retail prices index are references to the general index of retail prices (for all items) published by the Central Statistical Office; but if that index is not published for a month which is relevant for the purposes of this Part of this Resolution, those references in that paragraph shall be construed as references to any index or index figure published in place of that index.

Formula debated & agreed: 13.7.94¹⁶ no division:

Part C. Additional costs allowance

(1) The annual limit on the additional costs allowance -

- (a) for the year beginning with 1st April 1993, should, be the amount obtained by increasing the relevant limit by 1 per cent;
- (b) for the year beginning with 1st April 1994, should be the amount obtained by increasing the annual limited determined in accordance with sub-paragraph (a) of this paragraph by 1.81 per cent; and

¹⁵ paras (1)(c) and (5) of part C of resolution, set out below. 'Year' means 1 April - 31 March: para (4) of Part C of the resolution

¹⁶ HC Deb vol 246 cc1105-1114

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- (c) for any subsequent year, should be the amount obtained by increasing the limit for the immediately preceding year by the percentage by which the retail prices index for March in that immediately preceding year has increased compared with the retail prices index for the previous March.
- (2) For the purposes of paragraph (1)(a) of this part of this Resolution the relevant limit is the amount equal to 144 times the Class A(i) London rate for a night's subsistence which took effect in the Civil Service on 1st August 1992.
- (3) Any limit determined in accordance with this Part of this Resolution should be calculated to the nearest pound.
- (4) In this Part of this Resolution -
"the additional costs allowance" means the allowance payable in accordance with paragraph (2) of the Resolution of 20th December 1971 relating to Parliamentary expenses:
"year" means a period of twelve months beginning with 1st April.
- (5) The references in paragraph (1)(c) of this Part of this Resolution to the retail prices index are references to the general index of retail prices (for all items) published by the Central Statistical Office; but if that index is not published for a month which is relevant for the purposes of this Part of this Resolution, those references in that paragraph shall be construed as references to any index or index figure in place of that index.

See Mr Newton's explanation of the basis of the formula as set out in his remarks during 13 July 1994 debate, cited on p.11 and 12.

7. Car Mileage Allowance

1.4.96 - 31.3.97:

<u>Engine ratings</u>	<u>Journeys not exceeding 20,000 miles per annum</u>	<u>Journeys in excess of 20,000 miles per annum</u>
up to 1300 cc	31.3 pence per mile	16.3 pence per mile
1301-2300 cc	47.2 pence per mile	21.7 pence per mile
over 2300 cc	74.1 pence per mile	37.1 pence per mile

[Fees Office note, 26 April 1996]

1.4.97 - 31.3.98: *(47.2 + 'March RPI%') pence per mile for the first 20,000 miles and*

(21.7 + 'March RPI%') pence per mile thereafter.

*March RPI%:*¹⁷

(b) in relation to journeys commenced in any subsequent year, as if the rates per mile shown in the Table were the rates obtained by increasing each of the rates for the immediately preceding year by the percentage by which the retail prices index for March in that immediately preceding year has increased compared with the retail prices index for the previous March

(4) The references in paragraph (1)(b) of this Part of this Resolution to the retail prices index are references to the general index of retail prices (for all items) published by the Central Statistical Office; but if that index is not published for a month which is relevant for the purposes of this Part of this Resolution, those references in that paragraph shall be construed as references to any index or index figure published in place of that index.

Formula debated and agreed: 13.7.94¹⁸ no division:

Part D. Car mileage allowance

(1) Paragraph (1) of the Resolution of 20th July 1984 relating to the car mileage allowance should have effect -

(a) in relation to journeys commenced in the year beginning with 1st April 1994, as if the rates per mile shown in the Table were the rates obtained by increasing each of the rates at which the allowance was previously paid by 2.3 per cent; and

(b) in relation to journeys commenced in any subsequent year, as if the rates per mile shown in the Table were the rates obtained by increasing each of the rates for the immediately preceding year by the percentage by which the retail prices index for March in that immediately preceding year has increased compared with the retail prices index for the previous March.

(2) Any rate per mile determined in accordance with this Part of this Resolution should be calculated to the nearest tenth of a penny.

(3) In this Part of this Resolution "year" means a period of twelve months beginning with 1st April.

(4) The references in paragraph (1)(b) of this Part of this Resolution to the

¹⁷ paras (1)(b) and (4) of Part D of resolution, set out below. 'Year' means 1 April - 31 March: para (3) of Part D of the resolution

¹⁸ HC Deb vol 246 cc1105-1114

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retail prices index are references to the general index of retail prices (for all items) published by the Central Statistical Office; but if that index is not published for a month which is relevant for the purposes of this Part of this Resolution, those references in that paragraph shall be construed as references to any index or index figure published in place of that index.

See Mr Newton's explanation of the basis of the formula as set out in his remarks during the 13 July 1994 debate, cited on pages 11 and 12.

1997-98 and subsequent years: formula

*March RPI%:*¹⁹

- (4) For each subsequent year starting with 1st April, the rates shall be increased by the percentage (if any) by which the retail prices index for the previous March has increased compared with the index for the March before that.
- (5) The rates shall be calculated to the nearest tenth of a penny (with exactly one twentieth being rounded up).
- (6) Arrangements shall be made by the Fees Office for ensuring that claims are supported by appropriate particulars.
- (7) In this Resolution "the retail price index" means the general index of retail prices (for all items) published by the Office for National Statistics (or any index or figures published by that Office in place of that index).

*Formula debated and agreed: 10.7.96*²⁰ on a division, 376-39 [c.536]:

Resolved, That, in the opinion of this House, the following provision should be made with respect to the rates of the car mileage allowance payable to Members in respect of journeys-

- (a) by Members, or
 - (b) by spouses or persons in respect of whom the secretarial and research allowance is payable-
- (1) In respect of journeys commenced in the year starting with 1st April 1997, the allowance shall be payable to any Member at the higher rate up to a total of 20,000 miles and at the lower rate thereafter.
 - (2) The higher rate is 47.2 pence per mile increased by the percentage (if any) by which the retail prices index for March 1997 has increased compared with the index for March 1996.

¹⁹ HC Deb vol 281 c.536, 10.7.96

²⁰ HC Deb vol 281 cc488-54

- (3) The lower rate is 21.7 pence per mile increased by the percentage (if any) by which the retail prices index for March 1997 has increased compared with the index for March 1996.
- (4) For each subsequent year starting with 1st April, the rates shall be increased by the percentage (if any) by which the retail prices index for the previous March has increased compared with the index for the March before that.
- (5) The rates shall be calculated to the nearest tenth of a penny (with exactly one twentieth being rounded up).
- (6) Arrangements shall be made by the Fees Office for ensuring that claims are supported by appropriate particulars.
- (7) In this Resolution "the retail price index" means the general index of retail prices (for all items) published by the Office for National Statistics (or any index or figures published by that Office in place of that index).

8. Temporary Secretarial Allowance

To meet extra cost of obtaining temporary secretarial/research assistance while salaried permanent secretary/RA is absent from work through illness or pregnancy.²¹

Limitations:

The costs of temporary assistance for which payment of the allowance qualifies will be limited as follows:-

- (a) arising from the case of an individual employee prevented from working due to illness: a maximum period of 26 weeks during any rolling period of 12 months and may not exceed a total of 52 weeks in any rolling period of 4 years.
- (b) arising from the case of maternity absence of an individual employee: a maximum period of 14 weeks in respect of a confinement. (Periods of absence in excess of the 14 week period will not qualify for payment of the allowance even though the Member and the employee have mutually agreed to a longer period of maternity leave on full pay).
- (c) claims from the allowance for temporary assistance arising from periods of maternity absence shall not count against the limitation for claims arising from illness for the same individual.

Allowance only payable "once a Member is unable to meet the cost of obtaining temporary assistance from his/her Office Costs Allowance" [para 12.3]. See the Fees Office letter for

²¹ *Fees Office letter to Members*, para 12.4, April 1995

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full details of this allowance, including changes in force from 1.4.95.²²

Original formula debated and agreed: 5.6.81²³ no division. See brief explanation by Leader of the House, Mr Pym, at c.1205. Based on proposal in TSRB report no. 17, Cmnd 8244, May 1981, para 13.

9. Winding Up Allowance

(To enable parliamentary and constituency business to be completed)

Limit for person ceasing to be a Member during year:

1.4.94 - 31.3.95: £13,769

1.4.95 - 31.3.96: £14,251.33

1.4.96 - 1.3.97: £15,454

Subsequent years: that year's OCA x $\frac{1}{3}$

Formula debated & agreed: 13.7.94²⁴ no division:

Part E. Winding-up allowance

(1) The following provisions of this Part of this Resolution should have effect with respect to Members of this House who cease to be Members after 31st March 1994.

(2) Provision should be made under arrangements approved by the Speaker for allowance to be made in respect of the expenses which, after a person has ceased to be a Member, are still required to be incurred in connection with his Parliamentary duties.

(3) The limit on that allowance should be four-

thirds of the amount which, for the year in which that person ceases to be a Member, is the limit for that Member on the office costs allowance for a quarter in that year.

²² see HC Deb vol 257 c.1132W; 5.4.95

²³ HC Deb vol 5 cc1201-1260

²⁴ HC Deb vol 246 cc1105-1114

(4) The allowance should be paid to the person who has ceased to be a Member or, if he has died, to his personal representatives or a person nominated by him or selected under the arrangements approved by the Speaker.

(5) Any limit determined in accordance with this Part of this Resolution should be calculated to the nearest pound.

(6) In this Part of this Resolution-

"quarter" means a period of three months beginning with 1st April, 1st July, 1st October or 1st January;

"year" means a period of twelve months beginning with 1st April.

Mr Newton, Leader of the House, explained the basis of the formula during his remarks in the 13 July 1994 debate:²⁵

I turn now to the fifth leg of the resolution, which involves the winding-up allowance. That is the amount, currently a maximum of one sixth of the office costs allowance, which is intended to enable Members their executors where the issue unhappily arises as a result of death - to clear up their obligations after leaving the House. It has become clear that this amount is now inadequate in the light of, for example, prevailing contracts of employment with staff and the periods of notice which are often required in relation to the increasing amount of equipment that Members have.

Having taken advice from the Fees Office, I now propose that the allowance should be set at a maximum of one third of the annual office costs allowance, although Members will see that, for technical reasons connected with the way that the basic allowance is defined, the motion is drafted in terms of four thirds of the quarterly allowance.

In addition, the motion widens the scope of costs that can be covered from purely secretarial to all necessary costs. I emphasise, of course, that, in common with the OCA, and indeed others, the new figure is a ceiling to which legitimate costs can be claimed, and not in any way an entitlement.

10. Reimbursement of costs due to recall during a recess

Formula debated & agreed: 13.7.94²⁶ no division:

Part F. Recall of House during a recess

(1) The following provisions of this Part of this Resolution should have effect with respect to any occasion on which, during a recess, this House is recalled before the expected end of the recess.

(2) Members who attend the House during the recall should be reimbursed in respect of such extra costs which are wholly and exclusively attributable to the recall as are necessarily incurred by them in connection with travelling-

- (a) from any place to London; and
- (b) during any further recess immediately following the recall,

²⁵ *ibid*, cc1109-1110

²⁶ HC Deb vol 246 cc1105-1114

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from London to any place (provided that the purpose is to fulfil, before the expected end of that further recess, plans which were in existence before the recall).

- (3) For the purposes of this part of this Resolution-
- (a) "recess" means not only a period when Parliament stands prorogued to a specified date but also any period when this House stands adjourned to a specified date, and the references to the expected end of a recess are references to that specified date;

 - (b) "reimbursement", in the case of a Member, means the payment to the Member of the amount of the extra costs concerned and the payment to the Inland Revenue, on account of the income tax liability of the Member, of the difference between that amount and such a sum as, after deduction of tax at the marginal rate applicable to the Member, is equal to that amount; and

 - (c) "extra costs", in the case of a Member means costs in respect of which the Member cannot be reimbursed otherwise than by virtue of this Part of this Resolution.

Mr Newton, Leader of the House, explained the basis of this new allowance during his remarks in the 13 July 1994 debate.²⁷

Finally, I come to part F of the resolution, which introduces a new allowance to cover the necessary expenses of Members returning to Westminster in the event of a recall of Parliament during a recess - not, I should say, that we are planning one. [Interruption.] We are planning a recess.

As I said earlier, the present position is that Ministers faced with a recall can have their expenses covered by their Departments, but no such protection is available to other Members. The motion proposes that Members faced by a recall during a recess should be covered for all costs "wholly and exclusively attributable to the recall", which includes, assuming that time and plans make it reasonable, the expenses also of travelling to resume a holiday. This is not, of course, an allowance we would expect to be activated very often, but I think it a reasonable safeguard to introduce for Members who need or wish to attend the House in the event of a recall, and I hope hon. Members will agree with me.

²⁷ *ibid*, cc1110

11. Members' Resettlement Grant

(Assists with costs of adjusting to 'non-parliamentary life')

Formula debated & agreed: 22.5.91²⁸ no division:

(1) A grant should be payable to any person who is a Member of this House immediately before the dissolution and at the general election consequent upon the dissolution either does not stand for election to this House or, if he does, is not elected.

(2) The amount of the grant in the case of any such person should be equal to the relevant percentage of a year's salary at the highest rate payable to Members of this House immediately before the dissolution, the relevant percentage for this purpose being that shown in the following Table in relation to—

- (a) his age at the dissolution; and
- (b) the number of years for which he has served as a Member of this House before the dissolution.

Table
Percentages of Yearly Salary

<i>Age</i>	<i>Number of years of service</i>						
	<i>Under 10</i>	<i>10</i>	<i>11</i>	<i>12</i>	<i>13</i>	<i>14</i>	<i>15 or over</i>
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

(3) In calculating for the purposes of paragraph (2) the number of years for which a person has served as a Member of this House before the dissolution, there should be disregarded—

- (a) any fraction of a year for which he has so served; and
- (b) if a grant was payable to him under this Resolution or any of the former resettlement grant Resolutions on any previous occasion, any period of service which was taken into account or disregarded on that occasion;

and in this paragraph 'the former resettlement grant Resolutions' means the second Resolution of 20th December 1971, the fourth Resolution of 4th March 1980 and the third Resolution of 19th July 1983.

²⁸ HC Deb vol 191 cc1033-1038

12. Ministers' severance payments

Generally, 3 months of annual ministerial salary:²⁹

4 Grants to persons ceasing to hold ministerial and other offices

- (1) Where a person who has not attained the age of sixty-five-
 - (a) ceases at any time ("the material time") after the passing of this Act to hold a relevant office; and
 - (b) does not again become the holder of a relevant office within the period of three weeks beginning at the material time,

he shall be entitled to a payment under this section.

(2) Subject to subsection (3) below, the amount of the payment to which a person who has ceased to hold a relevant office is entitled under this section is an amount equal to one-quarter of the annual amount of the salary which was being paid to that person in respect of that office immediately before the material time.

(3) If that person was immediately before the material time a Member of the House of Commons the amount mentioned in subsection (2) above shall be reduced by an amount equal to one-quarter of the difference between-

- (a) the annual amount of the salary which was then being paid under a Resolution of that House to Members who are Officers of that House or receiving a salary under the Ministerial and other Salaries Act 1975 or a pension under section 26 of the Parliamentary and other Pensions Act 1972; and
- (b) the annual amount of the salary which was then being paid under that Resolution to other Members.

(4) A payment under this section shall not be made until the end of the period mentioned in subsection (1)(b) above.

(5) No payment shall be made under this section where a person has ceased to hold a relevant office on his death.

(6) In this section 'a relevant office' means-

- (a) any office, other than that of Prime Minister and First Lord of the Treasury, in respect of which a salary is payable in accordance with Schedule I to the Ministerial and other Salaries Act 1975 (ministerial salaries);
- (b) any position in respect of which a salary is payable in accordance with Schedule 2 to that Act (Opposition Leaders and Whips);
- (c) the office of Chairman of Ways and Means and any office of Deputy Chairman of Ways and Means in respect of which a salary is payable out of money provided by Parliament; and
- (d) the office of Chairman of Committees of the House of Lords and any office of Deputy Chairman of Committees of the House of Lords in respect of which a salary is payable out of such money.

(7) Where a person ceases to hold a relevant office while Parliament is dissolved subsection (3) above shall have effect as if for the words 'Immediately before the material time' there were substituted the words 'immediately before the dissolution'.

(8) Where a person ceases on a dissolution of Parliament to hold any such position as is mentioned in subsection (6)(b) above, subsection (1)(b) above shall have effect in relation to his ceasing to hold that position on the dissolution as if for the words 'three weeks' there were substituted the words 'six weeks'.

²⁹ s.4, *Ministerial and other Pensions and Salaries Act 1991*, as amended

13. Former Prime Ministers' Public Duty Costs Allowance ('PDCA')

- 1.4.94 - 31.3.95: £41,308 (+ £4,131 for office staff pension contributions)
- 1.4.95 - 31.3.96: £42,754 (+£4,275 for office staff pension contributions)
- 1.4.96 - 31.3.97: £46,364 (+ £4,636 for office staff pension contributions)**
- Subsequent years: equivalent to the Office Costs Allowance

*Formula:*³⁰

Former Prime Ministers

Sir Anthony Durant: To ask the Prime Minister whether he has any plans to assist former Prime Ministers with their office and secretarial expenses.

Prime Minister: I propose to establish, with effect from 1 April 1991, a financial allowance 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. The

new allowance, which will be equivalent in amount to the parliamentary office costs allowance, will be payable in respect of office and secretarial expenses incurred in connection with their public duties. It will be paid from the Cabinet Office vote. The allowance will not be payable to a former Prime Minister occupying the position of Leader of the Opposition and therefore in receipt of "Short" money.

14. 'Short Money': Finance for Opposition Parties

(a) maximum amounts for qualifying parties:

- 1.4.95 - 31.3.96: £3,644.92 per seat + (£7.28 x votes x 1/200)
- 1.4.96 - 31.3.97: £3,743.33 per seat + (£7.48 x votes x 1/200)**

Subsequent years: previous year's limit + 'March RPI'

(b) aggregate maximum amount for travel expenses for qualifying parties (apportioned as for each party's allocation under (a) above):

- 27.4.92 - 31.3.94: £100,000
- 1.4.94 - 31.3.95: £102,301
- 1.4.95 - 31.3.96: £105,800

³⁰ HC Deb vol 188 c428W, 27.3.91

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1.4.96 - 31.3.97: £108,657

Subsequent years: previous year's total + 'March RPI'

*March RPI:*³¹

(6) The appropriate percentage for any period is the percentage by which the retail prices index for the month of March immediately preceding that period has increased compared with the retail prices index for the previous March.

(7) The references in sub-paragraph (6) above to the retail prices index are references to the general index of retail prices (for all items) published by the Central Statistical Office of the Chancellor of the Exchequer; and if that index is not published for a month which is relevant for the purposes of this paragraph those references in that sub-paragraph shall be construed as references to any substituted index or index figure published by that Office.

Qualifying parties: see para (1)(1) of the resolution set out below.

Formula debated and agreed: 4.11.93³² by 72-15:

1.- (1) Financial assistance to assist an opposition party in carrying out its Parliamentary business shall be available under this paragraph at any time on or after 1st January 1993 if at that time one of the following conditions is satisfied with respect to the party, that is to say

- (a) there are at that time at least two Members of this House who are of the party and who were elected at the previous Election after contesting it as candidates for the party; or
- (b) there is at that time one such Member who was so elected and the aggregate of the votes cast in favour of all the party's candidates at that Election was at least 150,000.

(2) The maximum amount of financial assistance which may be given under this paragraph to any party in respect of the expenses incurred by it in any period shall be the aggregate of

- (a) the first relevant amount for that period multiplied by the number of seats won by its candidates at that Election; and
- (b) the second relevant amount for that period multiplied by one-two hundredth of the number of votes cast for its candidates at that Election (rounded down to the nearest whole number).

(3) For the period beginning with 1st January 1993 and ending with 31st March 1994

- (a) the first relevant amount shall be £4,080; and
- (b) the second relevant amount shall be £8.16.

(4) For the period of one year beginning with 1st April 1994

- (a) the first relevant amount shall be the sum of

- (b) the second relevant amount shall be the sum of £6.89 but increased by the appropriate percentage for that period;

but if either of the resulting amounts is not a whole number of pounds and pence it shall be rounded to the nearest penny.

(5) For any subsequent period of one year beginning with 1st April

- (a) the first relevant amount shall be that amount for the previous period but increased by the appropriate percentage for the subsequent period; and
- (b) the second relevant amount shall be that amount for the previous period but increased by the appropriate percentage for the subsequent period;

but if either of the resulting amounts is not a whole number of pounds and pence it shall be rounded to the nearest penny.

(6) The appropriate percentage for any period is the percentage by which the retail prices index for the month of March immediately preceding that period has increased with the retail prices index for the previous March.

(7) The references in sub-paragraph (6) above to the retail prices index are references to the general index of retail prices (for all items) published by the Central Statistical Office of the Chancellor of the Exchequer; and if that index is not published for a month which is relevant for the purposes of this paragraph those references in that sub-paragraph shall be construed as references to any substituted index or index figure published by that Office.

(8) In consequence of this paragraph, the Resolution of 21st June 1988 shall not have effect with respect to any time after 31st December 1992.

³¹ paras (1)(6) and (7) of the resolution set out below

³² HC Deb vol 231 cc593-615

£3,442.50 but increased by the appropriate percentage for that period; and

2.- (1) Without prejudice to the generality of paragraph 1 above, financial assistance towards travelling and associated expenses necessarily incurred by an opposition party's spokesmen in relation to the party's Parliamentary business shall be available under this paragraph at any time on or after 27th April 1992 if at that time one of the conditions specified in sub-paragraph (1) of paragraph 1 above is satisfied with respect to the party.

(2) The maximum amount of financial assistance which may be given under this paragraph to any party in respect of the expenses incurred in any period shall be such of the available amount for that period as may be allocated to the party in accordance with sub-paragraph (3) below.

(3) The available amount for any period shall be apportioned between each of the opposition parties in the same proportions as the maximum amount of financial assistance which may be given to each of them under paragraph 1 above for that period or for any period or any period forming part of that period; and any such apportionment shall be made to the nearest pound.

(4) Any reference in this paragraph to the available amount for a period is a reference

- (a) in the case of the period beginning with 27th April 1992 and ending with 31st March 1994, to £100,000;
- (b) in the case of the period of one year beginning with 1st April 1994, to the sum of £100,000 but increased by the appropriate percentage for that period and (if the resulting amount is not a whole number of pounds) rounded to the nearest pound; and
- (c) in the case of each subsequent period of one year beginning with 1st April, to the available amount for the previous period but increased by the appropriate percentage for the subsequent period and (if the resulting amount is not a whole number of pounds) rounded to the nearest pound.

(5) Sub-paragraphs (6) and (7) of paragraphs 1 above shall apply for the purposes of this paragraph as they apply for the purposes of that paragraph.

3. Any claims for financial assistance under this Resolution are to be made to the Accounting Officer of the House; and a party claiming such assistance shall

- (a) furnish that Officer with a statement of the facts on which the claim is based;
- (b) certify to that Officer that the expenses in respect of which the assistance is claimed have been incurred exclusively in relation to the party's Parliamentary business; and
- (c) as soon as practicable after each 31st March following the passing of this Resolution, furnish that Officer with the certificate of an independent professional auditor to the effect that all expenses in respect of which the party claimed financial assistance during period ending with that day were incurred as mentioned in paragraph (b) above.

4.-(1) In the case of any year in which there is a General Election

- (a) the period ending immediately before the date of the Election and
- (b) the period beginning with that date,

shall be treated for the purposes of paragraphs 1(1) and (2), 2(1) to (3) and 3 above as separate periods.

(2) In relation to any such separate period

- (a) the first relevant amount and the second relevant amount for that period shall be a proportionate part (rounded to the nearest penny) of the first relevant amount and the second relevant amount for the year in question; and
- (b) the available amount for that period shall be a proportionate part (rounded to the nearest pound) of the available amount for the year in question.

(3) In relation to any such period ending immediately before the date of the Election, paragraph 3(c) above shall have effect as if the 31st March referred to were a reference to the day immediately before the date of the Election.

(4) In this paragraph "year" means a year beginning with 1st April.

5. The cost of providing financial assistance shall be borne on the House of Commons: Members' salaries etc. Vote.

Mr Newton, Leader of the House, explained the basis of the current formula during the 4 November 1993 debate:³³

As the House will know, the motion provides for the revision of the amounts of money paid in support of the Opposition parties-which is perhaps ironic, given the circumstances of the past two days. I am glad to see that the hon. Member for Thurrock has the grace to smile at that. This money has come to be known as Short money after the

The purpose of these payments is to assist Opposition parties in carrying out their essential parliamentary duties at Westminster.

At the last review in 1988, the then Lord President, now Lord Privy Seal and Leader of the House of Lords, carried out a thorough review of the workings of

³³ *ibid*, cc597-8

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Labour Leader of the House who first instituted the payments in 1975.

It has been customary to review Short money in the early part of each Parliament. The current formula was agreed in 1988 and provides that Opposition parties should receive £2,550 a year for each seat gained at a general election, and a further £5.10 for every 200 votes cast for the party. A party is, for this purpose, defined as having at least two Members of Parliament and having received at least 150,000 votes at the general election.

The proposals have three elements, which are a good deal simpler in principle than the lengthy motion would imply. They are, first, that the two elements of the formula should be uplifted by 35 per cent. to allow for inflation since the last settlement in 1988. Secondly, from 1994 onwards, Short payments should be increased every April by reference to the retail prices index. Thirdly - an entirely new element - a fund of £100,000 should be established for Opposition travel in connection with Front-Bench duties, to be distributed on the same basis as Short money and uprated in the same way.

On the main Short money, the Government propose an uplift of 35 per cent. to take account of inflation since the last settlement and to take effect from 1 April 1993. From 1 April 1994, therefore, taking account of the regular review proposals that I have introduced, the formula's two elements will be updated annually by reference to the retail prices index.

This reflects the view that I have held for some years - it was reflected also in my proposition to the House last night on Members' pay - that it is much more sensible to have a regular uprating mechanism for payments of this kind than to leave them for several years and then to have what looks like a large increase but actually is not so large, given what has happened in the intervening period. Whatever views people may have of these payments, I hope that it will be generally agreed that it is sensible to have a regular mechanism to keep them reasonably up to date.

these funds and introduced new arrangements for accountability. My proposals are rather less sweeping. I seek not to review further the scope or purpose of the main Short money, but merely to update the sums paid. I think that the principle of these payments is both accepted and well established.

The new element is the establishment of a separate fund of £100,000 for Opposition travel, to be distributed pro rata to Short money among Opposition parties. As with the main Short money, the resulting figures are maximums for expenditure incurred. In the previous Parliament the Rowntree trust, believing - it has proved, rightly - that there was a gap in our provision in this area undertook an experimental project, not using public money, in which limited grants were made in support of Opposition travel for legitimate parliamentary purposes. Approaches from the trust and discussions with Opposition leaders have convinced the Government that there is a genuine case for provision of this kind, recognising the growing need for more Opposition spokesmen to travel in the United Kingdom and Europe, and the need of their spokesmen on foreign affairs, defence and overseas development to travel if they are to do the job that our system expects of them - regardless of whether we always like what they say.

The provision for annual uprating of the travel fund will be on the same basis as Short itself by reference to the RPI in April of each year. Arrangements for claiming and accounting will be in line with those already in place for Short money. The amount available for overseas travel by Select Committees is much larger than this fund, running at about £600,000 a year.

Those are the bare bones of the proposals. I shall not attempt to run through all the details of the motion, except to point to one detail that I know has given rise to some confusion. In paragraph 1(3), the motion refers to a period of 15 months from 1 January 1993 to 31 March 1994 and to amounts in the formula that do not correspond to the *percentages* that I have quoted. The figures £4,030 and £8.16 comprise 12 months at the revised rate for each figure, plus three months at the old rate. The effect is to change the start of the accounting year from 1 January to 1 April and to provide amounts for the resulting 15 month period to correspond with the proposals.

The proposals come well over a year after the start of the Parliament and are the product of extensive discussions through the usual channels. I hope that they will be welcomed by representatives of those channels as giving them properly provided support in our system for the work of Opposition parties. I also hope that the mechanism that I have suggested to the House will mean that we will not need to return to the issue in the near future. I commend the motion to the House.

The qualifying parties' entitlements are set out in the table overleaf, supplied by the Fees Office, 15 May 1996:

Financial Assistance to Opposition Parties 01.04.95 to 31.03.96

Party	Seats	Value	Votes	Total	Travel%	Value	Grand Total
Labour	271	987773.32	11557134	1408448.12	76.86115739	81301	1489749.12
Liberal Democrats	20	72898.40	5998446	291240.16	15.89341876	16828	308068.16
S.N.P.	3	10934.76	629552	33844.92	1.84656879	1956	35800.92
Plaid Cymru	4	14579.68	155796	20279.92	1.1067061	1172	21451.92
Ulster Unionists	9	32804.28	271049	42668.68	2.3284948	2465	45133.68
Democratic Unionist	3	10934.76	103039	14683.96	0.80132604	848	15531.96
S.D.L.P.	4	14579.68	184445	21291.84	1.16192811	1230	22521.84
Grand Total			18900461	1832457.60	100.00	105800	1938257.6

The above calculations are based on £3644.92 per seat and £7.28 per 200 votes cast. These figures are calculated using a 3.5% increase in the Retail Prices Index for March 1995 over March 1994

Financial Assistance to Opposition Parties 01.04.96 to 31.03.97

Party	Seats	Value	Votes	Total	Travel %	Value	Grand Total
Labour	271	1014442.43	11557134	1446679.24	76.85769617	83511.27	1530190.51
Liberal Democrats	20	74866.6	5998446	299208.48	15.89604234	17272.16	316480.64
S.N.P.	3	11229.99	629552	34775.23	1.847503132	2007.44	36782.68
Plaid Cymru	4	14973.32	155796	20837.49	1.107032893	1202.87	22040.36
Ulster Unionist	9	33689.97	271049	43827.20	2.328406626	2529.98	46357.18
Democratic Unionist	3	11229.99	103039	15083.65	0.801348667	870.72	15954.37
S.D.L.P.	4	14973.32	184445	21871.56	1.161970045	1262.56	23134.12
Grand Total			18900461	1882282.86	100.0000001	108657.00	1990939.86

The above calculations are based on £3743.33 per seat and £7.48 per 200 votes cast. These figures are calculated using a 2.7% increase in the Retail Prices Index for March 1996 over March 1995

15. Peers' Allowances³⁴

	<u>Backbench Peers</u>	<u>Lords Ministers and paid office holders</u>
Subsistence	Day £33.50 (up to £5025) Overnight £75.50 (up to £11,325) for every day the House sits (usually 150 days) (wef 1 August 1996)	Lords Ministers' Night Subsistence Allowance of £16,610 for those who maintain a second home in London. (wef 1 August 1996)
London Allowance	Not eligible	London Supplement £1,324 (except those with an official residence or in receipt of Lords Ministers' Night Subsistence Allowance) (wef 1 April 1996)
Travel	When House sitting, claim travel to and from House and on Parliamentary business in UK and/or Motor mileage allowance of 47.2 pence per mile up to 20,000 miles 21.7 pence per mile further (wef 1 April 1996)	(i) When House sitting, claim travel incurred on Parliamentary business in UK and/or Motor mileage allowance of 47.2 pence per mile up to 20,000 miles 21.7 pence per mile further (ii) Departments reimburse home to Westminster travel (iii) Official car for Departmental duties (wef 1 April 1996)
Office and Secretarial Assistance	(i) £32.50 per day the House sits (wef 1 August 1996) (ii) Active backbench Peers may claim £32.50 per day for up to 30 days (£975) when House not sitting (wef 1 August 1996)	Not eligible for the £32.50 per day, but receive £3,987 per annum Lords Ministers and Office Holders Secretarial Allowance (wef 1 August 1996)

³⁴ OPS Note - August 1996

Formulae debated and agreed: 20.7.94.³⁵ For a detailed explanation, see Viscount Ullswater's speech (cc235-238). 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 an HL resolution of 22.7.80 vol 412 cc 201-6.

Detailed notes on allowances are contained on the reverse of the House of Lords claim form:

Travelling Expenses (1) Subject to the conditions stated below Members of the House of Lords may recover the cost of travelling expenses incurred by them for the purpose of their parliamentary duties in attending sittings of the House, Committees of the House or of meetings of the Board of the Parliamentary Office of Science and Technology or the Parliament Broadcasting Unit Limited. The conditions for recovering the cost of journeys made on parliamentary business elsewhere within the United Kingdom are explained in a separate application form, copies of which are obtainable on request from the Accountant.

(2) Claims can be made only for journeys between main place of residence and London.

(3) Lords may recover the cost of fares incurred by them for travel within the United Kingdom by any public railway, sea, air or bus service.

Lords are expected to avail themselves of cheap ticket facilities. the cost of "rail cards" may be reimbursed.

(4) Travel by Rail - Claims may include the cost of sleeping berths or seat reservations.

Travel by Air - Claims may include travel by coach between airport and air-terminal.

(5) Travel by Road - Claims in respect of journeys by private car are restricted to an allowance of 47.2 per mile (from 1st April 1996). This allowance will be reduced to 21.7p per mile if the total mileage claimed in the year ending 31st March 1997 exceeds 20,000 miles. No other claim in respect of motoring expenses will be admitted. In certain circumstances claims for double journeys will be admitted, e.g. when a Lord's car takes him to or fetches him from a railway station or airport and is thereby necessarily involved in a double journey. Claims in respect of hired cars may be made on the same basis as for a privately owned car. (see para 7 for incidental travel costs).

Lords are reminded that travel by road is considerably more expensive than by public transport and are, therefore, urged to use public transport wherever practicable.

(6) Claims can be lodged for combined journeys made partly by air, partly by rail, partly by road, etc.

(7) Claims for incidental travel costs (e.g. taxi fares) are covered by the day subsistence allowance (see para. 8(b) below).

(8) Members of the House may also recover certain expenses certified by them as incurred for the purpose of parliamentary duties at sittings of the House, or of Committees of the House, or at meetings of the Board of the Parliamentary Office of Science and Technology or the Parliamentary Broadcasting Unit Limited, **within the following maxima for each day of attendance:**

³⁵ HL Deb vol 557 cc235-250

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Other Expenses

- (a) **Night Subsistence** - Members of the House who incur the expenses of overnight accommodation in London away from their only or main residence may claim for such expenses within a daily limit of £74.00 (from 1.8.95).
- (b) **Day Subsistence and Incidental travel** - Members of the House may claim day subsistence and travel costs not separately recoverable, within a daily limit of £33.00 (from 1.8.95).
- (c) **Secretarial costs postage and certain additional expenses** - the cost of secretarial help, and where appropriate, the cost of providing necessary equipment may be claimed, together with the cost of postage and certain additional expenses (e.g. domestic costs, purchase of books and periodicals and professional subscription charges that arise out of parliamentary duties) may be claimed within a limit of £32.00 (from 1.8.95) for each day of attendance.

Claims against groups (a) and (b) are to be restricted, within their daily maxima, to the amounts actually on an individual day of attendance at the House of Lords. Claims against group (c) may be made to recover actual expenditure over a period, whether at or away from Westminster, but subject to a limit provided by the product of a daily maximum of £32.00 and the number of days attendance at Westminster during the period covered by the claim. Lords who incur the cost of secretarial assistance in excess of the limit provided under(c) may recover such extra costs within a limit of £960.00 a year in respect of non-sitting periods. Details of the arrangements for claiming excess costs may be obtained from the Accountant's Office.

Loss of earnings, expenditure incurred on hospitality and on travel for a Peer's wife or husband may not be claimed against expenses allowances.

- (9) Lords who wish to claim travelling and other expenses should complete the certificate overleaf and forward it as soon as Convenient after the end of each month, or period of claim, to the Accountant, House of Lords. Claims are not admissible retrospectively for more than three months prior to the month in which the claim is made.

General

- (10) Lords who are disabled may also recover the additional expenses of attending the House incurred by them on account of their disablement. Details of the arrangements for claiming such additional expenses may be obtained from the Accountant.

16. MEPs' Pay and Allowances³⁶

(i) *Pay for UK MEPs:*

1.1.94 - 31.12.94: £31,687

1.1.95 - 31.12.95: £33,189 (ie £32,538 as set out in para (2)(a) of the 3.11.93 formula, increased by 2%).

1.1.96 - 31.6.96 £34,085 (ie formula increase of 2.7%)

1.7.96 - 31.3.97: £43,000

1.4.97 - 31.3.98 and subsequent years: previous year's salary + "relevant percentage"

An MEP's salary is at the same rate as an MP's ordinary salary (see section 1 above for details of rates and formula). The salary of an MEP, who is also an MP, is **one-third** of MP's ordinary salary [s.1, *European Parliament (Pay and Pensions) Act 1979*].

(ii) *Summary of main allowances : From 1.1.96:*³⁷

- *general expenditure allowance:* 3,099 ECU per month (office costs etc., and, from 1996, includes the former 'communications allowance' which, in 1995, was 1,000 ECU per annum.)
- *flat-rate travel allowance:* 0.76 ECU per km for first 400 km and 0.38 ECU for each additional km for journeys within Community to attend EP official meetings; includes all travel expenses. For official meetings outside the Community, reimbursement of return direct air fare.
- *travel allowance:* maximum of 3,000 ECU per annum for travel throughout the world in performance of Parliamentary duties (other than official meetings; includes accommodation costs).
- *subsistence allowance:* flat-rate of 219 ECU per day for costs of attending meetings, within Community, of EP bodies on which claimant sits (covers all costs inc. accommodation and meals). Attendance of such meetings outwith Community territory qualifies for 109.50 ECU per day and actual accommodation and breakfast expenses.
- *secretarial assistance allowance:* maximum of 8,240 ECU per month

³⁶ Note that from 27.12.95 European Parliamentary pay and pensions under the 1979 Act is the responsibility of the Lord President of the Council: SI 1995/2995

³⁷ *Source:* College of Quaestors, European Parliament

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- Notes: 1) Exchange rate at 19.12.95: 1 ECU = 82.9p, £1 = 1.207 ECU.
 2) 1996 figures represent uprating of approx 3%.

(iii) **Resettlement grant:**³⁸

"Resettlement grants to persons ceasing to be Representatives.

3.-(1) Where a person who is a Representative immediately before the end of any five-year period either-

- (a) did not stand for election to the European Parliament at the general election of representatives to the European Parliament held in that period; or
- (b) did so stand (whether for the same or a different constituency) at that election and was not elected,

he shall be entitled to a resettlement grant calculated in accordance with the following provisions of this section.

(2) Where a person becomes entitled to a grant under this section at the end of any five year period, its amount shall be equal to the relevant percentage of a year's salary under section I at the rate applicable to him immediately before the end of that period, the relevant percentage for this purpose being that shown in the following Table in relation to his age at the end of that period and the number of years for which he has served as a Representative before the end of that period.

TABLE
 PERCENTAGE OF YEARLY SALARY

Age	Number of years of service						
	Under 10	10	11	12	13	14	15 or over
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

(3) In calculating for the purposes of subsection (2) the number of years for which a person has served as a Representative before the end of the period in question, there shall be disregarded—

- (a) any fraction of a year for which he has so served; and
- (b) if he has become entitled to a grant under this section on any previous occasion, any period of service which for those purposes was on that occasion either taken into account or disregarded under paragraph (a).

(4) In this section "five-year period" means a period of five years for which Representatives have been elected to the European Parliament; but if any such period is extended or curtailed, the references in this section to the end of that period shall be construed accordingly."

This Order, made under section 3A of the European Parliament (Pay and Pensions) Act 1979, amends section 3 of that Act in order to equate the

resettlement grant provision for Members of the European Parliament with that made for Members of the House of Commons pursuant to a resolution of the House of Commons dated

³⁸ s.3, *European Parliament (Pay and Pensions) Act 1979, as amended by the European Parliament (Pay and Pensions Act 1979 (Section 3 (Amendment)) Order 1994/1663, 15.7.94*

22nd May 1991. The effect of the amendment is that a resettlement grant is payable to all Members of the European Parliament regardless of their age, who at a general election either do not stand for election or, if they do so, are not re-elected. The amount of the grant payable varies in accordance with age and length of service.

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