

# Parliamentary Pay and Allowances: The Current Rates

Research Paper 97/52

14 May 1997



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, under **existing** legislation/resolutions, *from information currently available*. 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 may be back-dated, 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*, 3rd ed, May 1997, (the '*Greenbook*'), or contact the Fees Office itself (see section 7A of the *Members' Handbook*). This edition replaces Research Paper 97/1 of 1 January 1997 to take account, for example, of the uprating of various allowances from 1 April. Some items may be subject to special rules for the dissolution period (see Madam Speaker's note of March 1997).

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.

**Barry K Winetrobe**  
**Home Affairs Section**

**House of Commons Library**

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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 provides details of pay and allowances for Members in its publication, *Parliamentary salaries, allowances and pensions*, 3rd ed., May 1997, and by notices to Members.

The March 1997 RPI, by which various allowances are updated, was **2.6%**.

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

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.

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<sup>1</sup> HC Deb vol 271 cc101-2W, 6.2.96

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

<sup>3</sup> 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' Pay<sup>4</sup>

1.1.94 - 31.12.94: £31,687

1.1.95 - 31.12.95: £33,189 (ie £32,538 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: £43,860<sup>5</sup>**

1.4.98 - 31.3.99 and  
subsequent years: Previous year's salary + formula increase

### *Up-rating formula (and 1996-97 rate):<sup>6</sup>*

(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 and the minimum.

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<sup>4</sup> All amounts, unless otherwise stated, are yearly rates

<sup>5</sup> This is a 2% increase in accordance with the formula. Mr Major announced on 6 February that Members' pay would be increased in line with that of senior civil servants following the pay review published that day:

The pay of Members of Parliament is linked to the pay ranges for the senior civil service. It follows that MPs and Ministers should be treated on the same basis as other groups, with an increase of 2 per cent. from 1 April and the balance on 1 December. [HC Deb Vol 289 c 700, 6.2.97]

The 2% increase from 1.4.97 was achieved in accordance with the existing formula. If the proposed staged increase on 1 December is implemented, the salary from 1.12.97-31.3.98 would be **£44, 182** (ie 2.75% increase overall). Implementation would however require amendment or replacement of the existing formula. If the formula remains unchanged, the second stage would take effect as part of the formula increase from 1 April 1998.

<sup>6</sup> HC Deb vol 281 c.533, 10.7.96

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*Formula debated & agreed: 10.7.96, no division:*<sup>7</sup>

(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 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, 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

**1.4.97 - 31.3.98: £43,860<sup>8</sup>**

1.4.98 - 31.3.99 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.

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<sup>7</sup> HC Deb vol 281 cc488-543 at c.533 (motion approving SSRB report including these proposals agreed to 279-154, c.530)

<sup>8</sup> See footnote 5 for explanation, including possible staged increase in December 1997

### 3. Ministers' Pay

The salary entitlements of Ministers and other paid office-holders for various relevant periods are set out in the tables below.<sup>9</sup> The tables show ministerial salaries and ministerial offices -- and their location in one or other (or neither) House -- based on currently available information. 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 election<sup>10</sup> and (c) increases to certain Ministers etc. from the end of the 'interim period' i.e. the day after polling day, ie 2 May. 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 Commons<sup>11</sup>, recommended that its uprating formula and 1 April implementation be applied to Ministers etc. as it is to Members. A new Order would have been required for a further increase from 1 April 1997, but there has been no such order to date, and any application of an uprating formula for subsequent years would presumably require primary legislation.

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<sup>9</sup> 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)

<sup>10</sup> see Order esp. art 6

<sup>11</sup> See the resolution reproduced in the Introduction to this Paper

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### Salaries for Ministers and other office-holders (£)<sup>12</sup>

	Before 1 July 1996	From 1 July 1996	From 24 July 1996	From 2 May (a)
<b>Ministers in Commons (Ministerial salary only)</b>				
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	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

### Ministers in Commons (including Parliamentary salary<sup>13</sup>)

Prime Minister	84,217	101,557	101,557	143,860
Cabinet Minister	69,651	86,991	86,991	103,860
Minister of State	56,785	74,125	74,125	74,985
Parliamentary Under Secretary	49,283	66,623	66,623	67,483
Government Chief Whip	62,273	79,613	79,613	80,473
Government Deputy Chief Whip	56,785	74,125	74,125	74,985
Government Whip	45,689	63,029	63,029	63,889
Assistant Government Whip	45,689	63,029	63,029	63,889
Leader of the Opposition (b)	65,992	83,332	83,332	98,860
Opposition Chief Whip	56,785	74,125	74,125	74,985
Assistant Opposition Whip	45,689	63,029	63,029	63,889
Speaker	71,816	89,156	89,156	103,860
Chairman of Ways and Means	56,785	74,125	74,125	74,985
First Deputy Chairman	53,015	70,355	70,355	71,215
Second Deputy Chairman	53,015	70,355	70,355	71,215
Attorney General	72,405	89,745	89,745	107,616

<sup>12</sup> These tables must be read with the explanatory notes above and below.

<sup>13</sup> see footnote 5 for explanation of Parliamentary salary for current year.



	Before 1 July 1996	From 1 July 1996	From 24 July 1996	From 2 May (a)
<b>Ministers in Lords</b>				
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	140,665 (c)
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
Solicitor General (d)				52,278
<b>Minister in neither House</b>				
Solicitor General (Scotland)	48,985	48,985	50,455	66,811

(a) See explanation above. On 8 May 1997 the new Government stated that the Prime Minister and Cabinet Ministers would not take the post-election increases.

(b) The then Leader of the Opposition declined an increase from 1 Jan 1995 and accepted 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 was £67,456 per annum [Source: Office of Leader of Opposition, Jan 1997]

(c) From 1 April 1997, in line with the staged increase for the Lord Chief Justice.

(d) Office in Commons in previous Parliament.

#### 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 - 31.3.98: £47,568 (+ £4,757 for OCA-paid staffs' pension contributions)**

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

**'March RPI%':<sup>14</sup>**

(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):<sup>15</sup> (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).

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<sup>14</sup> paras (2) and (6) of the resolution are set out below

<sup>15</sup> c.543

*Resolved,*

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

**1.4.97 - 31.3.98: £1,358 pa**

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

**'March RPI%':**<sup>16</sup>

(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.

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<sup>16</sup> 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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(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: 13.7.94<sup>17</sup> 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 subparagraph (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.

Mr Newton, Leader of the House, explained the basis of the formula during the 13 July 1994 debate.<sup>18</sup>

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.

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<sup>17</sup> HC Deb vol 246 cc1105-1114

<sup>18</sup> HC Deb vol 246 cc1107-9, 13.7.94

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 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

**1.4.97 - 31.3.98: £12,287**

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

**'March RPI%':<sup>19</sup>**

(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

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<sup>19</sup> 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

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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:* 13.7.94<sup>20</sup> 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

(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.13.

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<sup>20</sup> HC Deb vol 246 cc1105-1114

## 7. Motor 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

**1.4.97 - 31.3.98:<sup>21</sup> 48.4p per mile up to 20,000 miles  
22.3p per mile thereafter**

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

'March RPI%':<sup>22</sup>

(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<sup>23</sup> 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.

<sup>21</sup> 'March RPI%' increase on 47.2p and 21.7p.

<sup>22</sup> HC Deb vol 281 c.536, 10.7.96

<sup>23</sup> HC Deb vol 281 cc488-54

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- (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.
- (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:<sup>24</sup>

#### *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 long
- (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.

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<sup>24</sup> Fees Office letter to Members, para 12.4, April 1995



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 full details of this allowance, including changes in force from 1.4.95.<sup>25</sup>

*Original formula debated and agreed:* 5.6.81<sup>26</sup> 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

**1.4.97 - 31.3. 98: £15,856**

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

*Formula debated & agreed:* 13.7.94<sup>27</sup> 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.(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

<sup>25</sup> see HC Deb vol 257 c.1132W; 5.4.95

<sup>26</sup> HC Deb vol 5 cc1201-1260

<sup>27</sup> HC Deb vol 246 cc1105-1114

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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:<sup>28</sup>

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:* 13.7.94<sup>29</sup> 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, from London to any place (provided that the purpose is to

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<sup>28</sup> *ibid*, cc1109-1110

<sup>29</sup> HC Deb vol 246 cc1105-1114

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.<sup>30</sup>

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.

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<sup>30</sup> *ibid*, cc1110

## 11. Members' Resettlement Grant

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

*Formula debated & agreed:* 22.5.91<sup>31</sup> 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	50	52	54	56	58	60	62
51	50	52	55	58	62	65	68	72
52	50	54	58	63	67	72	76	80
53	50	56	62	67	73	78	84	90
54	50	58	65	72	78	85	92	100
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.

<sup>31</sup> HC Deb vol 191 cc1033-1038

## 12. Ministers' severance payments

Generally, 3 months of annual ministerial salary:<sup>32</sup>

### 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'.

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<sup>32</sup> 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)

**1.4.97 - 31.3.98: £47,568 (+ £4,757 for office staff pension contributions)**

Subsequent years: equivalent to the Office Costs Allowance

*Formula:*<sup>33</sup>

#### 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. Financial Assistance for Opposition Parties

#### A. *Commons: 'Short Money'*<sup>34</sup>

(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)

**1.4.97 - 30.4.97: £315.67 per seat + (£0.63 x votes x 1/200)**<sup>35</sup>

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<sup>33</sup> HC Deb vol 188 c.428W, 27.3.91

<sup>34</sup> Note that the sums below for each period are rounded to the nearest penny, and therefore may not correspond exactly with actual allocations, as set out in the Fees Office tables. It has been the practice from time to time for some of the allowance to be allocated by the parties to their Lords' colleagues for their Parliamentary duties. The creation of the new Lords scheme (see below) may mean that this may no longer happen at least to the same degree as previously.

<sup>35</sup> ie 30/365 of £3,840.65 and £7.67 respectively, according to the formula for apportionment during an election year (para 4)

**1.5.97 - 31.3.97: £3,524.98 per seat + (£7.04 x votes x 1/200)<sup>36</sup>**

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

1.4.96 - 31.3.97: £108,657

**1.4.97 - 30.4.97: £9,162.91<sup>37</sup>**

**1.5.97 - 31.3.97 £102,319.09<sup>38</sup>**

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

'March RPI%':<sup>39</sup>

(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:* 4.11.93<sup>40</sup> by 72-15:

<sup>36</sup> ie 335/365 of £3,840.66 and £7.67 respectively, according to the formula for apportionment during an election year (para 4)

<sup>37</sup> ie 30/365 of £111,482, according to the formula for apportionment during an election year (para 4)

<sup>38</sup> ie 335/365 of £111,482, according to the formula for apportionment during an election year (para 4)

<sup>39</sup> paras (1)(6) and (7) of the resolution set out below

<sup>40</sup> HC Deb vol 231 cc593-615

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That, in the opinion of this House, the provisions of this Resolution should have effect in relation to the giving of financial assistance to opposition parties in this House:

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 members of the party and who were elected at the previous General 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 3,442,50 but increased by the appropriate percentage for that period; and
- (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 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.

(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.

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 any apportionment under 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 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 the



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 separate 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 1 st April.

5. The cost of providing financial assistance shall be borne 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:<sup>41</sup>

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

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 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.

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. 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.

<sup>41</sup> *ibid*, cc597-8

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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 *prior to the general election* are set out in the following table, supplied by the Fees Office, 15 May 1997:

Financial Assistance to Opposition Parties 31.04.97 to 31.03.98

Party	Seats	Value	Views	Value	Total	Trans %	Value	Grand Total
Labour	271	1040216.15	11527134	57785.87	443216.09	78.86113082	85688.39	1569718.83
United Democrats	20	783.3	5988448	20982.23	230040.43	15.86257803	17717.38	324570.78
SINP	3	1152.95	829552	3147.78	24143.32	1.84771882	2059.27	37724.94
Plaid Cymru	4	15382.8	158796	783.98	8013.13	1.10709355	1234.21	22806.94
Usber Uniwert	8	34565.85	271049	1355.25	10394.73	2.32860235	2595.97	47536.55
Democratic Uniwert	3	11521.85	103038	515.20	3851.55	0.82164067	893.42	18338.82
S D L P	4	15382.6	184445	822.23	7073.47	1.16201073	1295.43	23731.50
								0.00
					1832798.78	89.86989967	111482.08	2042278.86

The above calculations are based on £1842.85 per seat and £7.67 per 200 votes cast. These figures are calculated using a 2.8% increase in the Retail Prices Index for March 1997 over March 1996

Financial Assistance to Opposition Parties 01.04.97 to 30.04.97

Party	Seats	Value	Views	Value	Total	Trans %	Full Value	Appl Value	Grand Total
Labour	271	85646.53	11527134	57785.87	36278.72	76.86113082	85688.39	7043.72	12907.97
United Democrats	20	6313.40	5988448	20982.23	18807.43	15.86257803	17717.38	1458.22	20877.05
SINP	3	947.01	829552	3147.78	1984.38	1.84771882	2059.27	188.26	3100.85
Plaid Cymru	4	1202.68	158796	783.98	494.23	1.10709355	1234.21	101.44	1858.35
Usber Uniwert	8	2841.03	271049	1355.25	854.36	2.32860235	2595.97	213.37	3009.78
Democratic Uniwert	3	947.01	103038	515.20	324.78	0.82164067	883.42	71.43	1345.23
S D L P	4	1262.86	184445	822.23	581.39	1.16201073	1295.45	108.47	1950.53
					158695.63	99.99999997	111482.08	9187.91	187658.54

The above calculations are based on £3500.85 per seat and £7.67 per 200 votes cast. These figures are calculated using a 2.8% increase in the Retail Prices Index for March 1997 over March 1996

### B. *Lords*<sup>42</sup>

This is a *new* scheme, proposed and agreed by the Lords on 27 November 1996, and backdated to 1 October 1996 (presumably to provide an initial full half-year). The Leader of the House, Viscount Cranborne, explained the purpose and details of the scheme:<sup>43</sup>

The Motion relates, as your Lordships have already discovered, to financial assistance for opposition parties and seeks to establish in your Lordships' House a scheme similar to that which another place has enjoyed for some 20 years under the name of Short money, so-called because it was introduced by the noble Lord, Lord Glenamara. Your Lordships will already have spotted that we specialise in illogicalities in this House.

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

In formulating the proposals, I should like to pay tribute to the advice and assistance which has been given to me by the noble Lord, Lord Richard, in what I believe has been a happy co-operation in this matter. I should like to place on record my gratitude to him for that.

Paragraph (1) of the Motion establishes the principle of making financial support available to the opposition parties in carrying out their parliamentary business. Paragraph (2) specifies the maximum amounts that the parties may claim. What the Government propose is that in a full year the Official Opposition should be able to claim up to £100,000 and the second largest opposition party up to £30,000. Those amounts are to be uprated on 1st April each year by reference to the increase in the RPI. The commencement of the scheme is to be back-dated to 1st October this year. Accordingly, the Motion provides for half a full year's money for the six months from October this year to March next year, and for the full rate to apply with the appropriate RPI enhancement from the start of the next financial year.

Paragraph (3) imports into the scheme the tried and tested safeguards which are to be found in the Short money scheme itself. Any party claiming assistance will have to tell the Accounting Officer—that is to say, the Clerk of the Parliaments on what it has spent the money and certify that the expenses have been incurred exclusively in relation to the party's parliamentary business. It will also have to have its accounts audited each year.

I should emphasise that payments will be made to parties not to individuals. It is not the purpose of this scheme to introduce by the back door any system of payments for Front Bench spokesmen on the grounds that while the House is composed as it is, the central part of the character of your Lordships' House is that of an amateur assembly.

Paragraphs (4) and (5) make the necessary provision for a year in which a general election takes place. Paragraph (6) defines a number of expressions used in the Motion. I should like to make it clear that the establishment of this scheme will make no difference to the existing Short money scheme. If the parties which are eligible to claim Short money choose to allocate or to continue to allocate a proportion of it to their colleagues in this House, they are of course entirely free to do so. That is, as has always been the case, a matter for them. It is certainly not a matter for the Government.

The essential requirement is that any money claimed under the scheme, or under the Short money scheme, must be spent on carrying out the parties' parliamentary business. I should not wish to pretend to your Lordships that the figures contained in the Motion are the result of any precise mathematical calculations, particularly after this afternoon's performance of the noble Lord, Lord Tanlaw, and my noble and learned friend Lord Fraser. Unlike the calculation of Greenwich Mean Time, they are round figures. Modest though

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<sup>42</sup> *Source*: House of Lords Accountant's Office, May 1997. In the 27 November 1996 debate, Lord Richard, the Leader of the Opposition, dubbed it 'Cranborne money' after the Leader of the House, Viscount Cranborne. It is, perhaps, too early to judge whether the new scheme will become known by this name.

<sup>43</sup> HL Deb vol 576 cc 267-9, 27.11.96

they are, I believe that the sums are large enough to meet the costs of a small research staff to support the work of the Front Benches opposite. I believe also, and hope that the House will agree, that we have struck a fair balance between the *claims* of the Official Opposition and those of the second largest opposition party.

I have to say, if noble Lords opposite do not find this remark too patronising-it is not proffered in that spirit-that I move the Motion with a degree of trepidation, because those of us on this side of the House fear greatly what will be the effect on the effectiveness of both opposition parties, which we feel to be quite effective enough as they are.

I invite your Lordships to support the measure, because it will assist in ensuring an even more efficient and well-informed opposition, and that is in the interests of your Lordships' House. It will enhance the value of our deliberations, and will, I hope, enable this House to make an even greater contribution to our parliamentary system. I beg to move.

*Maximum amounts for qualifying parties:*

1.10.96 - 31.3.97:	(i) Official Opposition (Labour):	£50,000
	(ii) Second largest Opposition party (Liberal Democrats):	£15,000
1.4.97 - 30.4.97:	£8,433 and £2,530 respectively <sup>44</sup>	
1.5.97 - 31.3.98:	£94,167 and £28,250 respectively <sup>45</sup>	

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

*'March RPI%'* <sup>46</sup>

(b)for the year beginning with 1st April 1997, £100,000 and £30,000, but increased in each case by the percentage (if any) by which the retail prices index for March 1997 has increased compared with the index for March 1996, and (if the resulting amount is not a whole number of pounds) rounded to the nearest pound; and

(c)for each subsequent year, the maximum amount for the previous year but 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, and (if the resulting amount is not a whole number of pounds) rounded to the nearest pound.

*Formula debated and agreed: 27.11.96, no division*<sup>47</sup>

(1)Financial assistance shall be available to assist the Opposition and the second largest opposition party in carrying out their Parliamentary business.

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<sup>44</sup> ie 30/365 of £102,600 and £30,780, according to the formula for apportionment in an election year (para (4))  
<sup>45</sup> ie 335/365 of £102,600 and £30,780, according to the formula for apportionment in an election year (para (4)).  
 The relevant parties are the Conservatives and the Liberal Democrats.  
<sup>46</sup> para. 2(b) and (c) of the resolution set out below  
<sup>47</sup> HL Deb vol 576 cc 267-272

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(2)The maximum amounts of financial assistance which may be given to the Opposition and to the second largest opposition party respectively shall be-

(a)for the period beginning with 1st October 1996 and ending with 31st March 1997, £50,000 and £15,000;

(b)for the year beginning with 1st April 1997, £100,000 and £30,000, but increased in each case by the percentage (if any) by which the retail prices index for March 1997 has increased compared with the index for March 1996, and (if the resulting amount is not a whole number of pounds) rounded to the nearest pound; and

(c)for each subsequent year, the maximum amount for the previous year but 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, and (if the resulting amount is not a whole number of pounds) rounded to the nearest pound.

(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 the period ending with that day were incurred as mentioned in sub-paragraph (b) above.

(4)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 the period beginning with that date shall be treated as separate periods;

(b)the maximum amount which may be given to each party for each of those periods shall be a proportionate part (rounded to the nearest pound) of the maximum amount for the year in question; and

(c)in relation to the first such period, paragraph (3)(c) above shall have effect as if a reference to the last day of the period were substituted for the reference to 31st March.

(5)In the event of a General Election before 1st April 1997, the period beginning with 1st October 1996 and ending with 31st March 1997 shall be treated as a year for the purposes of paragraph (4) above.

(6)In this Resolution-

(a)"the Opposition" means the party in opposition to Her Majesty's Government having the greatest numerical strength in the House of Commons;

(b)"the second largest opposition party" means the party in opposition to Her Majesty's Government (other than the Opposition) with the greatest number of Members of this House amongst its members;

(c)"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); and

(d)"Year" means a year beginning with 1st April.

## 15. Peers' Allowances<sup>48</sup>

	<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)

<sup>48</sup> OPS Note - 1997. Detailed notes on the various allowances are set out on the reverse of the Lords' claim form.

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London Allowance	Not eligible	London Supplement  £1,358 (except those with an official residence or in receipt of Lords Ministers' Night Subsistence Allowance)  (wef 1 April 1997)
Travel	When House sitting, claim travel to and from House and on Parliamentary business in UK and/or  Motor mileage allowance of  48.4 pence per mile up to 20,000 miles 22.3 pence per mile further  (wef 1 April 1997)	(i) When House sitting, claim travel incurred on Parliamentary business in UK and/or  Motor mileage allowance of 48.4 pence per mile up to 20,000 miles 22.3 pence per mile further  (ii) Departments reimburse home to Westminster travel  (iii) Official car for Departmental duties  (wef 1 April 1997)
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)

*Formulae debated and agreed:* 20.7.94.<sup>49</sup> 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.

### *Travel expenses for Lords' spouses*

<sup>49</sup> HL Deb vol 557 cc235-250



On 27 November 1996, the Leader of the House, Viscount Cranborne, announced a *new* facility for the reimbursement of travel expenses of peers' spouses "in connection with attendance at Parliamentary occasions".<sup>50</sup>

**Viscount Cranborne:** My Lords, I beg to move the third Motion standing in my name on the Order Paper. It provides for the spouses of Members of your Lordships' House to make two journeys per year in order to attend parliamentary occasions. This will be an extension of your Lordships' existing entitlement and the rules and procedures will be the same.

We in this House who hold ministerial or other paid office are already reimbursed in this respect on the same basis as Members in another place, and so will not be eligible for this new provision.

I welcome the proposal before your Lordships today as a useful and justifiable improvement in arrangements and I commend it to the House.

This facility was recommended by the Senior Salaries Review Body in its report last July. The review body recognised that there are parliamentary occasions when your Lordships might expect to be accompanied by their spouses, and that it is therefore reasonable that they should be reimbursed for the cost of their journeys. The Motion before the House today does not seek to define for your Lordships what is a parliamentary occasion. Like a number of things I can think of, we would expect to recognise it when we see it!

The resolution is as follows [c.273]:

(1) The facilities available to a Member of this House in respect of journeys made in connection with attendance at the House shall be made available in respect of journeys made by the spouse of a Member in connection with attendance at a Parliamentary occasion.

(3) This Resolution does not apply in respect of journeys made by the spouse of a Member in whose case paragraph (4) of the Resolution of 25th July 1983 applies.

(2) A Member may not make claims under this Resolution in relation to more than two Parliamentary occasions in any year (beginning with 1st January).

The reference to the 25 July 1983 resolution is to exclude spouses of those peers "whose ordinary residence is outside Greater London and who either (a) receives a salary under the Ministerial and other Salaries Act 1975, or (b) is the Chairman or Principal Deputy Chairman of Committees".<sup>51</sup>

## 16. MEPs' Pay and Allowances<sup>52</sup>

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<sup>50</sup> HC Deb vol 576 c.273, 27.11.96

<sup>51</sup> HL Deb vol 443 c.1370, 25.7.83

<sup>52</sup> 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

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### (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: £43,860<sup>53</sup>**

1.4.98 - 31.3.99 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 1.1.97:**<sup>54</sup>

- *general expenditure allowance:* 3,192 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 226 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 113 ECU per day and actual accommodation and breakfast expenses.
- *secretarial assistance allowance:* maximum of 9,205 ECU per month

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<sup>53</sup> See footnote 5 for explanation, including possible increase in December 1997

<sup>54</sup> *Source:* College of Quaestors, European Parliament. Uprating is on the principle of automatic annual indexation: Bureau decision 9.3.82. The 1997 uprating reflects a 3% increase, the rise in consumer prices in the 15 EU countries in 1995. Travel allowances have been frozen at 1996 levels

Note: Exchange rate at 30.4.97: 1 ECU = 69.5p, £1 = 1.44 ECU.

(iii) **Resettlement grant:**<sup>55</sup>

**"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.

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<sup>55</sup> 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*

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 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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