



Reforming Members' allowances – a timeline

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This note provides a timeline showing the developments relating to Members' allowances that have followed the Senior Salaries Review Body's *Review of parliamentary pay, pensions and allowances 2007*. The review, published in January 2008, recommended some changes to the parliamentary allowances system.

In January 2004, the House gave responsibilities in relation to Members' allowances to the Members Estimate Committee. Then in early 2009 it gave further responsibilities to a new Committee on Members' Allowances and added to the terms of reference to the Members Estimate Committee. The terms of reference and membership of these committees are given.

Finally some previous standard notes on Members' allowances are listed.

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1 Timeline¹

2007

26 July 2007 In a written ministerial statement, Harriet Harman, the Leader of the House of Commons, announced that the Senior Salaries Review Body's (SSRB) review of parliamentary pay and allowances had been completed and that the Government planned to publish the report in the autumn.²

2008

16 Jan 2008 The SSRB's [Review of parliamentary pay, pensions and allowances 2007](#) was published and the Leader of the House published a written ministerial statement setting out the Government's response to the SSRB's report.³

24 Jan 2008 The House debated the SSRB's report and the Government's response. It agreed that the SSRB's recommendations on allowances should be referred to the Members Estimate Committee (MEC).⁴

28 Jan 2008 The Committee on Standards and Privileges published its report [Conduct of Mr Derek Conway](#) (HC 280 2007-08).⁵

31 Jan 2008 The Speaker told the House that, on 22 January, he had summoned a meeting of the MEC for 4 February 2008 to consider the SSRB's recommendations on Members' allowances.⁶

The House agreed the Committee on Standards and Privileges' report on Derek Conway.⁷

4 Feb 2008 The Speaker confirmed that as well as examining the SSRB's recommendations, the MEC would also consider the January 2009 report from the Committee on Standards and Privileges, in its review of allowances. After the MEC's meeting, the Speaker wrote to all Members announcing that that the review would require the consideration of "a wide range of complex issues".⁸

26 Feb 2008 The MEC's report [Review of Members' Allowances](#) was published (HC 368 2007-08).⁹ The report set out the MEC's key priorities and how it would undertake its review.

11 Mar 2008 The MEC's report [Review of Members' Allowances: Threshold for Receipts](#) was published (HC 415 2007-08).

¹ Requests and rulings on Freedom of Information relating to Members' allowances are not included in timeline, details are available in [MPs' allowances and FoI requests](#), SN/PC/4732, 26 January 2009

² HC Deb 26 July 2007 c107WS

³ HC Deb 16 January 2008 cc32WS-36WS

⁴ HC Deb 24 January 2008 cc1653-1720

⁵ Committee on Standards and Privileges, [Conduct of Mr Derek Conway](#), 28 January 2008, HC 280 2007-08

⁶ HC Deb 31 January 2008 c467

⁷ HC Deb 31 January 2008 cc481-490

⁸ HC Deb 4 February 2008 c659; [Letter](#), from the Speaker to all Members, 4 February 2008

⁹ Note, the electronic version of the report was republished on 13 March, however, the next report (published on 11 March) refers to this being published on 26 February

- 2 Apr 2008 The MEC's report *Review of Members' Allowances: Issues* was published (HC 464 2007-08).
- 25 June 2008 The MEC's report *Review of Allowances* was published (HC 578-1 2007-08). It included recommendations for the reform of the allowances' system.
- The MEC recommended an enhanced audit system for Members' expenses; changes to the Additional Costs Allowance and its scope, such as no longer funding items on the "John Lewis list"; a tightening of the rules on the Communications Allowance and its freezing until 2012; minor changes to travel limits based on constituency size; an increase in the London supplement; changes to the Resettlement Grant; changes recommended by the SSRB to certain other allowances were rejected. The MEC also recommended that constituency offices should be centrally funded.¹⁰
- 2 July 2008 Volume II of the MEC's report, *Review of Allowances: Papers from the Department of Resources*, was published (HC 578-II 2007-08)
- 3 July 2008 The House debated the *Review of Allowances*. The motion was introduced by Nick Harvey, a member of the MEC. The motion to approve 20 recommendations from the Report was amended. The House approved recommendations on staff contracts; constituency offices; the communications allowance; travel; and the London allowance. But in place of practice assurance, wider National Audit Office audit arrangements, revisions to the Green Book, and changes to the Additional Costs Allowance, the House agreed that "a rigorous internal system of audit of the Additional Costs Allowance (ACA) be introduced covering 25 per cent of hon. Members each year, and every hon. Member each Parliament".¹¹
- 16 July 2008 A Conservative Opposition Day debate on Members' Allowances. The House agreed a Government amendment that provided that the Green Book should be rewritten by the Advisory Panel on Members' Allowances (APMA); that changes should be made to the rules on the ACA; and that arrangements for external audit by the National Audit Office should be set out.¹²
- Harriet Harman, the Leader of the House, issued a written ministerial statement on MPs' Allowances.¹³
- 5 Aug 2008 The Leader of the House published *Audit and Assurance of MPs' Allowances* (Cm 7460), a consultation document on taking forward the decisions of the House on 3 and 16 July.
- 10 Sept 2008 The Leader of the House issued a written ministerial statement announcing the publication of *Audit and Assurance of MPs' Allowances* and requesting responses by 29 September.¹⁴

¹⁰ This summary is taken from *Members' pay and allowances - decisions of 3 July 2008*, SN/PC/4794, 14 July 2008

¹¹ HC Deb 3 July 2008 cc1095-1124

¹² HC Deb 16 July 2008 cc254-315

¹³ HC Deb 16 July 2008 cc31Ws-32WS

¹⁴ HC Deb 10 September 2008 c127WS

- 9 Oct 2008 The Leader of the House issued a written ministerial statement announcing an extension to the deadline for responses to *Audit and Assurance of MPs' Allowances*. The new deadline was 31 October.¹⁵
- 20 Oct 2008 The MEC asked the Members Estimate Audit Committee to make proposals on the future role of the NAO and the House's internal audit staff in providing audit and assurance of spending on the Members' allowances and to report to the MEC. It was noted that it would be helpful if the APMA revision of the Green Book and the outcome of the Government's consultation paper would come to the MEC for consideration at the same time, early in the new year.¹⁶

2009

- 15 Jan 2009 The MEC's report *Revised Green Book and audit of Members' allowances* was published (HC 142 2008-09)
- 22 Jan 2009 The House debated the *Revised Green Book and audit of Members' allowances*. It agreed to a new publication scheme for Members' allowances (for dealing with Freedom of Information requests); to the revised Green Book; on arrangements for audit; and to establish a Committee on Members' Allowances.
- 3 Mar 2009 The Committee on Standards in Public Life (CSPL) wrote to Sir Gus O'Donnell, the Cabinet Secretary, "to consult as is customary over our proposal to carry out an inquiry into MPs' Allowances".¹⁷
- 22 Mar 2009 The House agreed to some changes to the Green Book, in the light of the establishment of the Committee on Members' Allowances; to additional terms of reference for the Committee; and to change the terms of reference of the MEC.
- 23 Mar 2009 The CSPL published a letter from the Prime Minister, in response to its letter to Sir Gus O'Donnell. The Prime Minister asked the Committee to consider the issue of MPs having second jobs.¹⁸
- The CSPL announced that it would "be undertaking a wide-ranging review of MPs' allowances later this year".¹⁹
- 30 Mar 2009 The Prime Minister wrote to the Committee again on 30 March 2009, after it had announced its inquiry. He asked the Committee to bring forward the timing of its inquiry, and to consider the question of overnight allowances.
- 31 Mar 2009 The CSPL issued another press notice, stating that it would bring forward its inquiry.²⁰

¹⁵ HC Deb 9 October 2008 c20WS

¹⁶ House of Commons Commission, *Minutes*, 20 October 2008, http://www.parliament.uk/about_commons/house_of_commons_commission/_hccfm201008.cfm

¹⁷ Committee on Standards in Public Life, *Letter from Sir Christopher Kelly, Chairman to Sir Gus O'Donnell, Cabinet Secretary*, 3 March 2009

¹⁸ The Prime Minister, *Review of Support and Remuneration for MPs*, 23 March 2009, http://www.public-standards.org.uk/Library/090323_Letter_from_the_PM___Review_of_support_and_remuneration_for_MPs.pdf

¹⁹ Committee on Standards in Public Life press notice, *Committee on Standards in Public Life to look at MPs' allowances*, 23 March 2009 [last viewed 24 March 2009]

²⁰ Committee on Standards in Public Life press notice, *Committee on Standards in Public Life to Bring Forward Review of MPs' Allowances*, 31 March 2009, <http://www.public-standards.org.uk/Library/PN221.doc>

- 3 Apr 2009 The CSPL announced that the three members of the Committee nominated by the political parties would not take part in its review of Members' allowances.²¹
- 21 Apr 2009 Harriet Harman, the Leader of the House, issued a written ministerial statement that set out "reforms that can be enacted sooner" than the recently announced CSPL inquiry.²²
- Gordon Brown, the Prime Minister, outlined the proposals in a "video statement" posted on the Downing Street website.²³
- Sir Christopher Kelly, the Chairman of the CSPL, issued a statement about the Government's decision.²⁴
- 22 Apr 2009 The leaders of the three main political parties, Gordon Brown, David Cameron and Nick Clegg met to discuss the reform of the allowances' system.²⁵ They were unable to reach an agreement.²⁶
- 23 Apr 2009 The CSPL launched its inquiry and published a consultation paper: *Review of MPs' Expenses: Issues and Questions*.

2 Committee on Members' Allowances

On 22 January 2009, the House of Commons appointed a Committee on Members' Allowances to replace the Advisory Panel on Members' Allowances. Then and on 3 March 2009, the House gave the Committee the following functions:

- (1) There shall be a select committee, called the Committee on Members' Allowances,
 - (a) to advise the House of Commons Members Estimate Committee on the discharge of its functions;
 - (b) to advise the Speaker, the Members Estimate Committee and the Leader of the House on the potential development of the arrangements made by or under the Resolutions in force from time to time regarding Members' allowances &c;
 - (c) to approve practice notes to be used in administering Members' allowances which may be issued by the House; and
 - (d) to determine (subject to any appeal to the Members Estimate Committee) the application of the rules in such individual cases as may be referred to them by Members, in accordance with procedures prescribed by the Committee.²⁷

²¹ Committee on Standards in Public Life, *Statement on the involvement of the three members of the Committee nominated by the three main political parties in the review of MPs' Pay and Allowances*, 3 April 2009, http://www.public-standards.org.uk/Library/Statement_on_involvement_of_the_Parliamentary_members_of_the_Committee.doc

²² HC Deb 21 April 2009 cc10WS-11WS

²³ Number 10, *PM announces proposals to overhaul MPs' expenses*, 21 April 2009

²⁴ Committee on Standards in Public Life, <http://www.public-standards.org.uk>

²⁵ BBC News, *Leaders set for expenses meeting*, 22 April 2009

²⁶ Kunal Dutta, "Cameron and Clegg reject plan for MPs' expenses", *Independent*, 23 April 2009

²⁷ House of Commons, *Addendum to the Standing Orders of the House of Commons – Public Business*, 10 March 2009 [reprinted from the Votes and Proceedings of the House of Commons of 9 February 2009 and 3 March 2009]; HC Deb 22 January 2009 cc970 and HC Deb 3 March 2009 c818

The members of the Committee are: Don Touhig (Chairman); Liz Blackman; Alistair Carmichael; Nigel Dodds; Michael Jack; Thomas McAvoy; Dan Norris; and John Randall.

3 Members Estimate Committee

The House of Commons is accountable for the Members Estimate, which funds the remuneration of Members, parliamentary allowances and IT equipment provided for their work. In January 2004, the House appointed the Members Estimate Committee (MEC), which has the same membership of as the House of Commons Commission. The members are: the Speaker (Chairman); the Leader of the House of Commons; the Shadow Leader of the House of Commons; and three back bench Members, Sir Stuart Bell, Nick Harvey and David Maclean.

Standing Order No 152D sets out the functions of the MEC, part (e) was added on 3 March 2009, following the appointment of the Committee on Members' Allowances:

(3) The functions of the committee shall be—

(a) to codify and keep under review the provisions of the resolutions of this House relating to expenditure charged to the Estimate for House of Commons: Members;

(b) to modify those provisions from time to time as the committee may think necessary or desirable in the interests of clarity, consistency, accountability and effective administration, and conformity with current circumstances;

(c) to provide advice, when requested by the Speaker, on the application of those provisions in individual cases;

(d) to carry out the responsibilities conferred on the Speaker by the resolution of the House of 5th July 2001 relating to Members' Allowances, Insurance, &c.

(e) to consider appeals against determinations made by the Committee on Members' Allowances under paragraph (1)(d) of Standing Order No. 152G.²⁸

4 Standard Notes relating to Members' allowances

- [Review of parliamentary pay and allowances 2008](#), SN/PC/4585, 17 January 2008
- [In brief: Parliamentary pay, pensions and allowances](#), SN/PC/4600, 30 January 2008
- [Members' pay and allowances - decisions of 3 July 2008](#), SN/PC/4794, 14 July 2008
- [Members' allowances: decision of 16 July 2008 and the revised Green Book](#), SN/PC/4813, 20 January 2009
- [MPs' allowances and FoI requests](#), SN/PC/4732, 26 January 2009
- [Members' allowances – the Government's proposals for reform](#), SN/PC/5046, 22 April 2009

²⁸ House of Commons, *Addendum to the Standing Orders of the House of Commons – Public Business*, 10 March 2009 [reprinted from the Votes and Proceedings of the House of Commons of 9 February 2009 and 3 March 2009]; HC Deb 3 March 2009 c818