



Members' pay and allowances – a brief history

Standard Note: SN/PC/05075

Last updated: 21 May 2009

Author: Richard Kelly

Section Parliament and Constitution Centre

This note provides a very brief history of the evolution of Members' salaries and the main allowances available to support them in their parliamentary duties.

This information is provided to Members of Parliament in support of their parliamentary duties and is not intended to address the specific circumstances of any particular individual. It should not be relied upon as being up to date; the law or policies may have changed since it was last updated; and it should not be relied upon as legal or professional advice or as a substitute for it. A suitably qualified professional should be consulted if specific advice or information is required.

This information is provided subject to [our general terms and conditions](#) which are available online or may be provided on request in hard copy. Authors are available to discuss the content of this briefing with Members and their staff, but not with the general public.

Contents

- 1 Members’ pay 2**
- 1.1 1911-1970 2
- 1.2 Top and Senior Salaries Review Body reports 3
 - 1971 3
 - 1970s and early 1980s 3
 - 1983 5
 - 1996 6
 - 2001 7
 - 2004 7
 - 2007 and the Baker Review 8
- 2 Members’ allowances 8**
- 2.1 Overview 8
- 2.2 Travel 9
 - Motor mileage allowance 9
- 2.3 Staff costs and office expenses 11
- 2.4 Additional Costs Allowance/Personal Additional Accommodation Expenditure 12
- 2.5 Communications Allowance/Communications Expenditure 13
- Appendix: Additional Costs Allowance – maximum annual rate 14**

1 Members’ pay

1.1 1911-1970

Salaries for Members of Parliament were first introduced in modern times in 1911 by the Liberal Government. The salary was initially set at £400 per annum and stayed at that level until 1937, when it was increased to £600, although salaries were temporarily reduced between 1931 and 1935 because of the economic crisis.

Salaries were increased again in 1946, to £1,000 per annum, and in 1957 to £1,750. In 1953 a salary increase was recommended but not implemented, although a sessional allowance of £2 per sitting day was made available to Members.

In 1964 salaries were increased in line with the Lawrence Committee recommendation, to £3,250 per annum.

It was not until the establishment of the Top Salaries Review Body (TSRB) in 1971 that anything other than ad hoc reviews of Members’ salaries took place.

1.2 Top and Senior Salaries Review Body reports

In 1971, the Top Salaries Review Body was appointed with the following general terms of reference:

To advise the Prime Minister on the remuneration of the Chairmen and members of the Boards of nationalised industries; the higher judiciary; senior civil servants; senior officers of the armed forces, and other groups which may be referred to it.¹

It was also asked to consider the pay and allowances of Members of Parliament, under that final provision. The TSRB subsequently became the Senior Salaries Review Body, and has continued to review Members' pay and allowances when asked to do so by the Prime Minister.

1971

In 1971 the question of Members' and ministers' pay and pensions was referred to the TSRB. It reported in December 1971 and recommended a basic salary of £4,500.² This was implemented with effect from 1 January 1972.³

1970s and early 1980s⁴

In 1975 the TSRB published the first part of a new major survey of ministers' and Members' salaries and the peers' expenses allowance. Part I dealt with pay and allowances of Members and the parliamentary element of ministers' pay. It recommended that the basic salary of Members be increased to £8,000. This slightly more than restored the salary level awarded in January 1972 to its current value. The precise figure would have been £7,450 but the Review Body felt strongly that the demands of the job itself had changed and that a small upward revaluation was the only appropriate course.⁵

In the light of the economic situation and the recently published white paper, *The Attack on Inflation*, instituting Phase 1 of the pay policy, the Government felt unable to implement the TSRB recommendation as to basic pay but offered instead an increase of £1,250 to £5,750. This was implemented with effect from 13 June 1975. It was decided however, to use £8,000 for pension purposes as though it were the new rate of annual salary.⁶

On the anniversary of the 1975 increase Members were awarded subject to the £8,500 overall limit, a pay supplement of £312 (£6 a week), the maximum allowed under Phase 1 of the pay policy. This brought the basic salary up to £6,062 but did not alter the £8,000 theoretical rate for pension purposes.⁷

On the next anniversary, 13 June 1977, Members' salaries were increased by the maximum allowable under Phase 2 of the pay policy - £208 (£4 a week), bringing total basic pay to

¹ Review Body on Top Salaries, *Interim Report on Top Salaries*, Second Report, Cmnd 5001, June 1972, para 1

² Review Body on Top Salaries, *Ministers of the Crown and Members of Parliament*, First Report, Cmnd 4836, December 1971

³ HC Deb 20 December 1971 c1129ff

⁴ Taken from House of Commons Library Background Paper No 124, *Members' Pay*, 15 July 1983

⁵ Review Body on Top Salaries, *Ministers of the Crown and Members of Parliament and the Peers' expenses allowance: Part I*, Report No 7, Cmnd 6136, July 1975

⁶ HC Deb 22 July 1975 c441ff

⁷ Top Salaries Review Body, *Ministers of the Crown and Members of Parliament and the Peers' expenses allowance: Part I*, Report No 8, Cmnd 6574, July 1976; HC Deb 23 July 1976 c2243ff

£6,270. In Phase 2 the £8,500 limit was abandoned and therefore the supplement of £208 was added to the theoretical rate for pension purposes, bringing it up to £8,208.⁸

On 13 June 1978 Members received a 10 per cent increase, the maximum permitted increase under Phase 3 of the pay policy. The 10 per cent was calculated on the total they were then receiving, that is the 1975 award plus the 1976 and 1977 'pay supplements' which, as part of the 1978 deal, were incorporated in the basic salary. The increase brought the basic salary up to £6,897 and notional pay for pension purposes to £9,372.

It was announced on 28 July 1978 that the TSRB would be asked to undertake a general review of Members' pay.⁹

The TSRB report published in June 1979 (shortly after the general election) recommended a basic salary of £12,000.¹⁰ The Government agreed to this but announced that it would have to be staged and Members would receive £9,450 with effect from 13 June 1979, £10,725 in June 1980 and £12,000 with effect from 13 June 1981. For pension purposes the full rate of £12,000 was operative from 13 June 1979.

The Government promised that the second stage would be uprated but made no commitment on the third.¹¹

In July 1980, the TSRB produced recommendations for uprating the staged increase announced the previous year. It recommended a basic salary of £12,300 from 13 June 1980 (instead of £10,725) and £13,750 from 13 June 1981.¹² In the statement of 7 July 1980 on the TSRB Report, the Government announced that it would "invite the House to approve a resolution" to increase the basic salary to £11,750 from 13 June 1980 and to £13,150 from 13 June 1981 (instead of £12,300 and £13,750, respectively). This was implemented by the resolution of 21 July 1980 but the question of notional rate for pension purposes was not finally settled until February 1981 when the House agreed to the figure of £13,150 which the Government had proposed (during the debate of 21 July 1980 the House had amended the resolution to £13,750 as the notional rate, the full amount recommended by the TSRB).¹³

The TSRB reported in May 1981. Exceptionally no new figures were recommended. The TSRB commented:

We have no doubt from evidence on current salary levels that a case could be made for further increases in the pay of MPs and Ministers; but while the amounts set out in Report No 15 [1980] remain to be fully implemented, and having regard to current economic circumstances, we see no point in putting forward new figures which would add to the existing shortfall.¹⁴

The TSRB therefore strongly recommended that the salaries recommended in 1980, that is £13,750 for Members in 1981, should be implemented in full and as soon as possible. TSRB

⁸ HC Deb 26 July 1977 c487ff

⁹ HC Deb 28 July 1978 c2022

¹⁰ Review Body on Top Salaries, *Ministers of the Crown and Members of Parliament and the Peers' expenses allowance: Part I*, Report No 12, Cmnd 7598, June 1979

¹¹ HC Deb 11 July 1979 c476ff

¹² Review Body on Top Salaries, *Ministers of the Crown and Members of Parliament and the Peers' expenses allowance: Part II*, Report No 13, Cmnd 7825, February 1980

¹³ HC Deb 21 July 1980 c161ff

¹⁴ Review Body on Top Salaries, *Ministers of the Crown and Members of Parliament and the Peers' expenses allowance*, Report No 17, Cmnd 8244, May 1981, piii

warned that if asked to conduct a 1982 review “it would be our intention to recommend fully up to date figures as at June 1982”.

The Prime Minister’s statement on the TSRB’s report came in the form of written answers to both Houses on 15 May 1981. She announced that the Government proposed a 6 per cent increase in Members’ basic salary (that is 6 per cent on the figure that Members were due to receive on 13 June 1981 (£13,150) bringing it up to £13,950. This was implemented by resolution of the House on 5 June 1981.¹⁵

No reference was made to the TSRB for advice on the 1982 settlement on the grounds that the method of reviewing pay was still being considered by the Select Committee on Members’ Salaries. It reported in February 1982; it considered methods for determining Members’ pay, not specific levels.¹⁶

The Government announced that an increase of 4 per cent was proposed for Members’ pay and allowances.¹⁷ This was agreed to in the resolution of 10 June 1982, raising Members’ pay to £14,510 with effect from 13 June 1982.¹⁸

Shortly after this it was announced that the TSRB had been asked to conduct a survey of all aspects of parliamentary pay and allowances.¹⁹

1983

In May 1983, in Report No 20, the TSRB outlined the analysis it undertook to assist it in making its recommendation on Members’ salaries. For the first time, it had asked external consultants to provide details of the rates of pay of comparative jobs in the economy.

The management consultants concluded that an appropriate salary at January 1983 would be £18,000 – the TSRB said this would equate to £18,700 in June, the time at which the increase was due. In international comparisons, it was found that the position of MPs (who were earning £14,510 at the time) “compared unfavourably with that of legislators in almost all of those countries which were most similar to the United Kingdom”. To bring the TSRB’s proposed salary of £12,000 (recommended in 1979) up to 1983 levels would suggest salaries of £19,500, based on changes in earnings, or £18,500, based on changes in prices. MPs suggested that a salary in excess of £20,000 would be appropriate (the median level suggested was £21,000). The TSRB concluded that:

An appropriate level of salary for Members of Parliament is in the end a matter of judgment ... We consider that a salary of £19,000 is appropriate for Members of Parliament as at 13 June 1983.²⁰

The House debated the TSRB recommendations on 19 July 1983. The Government proposed that the salary should be set at £15,090 (a four per cent increase on the previous year).²¹ The House agreed two amendments to the Government’s original motion. It decided to set Members’ salaries at £18,500, with effect from 1 January 1987; they were to increase to that level in five equal instalments; and that with effect from the following year (1988), the annual increase would be determined by a direct link to a point on the civil service pay scale.

¹⁵ HC Deb 5 June 1981 c1201ff

¹⁶ Select Committee on Members’ Salaries, *Report*, HC 208 1981-82

¹⁷ HC Deb 12 May 1982 c255W

¹⁸ HC Deb 10 June 1982 c462ff

¹⁹ HC Deb 27 July 1982 c491W

²⁰ Review Body on Top Salaries, *Parliamentary Pay and Allowances*, Report No 20, Cmnd 8881-I

²¹ HC Deb 19 July 1983 vol 46 c266 and c271

Edward du Cann, who moved one of the successful amendments reminded the House that “it has twice voted in favour of linkage”.²²

The Resolution required that the House approve a form of linkage within three months of the start of the following Parliament. On 21 July 1987, the House agreed a resolution that set Members’ pay at “89 per cent of the rate which on 1st January in that year represents the maximum point on the main national pay scale for Grade 6 officers in the Home Civil Service” from 1 January 1988 and maintained that linkage from 1 January 1989 onwards.²³

As a result of the introduction of the linkage between Members’ pay and that of the civil service, first, Members’ pay increased automatically until January 1995, with an exception in 1993. Secondly, the TSRB was not asked to review Members pay in the period between 1983 and 1996.

1996

In its 1996 report the SSRB conducted a full review of Parliamentary pay and allowances. On the basis of analysis of international comparators and a study by consultants of domestic pay rates for comparators in the public and private sector, the SSRB concluded that Members’ salaries should be set at £43,000.²⁴ It also recommended that an automatic review mechanism should be introduced for Members’ and ministers’ pay.²⁵

On 10 July 1996, the House debated the SSRB report. The Government tabled motions that would implement the SSRB recommendations and similar motions that provided for a 3 per cent increase in Members’ salaries. The House agreed the following motion, which implemented the SSRB recommendations:

- (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.²⁶

Since the House agreed to the SSRB’s 1996 recommendations, salaries have been regularly reviewed. The SSRB reported in 2001, in 2004 and in 2007, recommending additional increases in 2001 and 2007. In the intervening years, salaries increased in line with the mid-point the pay bands for the senior civil service, except in 2006/07, when the increase was staged.

²² HC Deb 19 July 1983 vol 46 c337

²³ HC Deb 21 July 1987 vol 120 cc333-334

²⁴ Review Body on Senior Salaries, *Review of Parliamentary pay and allowances*, Report No 38, Cm 3330-I, July 1996, paras 29-37

²⁵ Review Body on Senior Salaries, *Review of Parliamentary pay and allowances*, Report No 38, Cm 3330-I, July 1996, para 66-78

²⁶ HC Deb vol 281 cc488-543 at c.533 (motion approving SSRB report including these proposals agreed to 279-154, c.530)

2001

In its 2001 report, the SSRB reported that it had found that “Members of Parliament now receive lower salaries than those doing similarly weighted work in other parts of the public sector”.²⁷ It recommended that salaries should be increased but on the basis of Government policy on economic and public expenditure matters, including affordability, it recommended that this increase should be staged:

We recommend that the parliamentary salary should be increased by £2,000, in addition to any increase resulting from the operation of the usual annual review mechanism in both 2001 and 2002.²⁸

The House debated the report on 5 July 2001. It agreed to implement the SSRB’s recommendation on a division (276 votes to 42).²⁹

2004

In its 2004 report, the SSRB concluded that “overall, the relative market position of MPs pay has remained about the same over the last three years” and it consequently recommended that there “should be no further increase in the salary of MPs this year in addition to that resulting from the normal uprating mechanism”.³⁰

Members’ pay 1996-2007: recommendations and actual salaries

In 1996, the House of Commons agreed, by resolution, with the SSRB’s recommendations on Members’ pay levels and on introducing a system of linkage (with the Senior Civil Service) and regular review. The Table below charts the level of Members’ pay in the period from 1996 to 2007, as the 1996 resolution ceased to have effect from 24 January 2008.³¹

| £ | Members’ salary | SSRB Recc | Formula increase |
|--------|-----------------|-----------|------------------|
| Jan-96 | 34,085 | | |
| Jul-96 | 43,000 | 43,000 | |
| Apr-97 | 43,860 | | 43,860 |
| Apr-98 | 45,066 | | 45,066 |
| Apr-99 | 47,008 | | 47,008 |
| Apr-00 | 48,371 | | 48,371 |
| Apr-01 | 49,822 | | 49,822 |
| Jun-01 | 51,822 | 51,822 | |
| Apr-02 | 55,118 | 55,118 | |
| Apr-03 | 56,358 | | 56,358 |
| Apr-04 | 57,485 | | 57,485 |
| Apr-05 | 59,095 | 59,095 | |
| Apr-06 | 59,686 | | 60,277 |
| Nov-06 | 60,277 | | |
| Apr-07 | 61,181 | 61,820 | 60,675 |
| Nov-07 | 61,820 | | |

²⁷ Review Body on Senior Salaries, *Review of parliamentary pay and allowances*, Report No 48, Cmnd 4997-I, March 2001, para 2.11

²⁸ Review Body on Senior Salaries, *Review of parliamentary pay and allowances*, Report No 48, Cmnd 4997-I, March 2001, para 2.13

²⁹ HC Deb 5 July 2001 cc469-471

³⁰ Review Body on Senior Salaries, *Review of Parliamentary Pay and Allowances 2004*, Report No 57, Cmnd 6345-I, October 2004, paras 2.13-2.14

³¹ HC Deb 24 January 2008 cc1719-1720

2007 and the Baker Review

The SSRB's *Review of parliamentary pay, pensions and allowances 2007* was published by the Government in January 2008.³² The SSRB recommended that Members' salaries should increase to £61,820, with effect from 1 April 2007 (at the end of 2006/07, members' salaries were £60,277); that a new method of uprating based on the changes in earnings of senior civil servants, rather than their pay scales, should be introduced; and that, in addition to the uprating formula, Members' salaries should increase by £650 in April 2008, April 2009 and April 2010.

The Government accepted that pay should increase to £61,820 but in two stages (to keep the overall increase below 2 per cent). However, it rejected the other recommendations, and asked Sir John Baker (the retiring chairman of the SSRB) to devise a system that would avoid Members having to set their own salaries. The House agreed with these proposals on 24 January 2008.

Sir John Baker recommended that Members' pay increased in line with the Public Sector Annual Earnings Index, and that to account for a decline in Members' pay compared to external comparators a further £650 should be added in each of the years 2008 to 2010. The Government argued that pay increases should be linked to fifteen groups of public service workers³³ and that the £650 payments should not be made. On 3 July 2008, the House agreed with the Government.

The Table below shows how Members' pay rose in 2008/09 and 2009/10 and how it would have increased if the House had accepted Sir John Baker's proposal, which it rejected.

| | Members' pay (£ per annum) | Effect of Sir John Baker's proposal (£ per annum) |
|-------------------------|---------------------------------------|--|
| Base level (March 2008) | 61,820 | 61,820 |
| 1 April 2008 | 63,291 | 64,634 |
| 1 April 2009 | 64,766 | |

2 Members' allowances

2.1 Overview³⁴

Allowances for Members in money or in kind are mostly fairly recent. Limited free stationery was allowed in 1911; limited free travel dates from 1924. Major advances were made in 1969, when Mr Fred Peart was Leader of the House and chairman of the Services Committee, and again at the end of 1971, following upon the TSRB's First Report. The Select Committee on Members' Expenses etc, which reported in February 1954 mentioned (but did not endorse) various suggestions which had been made for "ameliorating the present position of Members". These were: reasonably priced accommodation for Members near the House; limited free travel for Members' wives; free postage; free trunk calls to constituencies;

³² Review Body on Senior Salaries, *Review of Parliamentary pay, pensions and allowances 2007*, Report No 64, Cmnd 7270-I, January 2008

³³ The public sector groups listed in the Resolution are: senior military, holders of judicial office, very senior NHS managers, doctors and dentists, the Prison Service, NHS staff, school teachers, the Armed Forces, police officers, Local Government; non-Senior Civil Service staff in each of the Department for Work and Pensions, Her Majesty's Revenue and Customs, the Ministry of Defence and the Home Office; and the Senior Civil Service

³⁴ Taken from House of Commons Library Reference Sheet 75/9, *Members' Pay and Allowances*, 26 March 1975

provision of secretaries; a car allowance; free stationery; payment for one month after the dissolution of Parliament. The position in early 1969 was that only one of these suggestions had been fully implemented (the car allowance, from 1961) and one partially implemented (free postage had been somewhat extended). But since then all have been implemented (except that instead of secretaries and reasonably priced accommodation being provided, allowances are made instead).

2.2 Travel

In 1924, free rail passes were given to Members for travel between London and their constituencies.³⁵

In 1945, the scheme was extended to travel between London and constituency, constituency and ordinary residence, and ordinary residence and London; and to cover air travel.³⁶

Motor mileage allowance

A car allowance was introduced in 1961, when provision was made “for the payment to Members of this House of allowances not exceeding the fare by rail in respect of the cost of travel by road upon any journey upon which, under the Resolution of this House of 15th November, 1945, facilities would be available for travel by any public railway, sea or air service”.³⁷

In December 1969, the House agreed that with effect from 1 October 1969 a mileage allowance of 6d per mile be introduced.³⁸ The mileage rate was increased by ad hoc resolutions in 1970 and 1974.³⁹ Then on 22 July 1975, the House agreed to a further uprating of the mileage allowance and agreed to link future changes to civil service

(4) the car mileage allowance (7.7 pence a mile under the 1974 Resolution) to be 10.2 pence per mile for journeys commenced on or after 13th June 1975, but as from when the corresponding Civil Service rate is next altered thereafter, the allowance for Members of this House to be the same as that corresponding rate (which is the rate for cars over 1,750 cc used for journeys on official business).⁴⁰

The linkage between House motor mileage allowances and those that applied in the Civil Service continued from 1975 until 1984.

Then, between 1 October 1984 and 31 March 1994, the rate was increased annually in accordance with the RAC's Schedule of Estimated Vehicle Running Costs.

The initial level of the three tiers of motor mileage allowance were determined following the 1984 *Report of the Independent Inquiry into Motor Mileage Allowances for Members of Parliament*.⁴¹ Those rates were set at:

³⁵ Debate on supplementary estimate, HC Deb 14 April 1924

³⁶ HC Deb 15 November 1945 cc2477-2486

³⁷ HC Deb 18 May 1961 cc1681-1682

³⁸ HC Deb 18 December 1969 cc1693-1722

³⁹ HC Deb 3 November 1970 cc1038-1044; 30 July 1974 cc740-741; in December 1971 the resolution was amended to take account of decimalisation: HC Deb 20 December 1971 cc1248-1251;

⁴⁰ HC Deb 22 July 1975 cc441-516

⁴¹ *Report of the Independent Inquiry into Motor Mileage Allowances for Members of Parliament – to the Leader of the House of Commons*, 22 June 1984 HC 469 1983-84

| Engine capacity | Up to 20,000 miles* | over 20,000 miles |
|------------------------|----------------------------|--------------------------|
| up to 1300cc | 18 pence per mile | 11.3 pence per mile |
| 1301-2300cc | 25.9 pence per mile | 14.7 pence per mile |
| over 2300cc | 39 pence per mile | 19.5 pence per mile |

* set at 10,000 miles for the period 1 October 1984 to 13 March 1985⁴²

During the debate on allowances, John Biffen, the then Leader of the House of Commons, outlined why the system changed and summarised the report of the Independent Inquiry:

The motion on motor mileage allowance concerns inevitably an area of some difficulty, given widely differing circumstances of hon. Members. Whatever judgements are struck will involve some rough justice. The House will recall that until last July rates payable to Members of Parliament in respect of that allowance were tied to those applicable in the Civil Service. During the debate on 19 July 1983 considerable unease was expressed about that link and the changes implicit in its continuance. I undertook to have the matter examined. In the meantime, Hon. Members have received the higher of the two Civil Service rates introduced on 10 October 1983.

In accordance with my undertaking, I established an independent inquiry to determine the most appropriate means whereby hon. Members could be reimbursed the cost of their motor mileage. The inquiry was conducted under the chairmanship of my noble Friend Lord Peyton of Yeovil. I wish to pay tribute to him and the other members of the inquiry team – Lord Barnett and Mr Richard Wilkes. They discharged a complex task with speed and imagination. I know that the whole House will wish to join me in thanking them for their efforts.

The report of the inquiry team recommends that the long-established link with the rate of allowance payable to civil servants should be severed. It proposes that in future the allowance should be calculated on the basis of the Royal Automobile Club schedules of motoring costs, with an enhanced element for depreciation, subject to an upper limit of 39p per mile for a car of 2600cc. The Government accept those recommendations.

Paragraph 7 of the report makes it clear that the 39p per mile figure is an upper limit and that where hon. Members use a smaller car and therefore incur lower costs they should limit their claim. In the interests of public accountability and of the proprieties not only being observed but seen to be observed, the Government propose to formalise that arrangement. Under the terms of the motion there will therefore be three tiers of allowance, calculated on the same basis as that used by the inquiry team.⁴³

In July 1996, the Review Body on Senior Salaries (SSRB) published a review of Parliamentary pay and allowances. It noted the level of mileage allowances at the time and, because it received representations that the allowance was “unjustifiably generous” and it considered the highest rate to be “over-generous”, made recommendations for their reduction:

A Motor Mileage Allowance is paid for MPs’ travel on Parliamentary duties. This is taxable. The rates with effect from 1 April 1996 are:

| Engine capacity | Up to 20,000 miles | over 20,000 miles |
|------------------------|---------------------------|--------------------------|
| up to 1300cc | 31.3 pence per mile | 16.3 pence per mile |
| 1301-2300cc | 47.2 pence per mile | 21.7 pence per mile |
| over 2300cc | 74.1 pence per mile | 37.1 pence per mile |

[...]

⁴² HC Deb 20 July 1984 Vol 64 cc617-618

⁴³ HC Deb 20 July 1984 Vol 64 cc620-621

Recommendation 19: that the Motor Mileage Allowance for MPs be set at a single band of 47.2 pence per mile for the first 20,000 miles, and 21.7 pence per mile for over 20,000 miles.⁴⁴

The SSRB report was debated in the House of Commons on 10 July 1996. In order to put into effect the SSRB's recommendation, the House agreed a motion that included the mileage rates that the SSRB had recommended and provided for them to increase annually in line with the Retail Price Index. The motion was accepted on a division by 376 votes to 39.⁴⁵

On 21 October 2004, the SSRB published its *Review of Parliamentary pay and allowances 2004*.⁴⁶ In this review, the SSRB made recommendations for a reduction in motor mileage rates to 40 pence per mile (up to 10,000 miles) and 25 pence per mile (over 10,000 miles), in line with current Inland Revenue rates:

Recommendation 16: The car mileage rate should be brought into line with the approved Inland Revenue rate of 40p per mile up to 10,000 miles, and 25p per mile thereafter.

Recommendation 17: The car mileage rate should in future be maintained in line with the approved Inland Revenue rate.⁴⁷

The House agreed this change on 3 November 2004 and confirmed its decision on 26 January 2005.⁴⁸ Since then the car mileage rate has remained unchanged.

2.3 Staff costs and office expenses

A secretarial allowance of £500 per annum was first introduced with effect from 1969.

From 1972, it was possible to use some of the allowance to employ a research assistant.

In 1975, the whole of the allowance could be used for either secretarial or research help. This was formalised in 1977.

In 1976 the TSRB recommended that an allowance be made available to cover expenditure on office equipment. This was explicitly referred to in the resolution uprating the allowance in 1977.

From 1984, the allowance was to be linked to increases in civil service pay for senior secretaries.⁴⁹ However, this was still to be combined with periodic fundamental reviews of the allowance by the TSRB, which in July 1993 became the Senior Salaries Review Body.

The House voted for large increases in the allowance in 1986⁵⁰ and 1992.⁵¹ Predictably, this aroused some hostile press coverage.⁵²

⁴⁴ Review Body on Senior Salaries, *Review of Parliamentary pay and allowances*, Cm 3330-I, July 1996, paras 118-121

⁴⁵ HC Deb 16 July 1996 c536

⁴⁶ Review Body on Senior Salaries, *Review of Parliamentary pay and allowances 2004*, Cm 6354-I, October 2004

⁴⁷ *Ibid*, paras 4.50-4.52

⁴⁸ HC Deb 3 November 2004 cc315-367; HC Deb 26 January 2005 c390

⁴⁹ HC Deb 20 July 1984 cc 617-660

⁵⁰ HC Deb 16 July 1986 cc 1130-1143

⁵¹ HC Deb 14 July 1992 cc 1081

In 1996, a resolution of the House provided for the OCA to be updated annually by reference to the Retail Prices Index.⁵³

In 2001 the Office Costs Allowance, which provided notionally for the equivalent of 2-2.5 staff, was replaced by two separate allowances – the Staffing Allowance (which provided for the employment of up to three staff) and the Incidental Expenses Provision.

In its 2007 report, the SSRB recommended an increase in the staffing allowance to allow the employment of up to 3.5 staff. This was implemented by the House on 24 January 2008.

2.4 Additional Costs Allowance/Personal Additional Accommodation Expenditure

The following summary is taken from the Library Standard Note *Additional Costs Allowance* (3 March 2008):

The Additional Costs Allowance was introduced by Resolution of the House in December 1971 to cover the reasonable additional cost to provincial Members of staying either in London or their constituency, when engaged on Parliamentary duties. The Top Salaries Review Body (TSRB) had proposed that the allowance should take the form of a daily subsistence rate. However, the Government proposed a scheme which reimbursed expenses within an annual limit.

The annual limit was initially set at £750, from 1 April 1972 (up to £187.50 was available for the period 1 January-31 March 1972.) The annual limit was increased in 1974. The same Resolution provided for a further change in 1975. However, this was superseded by a Resolution in 1975 which provided for an enhanced amount for 1975-76 and provided for the regular uprating of the allowance based on civil service night subsistence rates.

The Additional Costs Allowance rates were updated in July each year from 1976 to 1979 and in August from 1980 until 1992.

[...]

In 1985, Members were advised that “there is no reason why [they] should not claim mortgage interest payments against this allowance”.

In 1994, when the centralised civil service subsistence rates no longer pertained, the House agreed that the annual limit for 1 April 1993-31 March 1994 should be 1 per cent more than the rate payable with effect from 1 August 1992; that the 1994-95 rate should be 1.81 per cent more than 1993-94 rate; and that from 1 April 1995 onwards the annual rate should be increase in line with inflation (increases were to be based on the annual increase in the retail price index to the previous March). In March 2004, the Members Estimate Committee amended the 1994 Resolution to provide for the annual increase to be based on the change in the retail price index to the previous December.

In 2001, the SSRB made no recommendations on the Additional Costs Allowance. However, the House agreed to a backbench amendment proposing a significant increase in the maximum rate for the allowance.

⁵² see for example, “Self-important and self-rewarding”, *Independent*, 16 July 1992 and “MPs in the trough”, *Daily Telegraph*, 16 July 1992

⁵³ HC Deb 10 July 1996 cc 488-543 and HC Deb 22 July 1996 c 121

In 2005 and 2006, the Members Estimate Committee agreed changes to the Additional Costs Allowance to allow for increased mortgage payments in certain circumstances and to permit overnight stays on journeys to a Member's constituency, when it was not practicable to complete the journey in one day.

In April 2009, the allowance became the Personal Additional Accommodation Expenditure and the maximum annual amount that a Member could claim had increased to £24,222.

The annual limits, from 1972 to March 2008 are set out in a table in the Appendix.

2.5 Communications Allowance/Communications Expenditure

On 1 November 2006, the House agreed, in principle, to introduce a new Communications Allowance "to assist in the work of communicating with the public on parliamentary business". On 19 March 2007, the Members Estimate Committee (MEC) published detailed proposals for the new Communications Allowances. The House agreed to the MEC's proposals on 28 March 2007. The Communications Allowance of up to £10,000 per annum became available to Members from 1 April 2007.

The allowance increased to £10,400 from 1 April 2008 and has been frozen at that level in 2009/10 and 2010/11.

Appendix: Additional Costs Allowance – maximum annual rate

The following table sets out the maximum amount that could be claimed under the Additional Costs Allowance since 1972.

Additional Cost Allowance - maximum annual rate

| | |
|-------------------|--|
| Jan-Mar 1972 | £187.50 |
| Apr 1972-Mar 1973 | £750.00 |
| Apr 1973-Mar 1974 | £750.00 |
| Apr 1974-Mar 1975 | £950.00 (change effective from 1 August) |
| Apr 1975-Mar 1976 | £1,639 (change effective from 13 June) |
| Apr 1976-Mar 1977 | £1,982 |
| Apr 1977-Mar 1978 | £2,410 |
| Apr 1978-Mar 1979 | £2,918 |
| Apr 1979-Mar 1980 | £3,661 |
| Apr 1980-Mar 1981 | £4,558 |
| Apr 1981-Mar 1982 | £5,105 |
| Apr 1982-Mar 1983 | £5,518 |
| Apr 1983-Mar 1984 | £6,000 |
| Apr 1984-Mar 1985 | £6,518 |
| Apr 1985-Mar 1986 | £7,132 |
| Apr 1986-Mar 1987 | £7,855 |
| Apr 1987-Mar 1988 | £8,674 |
| Apr 1988-Mar 1989 | £9,298 |
| Apr 1989-Mar 1990 | £9,914 |
| Apr 1990-Mar 1991 | £10,571 |
| Apr 1991-Mar 1992 | £10,786 |
| Apr 1992-Mar 1993 | £10,901 |
| Apr 1993-Mar 1994 | £10,958 |
| Jan-Mar 1994 | £11,068 (annual rate) |
| Apr 1994-Mar 1995 | £11,268 |
| Apr 1995-Mar 1996 | £11,661 |
| Apr 1996-Mar 1997 | £11,976 |
| Apr 1997-Mar 1998 | £12,287 |
| Apr 1998-Mar 1999 | £12,717 |
| Apr 1999-Mar 2000 | £12,984 |
| Apr 2000-Mar 2001 | £13,322 |
| Apr 2001-Mar 2002 | £19,469 |
| Apr 2002-Mar 2003 | £19,722 |
| Apr 2003-Mar 2004 | £20,333 |
| Apr 2004-Mar 2005 | £20,902 |
| Apr 2005-Mar 2006 | £21,634 |
| Apr 2006-Mar 2007 | £22,110 |
| Apr 2007-Mar 2008 | £23,083 |

Maximum rates for the two subsequent years:

| | | |
|-------------------|---------|---|
| Apr 2008-Mar 2009 | £24,006 | |
| Apr 2009-Mar 2010 | £24,222 | [Personal Additional Accommodation Expenditure] |