



## Members' pay and allowances from April 2010

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The *Parliamentary Standards Act 2009*, which received Royal Assent in July 2009 provided for the establishment of the Independent Parliamentary Standards Authority (IPSA) and gave it the responsibility for paying Members' salaries and allowances; and for preparing a scheme under which allowances are paid.

Provisions included in the Constitutional Reform and Governance Act 2010 transferring responsibility for determining (as well as paying) Members' salaries to IPSA have not yet been brought into force.

IPSA published its *MPs' Expenses Scheme* and it was laid before the House of Commons by the Speaker on 29 March 2010. The Scheme came into force on the day after the 2010 General Election. Until then the House of Commons allowances schemes continued to operate. IPSA issued guidance on the Scheme on 6 May 2010. Various revisions to the guidance were issued. On 16 June 2010, IPSA issued a consultation on amendments to the Scheme. Following the consultation, *The MPs' Expenses Scheme: Second Edition* was published in July 2010. The revised Scheme made a number of changes which were applied retrospectively from 7 May 2010. Further revisions to the accompanying guidance were subsequently issued. Details of the first annual review of the Scheme were given to Members of Parliament on 9 November 2010.

This note gives details of Members' salaries and ministerial salaries. On 13 May 2010, the new Government announced that ministerial salaries would be reduced by 5 per cent, compared to those drawn by the previous Government, and then frozen for the lifetime of the current Parliament.

The note sets out the rate of allowances under the House of Commons schemes and the budgets for expenses under the IPSA scheme.

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## 1 The Independent Parliamentary Standards Authority (IPSA)

The *Parliamentary Standards Act 2009*, which received Royal Assent in July 2009 provided for the establishment of the Independent Parliamentary Standards Authority (IPSA) and gave it the responsibility for paying Members' salaries and allowances; and for preparing a scheme under which allowances are paid.

IPSA consulted on a new expenses scheme in January and February and anticipated the scheme being implemented after the General Election. The Scheme was laid before the House of Commons on 29 March 2010 by the Speaker.

Until the new expenses scheme was implemented, with effect from the day after the 2010 General Election, Members allowances continued to be paid by the House of Commons in accordance with the resolutions of the House. Under those arrangements, the maximum amounts that could be claimed under various allowances increased with effect from 1 April 2010.

At present, Members' salaries are set in accordance with a resolution of the House of 3 July 2008. However, following the general election, salaries will be paid by IPSA.

The *Parliamentary Standards Act 2009* was enacted before the Committee on Standards in Public Life completed its review of Members' Allowances. It made a number of recommendations that required amendments to the Act, and the Government brought forward amendments in the *Constitutional Reform and Governance Act 2010*, including provisions that would transfer responsibility for determining Members' salaries from the House to IPSA.

## 2 Members' pay

The annual increase in Members' salaries is determined in accordance with the resolution of the House of 3 July 2008. The resolution introduced a new mechanism for determining Members' pay. It linked annual increases in Members' salaries to the median pay increase of 15 groups of specified public sector workers. It also provided for a review of Members' salaries at the start of each Parliament. The outcomes of both elements were to be notified to the Speaker by the SSRB and then implemented automatically.

**Uprating formula:** Pay increases for Members are linked automatically to the "percentage equal to the median of relevant increases for the following public sector groups":

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

[Resolution debated and agreed: 3 July 2008, no division](#)<sup>1</sup>

Fuller details of how the House arrived at this approach to determining Members' pay are given in the Library Research Paper, *Members' pay and the independent review process*.<sup>2</sup>

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<sup>1</sup> HC Deb 3 July 2008 c1088; however, there were divisions on implementing Sir John Baker's recommendations

## 2.1 Pay from 1 April 2010

Members' salaries increased on 1 April 2010 from £64,766 to **£65,738**, in line with the calculation performed by the SSRB in accordance with the resolution of 3 July 2008. Bill Cockburn, the chairman of the SSRB, wrote to the Speaker on 26 February 2010, confirming that the increase in salaries from 1 April 2010 should be 1.5 per cent.<sup>3</sup> The letter was laid before the House of Commons by the Speaker on 5 March 2010.<sup>4</sup>

Table 1 shows recent trends in Members' pay:

**Table 1: Members' pay since 1997**

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1 April 1997	£43,860
1 April 1998	£45,066
1 April 1999	£47,008
1 April 2000	£48,371
1 April 2001	£49,822
20 June 2001(a)	£51,822
1 April 2002 (b)	£55,118
1 April 2003	£56,358
1 April 2004	£57,485
1 April 2005	£59,095
1 April 2006 (c)	£59,686
1 November 2006 (c)	£60,277
1 April 2007 (d)	£61,181
1 November 2007 (d)	£61,820
1 April 2008 (e)	£63,291
1 April 2009 (e)	£64,766
1 April 2010 (e)	£65,738

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(a) Comprises formula increase of 3 percent, paid in April 2001, plus £2,000 from 20 June 2001

(b) Comprises formula increase of 2.5 percent plus £2,000 from 1 April 2002

(c) In 2006/07 the formula increase (2 per cent) was implemented in two equal stages

(d) In 2007/08 the increase recommended by SSRB was staged

(e) In accordance with the resolution of the House of 3 July 2008

## 2.2 Future arrangements

When it received Royal Assent in July 2009, the *Parliamentary Standards Act 2009* provided that:

The IPSA is to pay the salaries of members of the House of Commons in accordance with the relevant resolutions of the House.<sup>5</sup>

However, the Committee on Standards in Public Life (CSPL), which was undertaking a review of *MPs' expenses and allowances* whilst the *Parliamentary Standards Bill* was being

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<sup>2</sup> House of Commons Library Research Paper RP 09/29, *Members' pay and the independent review process*, 31 March 2009

<sup>3</sup> Senior Salaries Review Body, *SSRB determination of MPs' salary increase for 2010*, [Letter] 26 February 2010

<sup>4</sup> House of Commons, *Votes and Proceedings*, 5 March 2010, Appendix, Item 12

<sup>5</sup> *Parliamentary Standards Act 2009* (chapter 13), section 4(1)

considered by Parliament, recommended that IPSA should also take responsibility for determining Members' pay:

**Recommendation 43:** The independent determining of MPs' pay and pensions should be entrenched in primary legislation in the same way as expenses. The independent regulator should therefore be given statutory responsibility for setting MPs' pay levels and overseeing MPs' pensions as well as for dealing with expenses.<sup>6</sup>

The Government and the other political parties accepted the recommendations from the CSPL, and the Government brought forward amendments to the *Parliamentary Standards Act 2009* in the *Constitutional Reform and Governance Act 2010*. Section 29 of the Act replaced section 4 of the *Parliamentary Standards Act 2009* with new sections 4 and 4A. New section 4(4) stated that "The amounts of the salaries are to be determined by the IPSA (see section 4A)". The Act states that IPSA must make determinations in the first year of each Parliament (beginning after April 2012) and "at any other time it considers appropriate". But IPSA's first determination of Members' salaries does not have to come into effect before 1 April 2012.<sup>7</sup> These provisions have not yet been brought into force.

### 2.3 Additional salaries for committee chairs

#### **Select committees**

On 30 October 2003, the House agreed to pay certain select committee chairs £12,500 per annum in addition to their salary as a Member and that the additional salary would increase in line with the parliamentary salary, following a recommendation to that effect from the SSRB. The new arrangements came into effect from the beginning of the 2003-04 Session. From 1 April 2010, the salary increased to **£14,582**.

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

**Resolution debated and agreed:** *30 October 2003, on division (86 to 59)*<sup>8</sup>

Since the initial introduction of additional salaries for select committee chairs, the House has decided that the chairs of other select committees should receive the additional salary. Details of the background to the introduction of the additional salary, of historic levels of the additional salary and of the Committees whose chairs receive an additional salary are given in the Library Standard Note, *Modernisation: Select committees – pay for chairs*.<sup>9</sup>

#### **Panel of Chairs**

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

... a good case can be made for additional payment for at least those Chairmen of Standing Committees undertaking more substantial duties. Payment could support membership of the Panel as a possible step in a career path leading ultimately to the role of Deputy Speaker, or possibly even Speaker.<sup>10</sup>

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<sup>6</sup> Committee on Standards in Public Life, *MPs' expenses and allowances: Supporting parliament, safeguarding the taxpayer*, November 2009 Cm 7724

<sup>7</sup> *Constitutional Reform and Governance Act 2010* (chapter 25), section 29

<sup>8</sup> HC Deb 30 October 2003 Vol 412 cc448-507

<sup>9</sup> House of Commons Library Standard Note, *Modernisation: Select committees – pay for chairs*, SN/PC/2725

<sup>10</sup> Review Body on Senior Salaries, *Pay for Standing Committee Chairmen in the House of Commons*, July 2005, Cm 6566, para 2.11

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

[Resolution debated and agreed: 13 July 2005, on division \(226 to 74\)](#)<sup>11</sup>

The tiers are shown in Table 3, which also shows the salaries that applied in 2005/06 and those that apply in 2010/11.

**Table 3: Panel of Chairs: additional salaries – 2005/06 and 2010/11**

	2005/06 (a)	2010/11
<b>Select Committee Chair</b>	£13,107	£14,582
<b>General Committee Chair</b>		
Tier 1 <i>Less than 1 year</i>	£2,615	£2,910
Tier 2 1-3 years	£7,340	£8,166
Tier 3 3-5 years	£9,960	£11,082
Tier 4 At least 5 years	£13,107	£14,582
Note (a):	Standing Committee Chair salaries were introduced with effect from 1 November 2005	

Details of the background to the introduction of the additional salary are given in the Library Standard Note, *Public bill and general committees: pay for chairs*.<sup>12</sup>

### 3 Ministerial pay

#### 3.1 Background

Before 1996, ministerial salaries had been uprated by Order in line with Members' salaries but this had not been enshrined in legislation or parliamentary resolution.<sup>13</sup> However the 1996 SSRB report,<sup>14</sup> which was accepted by the Commons, recommended that the uprating formula and 1 April implementation date should also apply to ministers and other paid office holders. The *Ministerial and other Salaries Act 1997* amended the 1975 Act of the same title to take into account the SSRB recommendations.

In its 2007 report, the SSRB stated its belief that:

... Ministers (and certain other parliamentary office holders) should be paid at a level which recognises, at least broadly, their substantial additional responsibilities relative to both MPs without such responsibilities and public servants who report to Ministers. If salaries were set according to the level of responsibility and accountability, then the Prime Minister ought to earn more than the Cabinet Secretary and Cabinet Ministers ought to earn more than their Permanent Secretaries. However, we are forced to accept that increases of the size needed to achieve that position are simply not politically credible. Instead, therefore, we propose a series of staged increases designed to move the pay of senior Ministers towards that of their senior officials over a period of years. Coupled to this we propose a mechanism to link Ministers' pay to

<sup>11</sup> HC Deb 13 July 2005 cc840-930

<sup>12</sup> House of Commons Library Standard Note, *Public bill and general committees: pay for chairs*, SN/PC/3718

<sup>13</sup> Such an Order would have been required for an 'uprating' increase from 1 April 1997, but there was no such Order, and therefore no uprating for the year beginning 1 April 1997

<sup>14</sup> Review Body on Senior Salaries, *Review of Parliamentary pay and allowances*, Report No. 38, Cm 3330-I, 1996

that of MPs – and through them to the pay of senior civil servants – to try to stabilise the relative position of ministerial salaries, through a logical system that is intended to make changes in ministerial pay less capricious in the future.<sup>15</sup>

The SSRB recommended ministers' earnings (including the parliamentary salary) should be set as multiples of the parliamentary salary. The Government rejected this recommendation and said that ministerial salaries should increase in line with parliamentary salaries. However, the *Ministerial and other Salaries Act 1975* (as amended) has not been changed, so ministerial salaries (entitlements) still increase in line with the old formula, that is in line with increases in the mid-point of the pay bands for the senior civil service.

**Uprating formula:** Pay increases for ministers are linked automatically to the increase in pay bands for the Senior Civil Service, under a formula set out in section 1 of the *Ministerial and other Salaries Act 1997*. This is, in effect, the same formula that was used for uprating Members' pay between 1997 and 2007.

In both 2008/09 and 2009/10, the Prime Minister, Gordon Brown, announced that ministers would not take the increase in ministerial salary, and in 2009/10, he also said that ministers would decline their increase in Members' salary as well. In March 2010, the Prime Minister accepted the SSRB's recommendation that there should be no increase in base pay for senior civil servants and rejected a recommendation that the minimum of the SCS1 pay band should be increased. Consequently, ministerial salary entitlements in 2010/11 were unchanged from 2009/10. He also announced that all paid ministers would waive the increase in their Members' salaries. Details of these three announcements are set out below.

#### ***Ministerial salaries in 2008/09***

On 17 June 2008, the Prime Minister announced the publication of the SSRB's *Thirtieth Report on Senior Salaries 2008*. In the same written ministerial statement, he also announced that:

Ministers' pay is automatically linked to the average increase in the midpoint of SCS [Senior Civil Service] pay, which moves in line with SSRB recommendations. However, given the importance of public sector pay restraint at a time of economic uncertainty Ministers will not be accepting any pay rise in 2008-09.<sup>16</sup>

#### ***Ministerial salaries in 2009/10***

On 31 March 2009, the Prime Minister announced the publication of the SSRB's *Thirty-First Report on Senior Salaries 2009*. In the same written ministerial statement, he also announced that:

The changes to senior civil service pay mean that ministerial pay, which is linked by legislation to the average increase in the midpoint of senior civil service pay ranges, will increase by 1.5 per cent. However, given the importance of public sector pay restraint at a time of economic uncertainty salaried Ministers will not be accepting any pay rise in 2009-10, either in their ministerial pay or in their parliamentary pay.<sup>17</sup>

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<sup>15</sup> Review Body on Senior Salaries, *Review of parliamentary pay, pensions and allowances 2007*, Report No 64, Cm 7270-I, January 2008, para 4.5

<sup>16</sup> HC Deb 17 June 2008 cc47WS-48WS

<sup>17</sup> HC Deb 31 March 2009 c62WS

### 3.2 Pay from 1 April 2010

On 10 March 2010, the Prime Minister announced the publication of the SSRB's *Thirty-Second Report on Senior Salaries 2010*. In the same written ministerial statement, he also announced that:

For the SCS, the Government have accepted the recommendation of the Review Body that for 2010-11 there should be no increase in base pay or the non-consolidated performance-related pot.

The Government have not accepted the Review Body's recommendation that the minimum for SCS pay band 1 should be increased to £61,500.

[...]

#### *Ministers*

The effect of the Government's response to the SSRB's recommendations on SCS pay is that there will be no increase in ministerial pay for 2010-11. All paid Ministers will also waive any increase in their pay as an MP to which they are entitled.<sup>18</sup>

The following three tables summarise trends in ministerial pay since 1997/98. They show entitlement to salary, the figures quoted do not reflect the Prime Ministers' announcements that ministers declined salary increases in 2008/09, in 2009/10 and in 2010/11.

**Table 2: Ministers and office-holders in Commons: Ministerial salary entitlements, £**

	1997/98	2001/02	2005/06	1 Apr 2006	1 Nov 2006	1 Apr 2007	1 Nov 2007	2008/09	2009/10	2010/11
Prime Minister (a)	100,000	113,596	124,837	126,085	127,334	129,244	130,594	130,959	132,923	132,923
Cabinet Minister (a)	60,000	68,157	74,902	75,651	76,400	77,546	78,356	78,575	79,754	79,754
Minister of State	31,125	35,356	38,854	39,243	39,631	40,225	40,646	40,759	41,370	41,370
Parliamentary Under Secretary	23,623	26,835	29,491	29,786	30,081	30,532	30,851	30,937	31,401	31,401
Government Chief Whip (b)	36,613	68,157	74,902	75,651	76,400	77,546	78,356	78,575	79,754	79,754
Government Deputy Chief Whip	31,125	35,356	38,854	39,243	39,631	40,225	40,646	40,759	41,370	41,370
Government Whip	20,029	22,753	25,005	25,255	25,505	25,888	26,158	26,231	26,624	26,624
Assistant Government Whip	20,029	22,753	25,005	25,255	25,505	25,888	26,158	26,231	26,624	26,624
Leader of the Opposition	55,000	62,479	68,662	70,035	70,035	71,086	71,828	72,029	73,617	73,617
Opposition Chief Whip	31,125	35,356	38,854	39,631	39,631	40,225	40,646	40,759	41,370	41,370
Opposition Deputy Chief Whip	20,029	22,753	25,005	25,505	25,505	25,888	26,158	26,231	26,624	26,624
Opposition Assistant Whip	20,029	22,753	25,005	25,505	25,505	25,888	26,158	26,231	26,624	26,624
Speaker	60,000	68,157	74,902	75,651	76,400	77,546	78,356	78,575	79,754	79,754
Chairman of Ways and Means	31,125	35,356	38,854	39,243	39,631	40,225	40,646	40,759	41,370	41,370
First Deputy Chairman	27,355	31,073	34,148	34,489	34,831	35,353	35,723	35,823	36,360	36,360
Second Deputy Chairman	27,355	31,073	34,148	34,489	34,831	35,353	35,723	35,823	36,360	36,360
Attorney General (c)	63,756									
Solicitor General (d)	In Lords	59,386	65,263	65,916	66,569	67,568	68,273	68,464	69,491	69,491
Advocate General for Scotland (e)		59,386	65,263		In Lords					

<sup>18</sup> HC Deb 10 March 2010 cc18WS-19WS



**Table 3: Ministers and office-holders in Commons: Full salary entitlements, £**

	1997/98	2001/02	2005/06	1 Apr 2006	1 Nov 2006	1 Apr 2007	1 Nov 2007	2008/09	2009/10	2010/11
Prime Minister (a)	143,860	163,418	183,932	185,771	187,611	190,425	192,414	194,250	197,689	198,661
Cabinet Minister (a)	103,860	117,979	133,997	135,337	136,677	138,727	140,176	141,866	144,520	145,492
Minister of State	74,985	85,178	97,949	98,929	99,908	101,406	102,466	104,050	106,136	107,108
Parliamentary Under Secretary	67,483	76,657	88,586	89,472	90,358	91,713	92,671	94,228	96,167	97,139
Government Chief Whip (b)	80,473	117,979	133,997	135,337	136,677	138,727	140,176	141,866	144,520	145,492
Government Deputy Chief Whip	74,985	85,178	97,949	98,929	99,908	101,406	102,466	104,050	106,136	107,108
Government Whip	63,889	72,575	84,100	84,941	85,782	87,069	87,978	89,522	91,390	92,362
Assistant Government Whip	63,889	72,575	84,100	84,941	85,782	87,069	87,978	89,522	91,390	92,362
Leader of the Opposition	98,860	112,301	127,757	129,721	130,312	132,267	133,648	135,320	138,383	139,355
Opposition Chief Whip	74,985	85,178	97,949	99,317	99,908	101,406	102,466	104,050	106,136	107,108
Deputy Chief Opposition Whip	63,889	72,575	84,100	85,191	85,782	87,069	87,978	89,522	91,390	92,362
Assistant Opposition Whip	63,889	72,575	84,100	85,191	85,782	87,069	87,978	89,522	91,390	92,362
Speaker	103,860	117,979	133,997	135,337	136,677	138,727	140,176	141,866	144,520	145,492
Chairman of Ways and Means	74,985	85,178	97,949	98,929	99,908	101,406	102,466	104,050	106,136	107,108
First Deputy Chairman	71,215	80,895	93,243	94,175	95,108	96,534	97,543	99,114	101,126	102,098
Second Deputy Chairman	71,215	80,895	93,243	94,175	95,108	96,534	97,543	99,114	101,126	102,098
Attorney General (c)	107,616			In Lords						
Solicitor General (d)		109,208	124,358	125,602	126,846	128,749	130,093	131,755	134,257	135,229
Advocate General for Scotland (e)		109,208	124,358		In Lords					

**Table 4: Ministers and office-holders in Lords: Full salary entitlements, £**

	1997/98	2001/02	2005/06	1 Apr 2006	1 Nov 2006	1 Apr 2007	1 Nov 2007	2008/09	2009/10	2010/11
Lord Speaker (f)				102,685	103,701	105,257	106,356	106,654	108,253	108,253
Cabinet Minister (a)	77,963	88,562	101,668	102,685	103,701	105,257	106,356	106,654	108,253	108,253
Minister of State	51,838	68,283	79,382	80,176	80,970	82,185	83,043	83,275	84,524	84,524
Parliamentary Under Secretary	43,632	58,961	69,138	69,829	70,521	71,579	72,326	72,529	73,617	73,617
Government Chief Whip	51,838	68,283	79,382	80,176	80,970	82,185	83,043	83,275	84,524	84,524
Government Deputy Chief Whip	43,632	58,961	69,138	69,829	70,521	71,579	72,326	72,529	73,617	73,617
Government Whip	39,462	54,224	63,933	64,572	65,212	66,190	66,881	67,069	68,074	68,074
Leader of the Opposition	43,632	58,961	69,138	70,521	70,521	71,579	72,326	72,529	73,617	73,617
Opposition Chief Whip	39,462	54,224	63,933	65,212	65,212	66,190	66,881	67,069	68,074	68,074
Lord Chancellor (g)	140,665	173,875	213,899	102,685	103,701	(h)				
Chairman of Committees	51,838	68,283	79,382	80,176	80,970	82,185	83,043	83,275	84,524	84,524
Principal Deputy Chairman	47,739	63,626	74,265	75,008	75,750	76,886	77,689	77,907	79,076	79,076
Solicitor General (d)	78,072		In Commons							
Attorney General (c)	In Commons	92,826	106,358	107,422	108,485	110,112	111,262	111,574	113,248	113,248
Advocate General for Scotland (e)		In Commons		93,249	94,173	95,586	96,584	96,854	98,307	98,307

**Notes on ministers' pay tables:**

- a) On 8 May 1997 the new Government stated that the Prime Minister and Cabinet Ministers would not take the post-election increases. The postholders drew a reduced ministerial salary.

Following the election in May 2001 the Government announced that ministers would take their full salary entitlement.

- b) Government Chief Whip in Cabinet as from 28 July 1998 to 3 October 2008, so received Cabinet Minister's salary. Since 3 October 2008, salary has continued to be paid at the same level as a Cabinet minister's salary, in accordance with Schedule 1, Part II of the *Ministerial and other Salaries Act 1975*.
- c) Office in Lords from 29 July 1999 [*Attorney General's Salary Order 2000*, SI 2000/1827] - implementing 1996 SSRB recommendation that the salary should have same differential over the rate for a Cabinet Minister in Lords as it had in the Commons. From April to July 1999, the Commons ministerial salary was £68,332.
- d) Office in Commons in 1992-1997 Parliament, and as from 28 July 1998.
- e) The Office of Advocate General for Scotland was created by the *Scotland Act 1998*: the Lord Advocate and the Solicitor General for Scotland became Ministers in the Scottish Executive.

- f) The Lord Speaker took office on 4 July 2006; the *Constitutional Reform Act 2005* no longer required the Lord Chancellor to fulfil this role.
- g) From 1 April 1997, in line with the staged increase for the Lord Chief Justice. The *Ministerial and Other Pensions and Salaries Act 1991*, as amended by the *Ministerial and Other Salaries Order 1996* [SI 1996/1913], determined that the Lord Chancellor should receive £2,500 a year more than the salary for the time being payable to the Lord Chief Justice. However, the Lord Chancellor elected to receive the same salary as other Cabinet members in the Lords.
- h) The Lord Chancellor no longer has to sit in the House of Lords.

### 3.3 Ministerial salaries under the Conservative/Liberal Democrat coalition

At the Cabinet Meeting on 13 May 2010, ministers in the new Government agreed that they would be paid “five per cent less than Ministers received in the previous administration”. Fuller details were given in a press notice:

Prime Minister David Cameron and Deputy Prime Minister Nick Clegg have made a clear commitment to cutting the cost of government, including urgent action to begin reducing the deficit this year.

As part of this process of cutting costs, the Prime Minister is today announcing that new Ministers will be paid five per cent less than Ministers received in the previous administration.

In addition, the Government will impose a subsequent Ministerial pay freeze for the lifetime of the Parliament – effectively a further pay cut when inflation is taken into account.

The five per cent reduction in Cabinet Minister salaries alone will save taxpayers approximately £50,000 this year – and approximately £300,000 will be saved this year when all government ministerial positions are taken into account.

Over the lifetime of the Parliament, the Ministerial salary cut and subsequent pay freeze will save approximately £3 million.

#### Salary changes

Office	Combined Ministerial and Parliamentary salaries under previous administration	Combined Ministerial and Parliamentary salaries under current Government	Annual pay cut
<b>Ministers in the House of Commons</b>			
Prime Minister	£150,000	£142,500	£7,500
Cabinet Minister	£141,647	£134,565	£7,082
Minister of State	£103,937	£98,740	£5,197
Parliamentary Under-Secretary of State	£94,142	£89,435	£4,707
<b>Ministers in the House of Lords</b>			
Cabinet Minister	£106,356	£101,038	£5,318
Minister of State	£83,043	£78,891	£4,152
Parliamentary Under-Secretary of State	£72,326	£68,710	£3,616

## Notes to Editors

1. Ministers sitting in the Commons receive both a Parliamentary salary and a Ministerial salary; Lords Ministers receive only a Ministerial salary.
2. We are cutting the total remuneration – the Parliamentary and Ministerial salaries combined – of all Ministers by five per cent relative to that received previous administration. This will be achieved by maintaining Parliamentary salaries to the entitlement for 2010-11 (£65,737), with the salary reduction taken in full from the ministerial element of the combined total. This means that all MPs will be paid the same – with the pay cut being implemented through the ministerial salary entitlement.<sup>19</sup>

## 4 Members' allowances (1 April – 6 May 2010)

In accordance with the resolutions of the House relating to allowances, uprating with effect from 1 April 2010 means that the annual limits under the various allowances available to Members of Parliament are as follows:

With effect from April 2010

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Members' Parliamentary Salary	
From 1 April	<b>£65,738</b>
Staffing Expenditure	<b>£105,265</b> (maximum)
Administrative and Office Expenditure (AOE)	<b>£22,930</b>
IT equipment (centrally provided)	[worth circa <b>£3,000</b> ]
Pension provision for Members' staff	Group Stakeholder Arrangement
London Costs Allowance	<b>£7,500</b>
Personal Additional Accommodation Expenditure (PAAE)	<b>£24,803</b>
Communications Expenditure	<b>£10,400</b>
Winding up Allowance (1)	<b>£42,732</b>
Car Mileage	
First 10,000 miles	<b>40p</b> per mile
In excess of 10,000 miles	<b>25p</b> per mile
Motorcycle allowance	<b>24p</b> per mile
Bicycle allowance	<b>20p</b> per mile

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(1) Maximum - one third of Staffing Expenditure plus AOE

The House of Commons was responsible for paying allowances until the General Election. Members who were returned at the General Election were able to claim under the House of Commons schemes for the number of days from 1 April 2010 until the day of the General

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<sup>19</sup> 10 Downing Street press release, *A new politics: cutting Ministerial pay*, Thursday 13 May 2010, <http://www.number10.gov.uk/news/latest-news/2010/05/a-new-politics-cutting-ministerial-pay-50065>

Election. After that date, returning Members would be able to claim under the new IPSA Scheme.

Members who left at the General Election were able to meet unavoidable legal or contractual obligations that had already been incurred. The House of Commons Commission's minutes recorded:

... agreed that the total amount of each allowance which Members can claim under the House's allowances scheme in 2010/11 would be limited to that proportion of the financial year which falls within the House's remit, but that where unavoidable legal and contractual obligations existed (including for a period beyond the election), these would exceptionally be met, and that utility bills, even if covering an advance period, would be paid so long as the bill was dated before the election;<sup>20</sup>

On 30 April 2009, the House agreed that from 1 April 2010, constituencies within 20 miles of Westminster would no longer qualify for Personal Additional Accommodation Expenditure (PAAE) but would automatically receive London Costs Allowance.<sup>21</sup> Until 31 March 2010, Members representing Inner London constituencies had automatically received LCA and not been eligible for PAAE. (Appendix 1 includes details of constituencies within 20 miles of the Palace of Westminster, at 1 April 2010.)

A summary of annual limits for the allowances, since 1997, is set out in Appendix 1.

## 5 Expenses following the general election

Under the provisions of the *Parliamentary Standards Act 2009*, IPSA has to prepare and regularly review and revise an allowances scheme for Members of Parliament. IPSA is also responsible for paying allowances under the Scheme it prepares.

The IPSA Board was appointed in December 2009; its interim chief executive was appointed in September 2009. In January 2010, it published a consultation paper on its Expenses Scheme. On 29 March 2010, IPSA's *MPs' Expenses Scheme* was laid before the House of Commons by the Speaker. It came into force on the day after the 2010 General Election (7 May 2010).<sup>22</sup> Until then the House of Commons continued to administer Members' allowances.

IPSA was given a statutory duty to prepare an "MPs' allowances scheme" in section 5 of the *Parliamentary Standards Act 2009*. In fulfilling that statutory duty it was required to consult:

- (a) the Speaker of the House of Commons,
- (b) the Committee on Standards in Public Life,
- (c) the Leader of the House of Commons,
- (d) any committee of the House of Commons nominated by the Speaker,
- (e) members of the House of Commons,
- (f) the Review Body on Senior Salaries,
- (g) Her Majesty's Revenue and Customs,
- (h) the Treasury, and

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<sup>20</sup> House of Commons Commission, *Minutes 8 March 2010*, Item 4

<sup>21</sup> HC Deb 30 April 2009 cc1127-1130; House of Commons, *The Green Book – A guide to Members' allowances*, Revised Edition, July 2009, para 2.1.2

<sup>22</sup> Independent Parliamentary Standards Authority, *The MPs' Expenses Scheme*, 29 March 2010, HC 501 2009-10; House of Commons, *Votes and Proceedings*, 29 March 2010, Appendix, Item 31

(i) any other person the IPSA considers appropriate.<sup>23</sup>

IPSA issued its consultation, *MPs' Expenses – a consultation*, on 7 January 2010.<sup>24</sup> The consultation closed on 11 February 2010. A report on the consultation was annexed to the *MPs' Expenses Scheme*.<sup>25</sup>

In June 2010, IPSA issued a consultation paper entitled *Consultation on Amendments to the MPs' Expenses Scheme Rules*. IPSA explained that it had “identified some anomalies and unintended consequences [of the Scheme] which it wishes to put right”,<sup>26</sup> and that:

This consultation is focusing on amendments to specific rules within the Scheme which have caused concern in the initial operation of the Scheme. The following proposals reflect concerns which have been raised to IPSA by MPs over recent weeks, and our desire to rectify any anomalies which the Scheme currently contains. Any changes adopted will take effect from 7 May 2010, enabling IPSA to address the anomalies and concerns.<sup>27</sup>

Following the consultation, IPSA issued *The MPs' Expenses Scheme: Second Edition*, in July 2010. It was laid before the House by the Speaker on 26 July 2010.<sup>28</sup> All the rule changes in the Second Edition were applied retrospectively from 7 May 2010.

## 5.1 IPSA's MPs' Expenses Scheme (First Edition)

IPSA's *MPs' Expenses Scheme* comprises 12 parts and two schedules. After setting out details of processes and general conditions, the scheme describes the different expenses that IPSA will reimburse. The text is based on the First edition of the Scheme but changes made by the Second Edition are highlighted (in red text).

### Accommodation Expenses

Under the IPSA scheme, Accommodation Expenses will be “payable only to non-London Area MPs”. Accommodation Expenses will only cover rent or hotel accommodation; and for a transitional period, until 31 August 2012, mortgage interest. The scheme set budgets for non-London Area MPs renting in the London area. The London Area constituencies are listed in Appendix 2 of this Note.

For Members renting in the London area, the annual Accommodation Expenditure budget for 2010/11 is **£19,900**. Within that budget, a limit of £17,400 could be claimed for rental payments.<sup>29</sup>

IPSA specified that different limits may apply in respect to second homes in constituencies;<sup>30</sup> and that a lower budget of **£17,500** will be available for those Members who continue to claim for mortgage interest. Within this budget a maximum of £15,000 can be claimed for mortgage interest. Any Member, including London Area Members, who received mortgage

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<sup>23</sup> *Parliamentary Standards Act 2009* (chapter 13), section 5(4)

<sup>24</sup> Independent Parliamentary Standards Authority, *MPs' Expenses – a consultation*, 7 January 2010

<sup>25</sup> Independent Parliamentary Standards Authority, *The MPs' Expenses Scheme*, 29 March 2010, HC 501 2009-10

<sup>26</sup> Independent Parliamentary Standards Authority, *Consultation on Amendments to the MPs' Expenses Scheme Rules*, IPSA 03, June 2010, para 1.4

<sup>27</sup> *Ibid*, para 3.2

<sup>28</sup> Independent Parliamentary Standards Authority, *The MPs' Expenses Scheme: Second Edition*, July 2010, HC 405 2010-11; House of Commons, *Votes and Proceedings*, 26 July 2010, Appendix, Item 57

<sup>29</sup> *Ibid*, paras 5.9-5.10

<sup>30</sup> *Ibid*, para 5.11

interest in respect of their second home allowance can continue to claim mortgage interest until 31 August 2012 at the latest.<sup>31</sup>

The Scheme provides that the budget for Members who elect to share rented accommodation will be reduced.

Members with caring responsibilities can claim additional budgets: eligibility depends on circumstances.

Members choosing not to rent accommodation can claim for hotel accommodation, within the following limits:

In the London Area	£130 per night
Elsewhere in the United Kingdom	£105 per night <sup>32</sup>

### London Area Living Payment

London Area MPs and non-London Area MPs, who have informed IPSA of their intention not to claim for accommodation expenses, may claim the London Area Living Payment. The London Area Living payment is limited to £3,760 per financial year.<sup>33</sup> (A list of London area constituencies is given in Appendix 2.)

### Travel and Subsistence

The Scheme specifies that:

Members may claim Travel and Subsistence Expenses for journeys which are necessary for the performance of their parliamentary functions, and fall into one of the following categories:

- (a) For MPs who are in receipt of ["in receipt of" changed to "eligible for"] Accommodation Expenses, journeys between any point in the constituency (or a home or office within 20 miles of their constituency) and Westminster or a London Area home;
- (b) For MPs who are not in receipt of Accommodation Expenses, journeys between their constituency office and Westminster;
- (c) Travel within the constituency or within 20 miles of the constituency boundary;
- (d) Extended UK travel that can be justified to IPSA; or
- (e) A maximum of three return journeys to the national Parliaments of Council of Europe member states, or institutions and agencies of the European Union.<sup>34</sup>

IPSA will reimburse:

- "The actual costs of allowable public transport journeys for journeys by bus, underground or other metropolitan transport system";

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<sup>31</sup> *Ibid*, paras 5.12-5.13, 4.18

<sup>32</sup> *Ibid*, para 5.22

<sup>33</sup> *Ibid*, Part 6

<sup>34</sup> *Ibid*, para 7.2

- “costs incurred in relation to allowable journeys by rail ... reimbursement will be limited to the rate of an “anytime standard open” ticket for the same journey prevalent at the time of the claim”;
- The cost of a railcard that allows savings to be made on future purchases of rail tickets, reimbursement of the cost of the railcard may be claimed; and
- “costs incurred in relation to allowable journeys by air, coach or ferry. In each case only the costs of economy class tickets or the equivalent will be reimbursed”.<sup>35</sup> [Second sentence replaced with: “In the case of coach or ferry, only the costs of economy class tickets or the equivalent will be reimbursed. For air travel, reimbursement is limited to the rate of an economy, or flexible economy, class ticket for the same journey available at the time of booking.”]

Motor mileage rates are to be set out in IPSA guidance.

The IPSA Scheme makes provision for travel by Members’ staff and family members.

It also provides for subsistence expenses in certain circumstances. When travelling and staying away from either home or the London Area as a result of parliamentary functions, expenses for meals (within limits) can be claimed. Provisions are also made for meals, taxi fares and hotel accommodation when the House sits beyond 7.30pm, 11pm and 11pm (non-London Area MPs) or 1am (any Member), respectively.<sup>36</sup>

### Staffing Expenditure

A maximum budget of **£109,548** is available to meet the following costs relating to staffing:

- Staff salaries, employers’ contributions to National Insurance and employers’ contributions to pension schemes;
- Payments to pooled staffing resources;
- Payments for bought-in services;
- Overtime payments, to the extent that these are specified in staff’s terms and conditions; and
- Payments for childcare vouchers for staff or other payments by way of salary sacrifice schemes.<sup>37</sup>
- The incidental expenses of interns and volunteers (as set out in paragraph 8.7).

Under the Scheme, Members are limited to employing one “connected party” (see Box 1), unless arrangements to employ more than one such person were in place when the Scheme came into effect:

The restriction in paragraph 8.6 on the employment of connected parties shall not apply to any arrangements already in place when this Scheme is laid before the House of Commons. Staffing Expenditure may be claimed in relation to such connected

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<sup>35</sup> *Ibid*, paras 7.6-7.9

<sup>36</sup> *Ibid*, paras 7.24-7.34

<sup>37</sup> *Ibid*, para 8.2

parties until the date when the party in question ceases to be employed or otherwise to provide staffing assistance.<sup>38</sup>

**Box 1: IPSA’s definition of a connected person**

34. We define a “connected party” as:

- (a) a spouse, civil partner or cohabiting partner of the member;
- (b) a parent, child, grandparent, grandchild, sibling, uncle, aunt, nephew or niece of the member or of a spouse, civil partner or cohabiting partner of the member; or
- (c) an individual or organisation where there exists a relationship as set out in the Companies Act 2006

Source: Independent Parliamentary Standards Authority, *The MPs’ Expenses Scheme*, 29 March 2010, HC 501 2009-1, Summary of the Scheme, paras 34

Constituency Office Rental Expenditure (CORE)

Different budgets are available to cover the costs of maintaining one or more constituency offices and to provide surgeries:

For London Area MPs	<b>£12,761</b> per annum
For non-London Area MPs	<b>£10,663</b> per annum

General Administrative Expenditure

A budget of **£10,394** is provided for (a) office equipment, including initial installation and maintenance; (b) the procurement of services; and (c) communication costs, including stationery.<sup>39</sup>

Winding-up Expenses

IPSA state that “Winding-Up Expenses are designed to meet the cost of completing the outstanding parliamentary functions of a person who ceases to be a Member of Parliament”. Winding-up Expenses are payable for two months after a person ceased to be a Member, and are limited to **£40,609**.<sup>40</sup>

Miscellaneous Expenses

Additional expenses to cover the following circumstances are payable subject to various conditions: Disability assistance; Security assistance; Insurance; Contingency payments; **Necessary financial assistance**.

**5.2 MPs’ Expenses Scheme: Second Edition**

*The MPs’ Expenses Scheme: Second Edition* was published in July 2010. The revised Scheme made a number of changes which were applied retrospectively from 7 May 2010.

The foreword to the Scheme provided a summary of the changes to the Scheme:

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<sup>38</sup> *Ibid*, para 4.19

<sup>39</sup> *Ibid*, paras 10.1-10.2

<sup>40</sup> *Ibid*, paras 11.1-11.3 and 11.5



In summary, the changes to the Scheme are as follows:

- the reflection of the 2010 Act amendments (paragraph 3.11, 3.12, 3.15, 4.5, and 4.6);
- MPs who own their property but who are not claiming mortgage interest subsidy can claim associated expenditure (paragraph 5.2(c)) ;
- MPs who are eligible for Accommodation Expenses can claim for journeys between any point in the constituency (or a home or office within 20 miles of their constituency) and Westminster or a London Area home (paragraph 7.2(a));
- for air travel, reimbursement is limited to the rate of an economy, or flexible economy, class ticket, for the same journey available at the time of booking (paragraph 7.9);
- where more than one MP travels in the same car, we have clarified that only one of the MPs may submit a claim for the cost of each journey (paragraph 7.11);
- members may claim reimbursement of the costs of an evening meal (excluding alcoholic drinks), only where they are required to be at the House of Commons because the House is sitting beyond 7:30pm, but this meal does not need to be eaten on the Parliamentary estate (paragraph 7.30);
- members may claim Travel and Subsistence Expenses for the cost of an overnight hotel for a member of their staff, where the staff member has necessarily travelled in assisting the MP in his or her Parliamentary functions, or in undertaking relevant training. Such claims may be made only when it is unreasonable to expect the staff member to return to any residence. The limits are set out in paragraph 5.22 (paragraph 7.32);
- MPs may claim reimbursement for subsistence expenses for their staff members if the staff member necessarily stays overnight in a hotel to assist the MP in his or her Parliamentary functions, or if the staff member is undertaking training. Expenditure is limited to £25 for each night for food and non-alcoholic drinks;
- MPs may submit claims for the incidental expenses of interns and volunteers if they meet the conditions set out in paragraph 8.7 (paragraph 8.2(f));
- in accordance with the conditions set out in paragraph 8.5, IPSA may at its discretion pay the salaries of MPs' staff with effect from the commencement of the staff member's employment (paragraph 8.6); and
- in addition to other payments or assistance provided by this Scheme, IPSA may, at its discretion, provide MPs on an individual basis with such additional financial assistance as it deems necessary to allow them to carry out their parliamentary duties effectively (paragraph 12.15).

All the changes which have been made are applied retrospectively to 7 May 2010.<sup>41</sup>

Further revisions to the accompanying guidance were subsequently issued.<sup>42</sup>

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<sup>41</sup> Independent Parliamentary Standards Authority, *The MPs' Expenses Scheme: Second Edition*, July 2010, HC 405 2010-11, Foreword

<sup>42</sup> Independent Parliamentary Standards Authority, *The MPs' Expenses Scheme* [with guidance], <http://www.parliamentarystandards.org.uk/> [click on "The Expenses Rules" and follow link]

### 5.3 Guidance

IPSA issued guidance on the Scheme on 6 May 2010. It issued the following news release:

IPSA has today published the guidance to the MPs' expenses rules. The guidance gives further details on a range of issues regarding the implementation of the rules, including mortgage interest subsidy and accommodation bandings.<sup>43</sup>

Before the Second Edition of the Scheme was published, revisions to the guidance were issued on several occasions, first on 16 May. Version 3 of the guidance was issued on 26 May 2010.

A revision to the guidance (Version 8) was issued on 26 July 2010 to accompany the Second Edition of the Scheme.

The current edition of the guidance is interleaved with the *MPs' Expenses Scheme* and is available on the IPSA website.<sup>44</sup>

Versions 3 to 9 of the guidance are available at:

Version 3: 26 May 2010

<http://www.ipsa-home.org.uk/docs/Guidance%20to%20the%20Scheme%20-%20version%203%20-%2026%20May%202010.pdf>

Version 4: 4 June 2010:

<http://www.ipsa-home.org.uk/docs/Guidance%20to%20the%20Scheme%20-%20version%204%20-%204%20June%202010.pdf>

Version 5: 11 June 2010

<http://www.ipsa-home.org.uk/docs/Guidance%20to%20the%20Scheme%20-%20version%205%20-%2011%20June%202010.pdf>

Version 6: 25 June 2010

<http://www.ipsa-home.org.uk/docs/Guidance%20to%20the%20Scheme%20-%20version%206%20-%2025%20June%202010.pdf>

Version 7: 2 July 2010:

<http://www.ipsa-home.org.uk/docs/Guidance%20to%20the%20Scheme%20-%20version%207%20-%202%20July%202010.pdf>

Version 8: 26 July 2010

<http://www.ipsa-home.org.uk/docs/Guidance%20to%20the%20Scheme%20-%20version%208%20-%2026%20July%202010.pdf>

Version 9: 2 September 2010

<http://www.ipsa-home.org.uk/docs/Guidance%20to%20the%20Scheme%20-%20version%209%20-%202%20Sep%202010.pdf>

The most recent version of the Guidance is dated 25 October 2010.

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<sup>43</sup> Independent Parliamentary Standards Authority, *News*, 6 May 2010, <http://www.parliamentarystandards.org.uk/> [click on "News" and scroll down]

<sup>44</sup> Independent Parliamentary Standards Authority, *The MPs' Expenses Scheme* [with guidance], <http://www.parliamentarystandards.org.uk/> [click on "The Expenses Rules" and follow link]

## 5.4 First annual review of the rules

In a letter to Members of Parliament, published on its website, IPSA's interim chief executive, Andrew McDonald, provided some information on "the first annual review of the rules". IPSA aims "to be ready to implement changes in the new financial year":

### Review of the Rules

My colleagues are now gathering evidence for the first annual review of the rules. This work will include a formal consultation, to run from 5 January to 11 February, in which we will call for evidence in response to a public consultation document. Before Christmas, we will work with MPs, amongst others, to identify and explore the key issues, further improving our understanding of what is working and what is problematic. After six months of live running, we are keen to draw on hard data from the practical application of the rules.

In advance of this I thought it would be helpful if I set out here our approach to the review. The first point to make is that it will be wide-ranging and we will be open to arguments which are aimed at improving the system and its administration. IPSA is committed to delivering an expenses regime which is fair, workable and transparent. We are open to proposals – from all-comers – as to how we achieve those ends. In particular, we are keen to receive proposals which would help us to deliver a system which secures appropriate accountability to the public at less cost – to MPs and to IPSA.

This might involve changes to payment mechanisms and/or to the scheme. The prize here is the greatest simplicity and lowest cost, consistent with providing the necessary assurance to the public and thereby beginning to restore the public's confidence. We would welcome, and will facilitate, a genuine debate about how this goal can best be achieved.

Our aim is to be ready to implement changes in the new financial year.

There will be difficult choices to be made and it will not be possible to provide solutions which please everyone. But I hope that this letter does, at least, provide you with a sense of the direction in which we are headed and of our determination to make progress in that direction.<sup>45</sup>

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<sup>45</sup> Independent Parliamentary Standards Authority, *Expenses Scheme: new Payment Mechanisms and Review of the Rules*, [letter to Members of Parliament], 9 November 2010, <http://www.parliamentarystandards.org.uk/> [click on "Information for MPs and Staff"; hover over "Communication to MPs"; and then click on "Letter to MPs 091110"]

## Appendix 1: MPs' allowances – summary 1997/98-2010/11

### (a) Staffing and Office etc Costs, Overnight Costs and London Supplement

	Old Office Costs Allowance (max)	Staffing Expenditure (max) (a)	Personal Additional Accommodation Expenditure (b)	Administrative and Office Expenditure (c)	Communi- cations Expenditure (d)	London Costs Allowance (e)	Maximum winding- up
1997/98	£47,568		£12,287			£1,358	£15,856
1998/99	£49,232		£12,717			£1,406	£16,411
1999/00	£50,264		£12,984			£1,436	£16,755
2000/01	£51,572		£13,322			£1,473	£17,191
2001/02	£52,760		£19,469			£1,507	£17,587
2002/03	£53,446	£72,310	£19,722	£18,234		£1,527	£30,181
2003/04		£74,985	£20,333	£18,799		£1,574	£31,261
2004/05		£77,534	£20,902	£19,325		£1,618	£32,286
2005/06		£84,081	£21,634	£20,000		£2,613	£34,694
2006/07		£87,276	£22,110	£20,440		£2,712	£35,905
2007/08		£90,505	£23,083	£21,339	£10,000	£2,812	£37,281
2008/09		£100,205	£24,006	£22,193	£10,400	£2,916	£40,799
2009/10		£103,812	£24,222	£22,393	£10,400	£7,500	£42,068
2010/11		£105,265	£24,803	£22,930	£10,400	£7,500	£42,732

(a) Staffing Allowance until 2008/09

(b) Additional Costs Allowance until 2008/09

(c) Incidental Expenses Provision until 2008/09

(d) Communications Allowance until 2008/09

(e) London Supplement until 2008/09

### (b) Mileage rates

	Vehicle mileage (pence per mile)			
	Car (a)		Motorcycle	Bicycle
<10,000	>10,000			
1997/98	48.8	22.3		
1998/99	50.1	23.1		6.4
1999/00	51.2	23.6		6.5
2000/01	52.5	24.2		6.7
2001/02	53.7	24.8		6.9
2002/03	54.4	25.1		7.0
2003/04	56.1	25.9		7.2
2004/05	57.7	26.6	24.0	20.0
2005/06	40.0	25.0	24.0	20.0
2006/07	40.0	25.0	24.0	20.0
2007/08	40.0	25.0	24.0	20.0
2008/09	40.0	25.0	24.0	20.0
2009/10	40.0	25.0	24.0	20.0
2010/11	40.0	25.0	24.0	20.0

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

## Constituencies within 20 miles of the Palace of Westminster

Since its introduction, Members representing inner London seats were not allowed to claim Additional Costs Allowance (ACA). Because of regular boundary reviews, the House periodically resolved which constituencies should be defined as Inner London constituencies.

On 27 June 1997, the House resolved that the following constituencies are specified as 'Inner London constituencies':

Battersea; Bethnal Green and Bow; Camberwell and Peckham; Cities of London and Westminster; Dulwich and West Norwood; Eltham; Greenwich and Woolwich; Hackney North and Stoke Newington; Hackney South and Shoreditch; Hammersmith and Fulham; Hampstead and Highgate; Holborn and St. Pancras; Islington North; Islington South and Finsbury; Kensington and Chelsea; Lewisham, Deptford; Lewisham East; Lewisham West; North Southwark and Bermondsey; Poplar and Canning Town; Putney; Regent's Park and Kensington North; Streatham; Tooting; Vauxhall.<sup>46</sup>

From 1 April 2010, when Personal Additional Accommodation Expenditure replaced ACA Members representing "any constituency the whole of which falls within 20 miles of Palace of Westminster are not eligible to claim this allowance". In addition to the Inner London constituencies the following seats were wholly within 20 miles of the Palace of Westminster:

Barking	Harrow East
Beckenham	Harrow West
Bexleyheath and Crayford	Hayes and Harlington
Brent East	Hendon
Brent North	Hertsmere
Brent South	Hornchurch
Brentford and Isleworth	Hornsey and Wood Green
Bromley and Chislehurst	Ilford North
Carshalton and Wallington	Ilford South
Chingford and Woodford Green	Kingston and Surbiton
Chipping Barnet	Leyton and Wanstead
Croydon Central	Mitcham and Morden
Croydon North	Old Bexley and Sidcup
Croydon South	Orpington
Dagenham	Richmond Park
Ealing North	Romford
Ealing, Acton and Shepherd's Bush	Ruislip – Northwood
Ealing, Southall	Spelthorne
East Ham	Sutton and Cheam
Edmonton	Tottenham
Enfield North	Twickenham
Enfield Southgate	Upminster
Epsom and Ewell	Uxbridge
Erith and Thamesmead	Walthamstow
Esher and Walton	Watford
Feltham and Heston	West Ham
Finchley and Golders Green	Wimbledon

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<sup>46</sup> HC Deb 27 July 1997 Vol 296 c1130

## Appendix 2: London Area constituencies

In its rules on Accommodation Expenses, IPSA states that “Accommodation Expenses are payable only to non-London Area MPs”. The London Area is defined as the following constituencies:

1. Aldershot
2. Barking
3. Basildon & Billericay
4. Basingstoke
5. Battersea
6. Beaconsfield
7. Beckenham
8. Bermondsey & Old Southwark
9. Bethnal Green & Bow
10. Bexleyheath & Crayford
11. Brent Central
12. Brent North
13. Brentford & Isleworth
14. Brentwood & Ongar
15. Bromley & Chislehurst
16. Broxbourne
17. Camberwell & Peckham
18. Carshalton & Wallington
19. Castle Point
20. Chatham & Aylesford
21. Chelmsford
22. Chelsea & Fulham
23. Chesham & Amersham
24. Chingford & Woodford Green
25. Chipping Barnet
26. Cities of London & Westminster
27. Crawley
28. Croydon Central
29. Croydon North
30. Croydon South
31. Dagenham & Rainham
32. Dartford
33. Dulwich & West Norwood
34. Ealing Central & Acton
35. Ealing North
36. Ealing, Southall
37. East Ham
38. East Surrey
39. Edmonton
40. Eltham
41. Enfield North
42. Enfield, Southgate
43. Epping Forest
44. Epsom & Ewell
45. Erith & Thamesmead
46. Esher & Walton
47. Feltham & Heston
48. Finchley & Golders Green
49. Gravesham
50. Greenwich & Woolwich
51. Guildford
52. Hackney North & Stoke Newington
53. Hackney South & Shoreditch
54. Hammersmith
55. Hampstead & Kilburn
56. Harlow
57. Harrow East
58. Harrow West
59. Hayes & Harlington
60. Hemel Hempstead
61. Hendon
62. Hertford & Stortford
63. Hertsmere
64. Hitchin & Harpenden
65. Holborn & St Pancras
66. Hornchurch & Upminster
67. Hornsey & Wood Green
68. Ilford North
69. Ilford South
70. Islington North
71. Islington South & Finsbury
72. Kensington
73. Kingston & Surbiton
74. Lewisham East
75. Lewisham West & Penge
76. Lewisham, Deptford
77. Leyton & Wanstead
78. Luton North
79. Luton South
80. Maidenhead
81. Mid Sussex
82. Milton Keynes North
83. Milton Keynes South
84. Mitcham & Morden
85. Mole Valley
86. North East Bedfordshire
87. North East Hampshire
88. North East Hertfordshire
89. Old Bexley & Sidcup
90. Orpington
91. Poplar & Limehouse
92. Putney
93. Reading East
94. Reading West
95. Reigate
96. Richmond Park

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|-------------------------------------|-------------------------------|
| 97. Rochester & Strood              | 113. Thurrock                 |
| 98. Romford                         | 114. Tonbridge & Malling      |
| 99. Ruislip, Northwood & Pinner     | 115. Tooting                  |
| 100. Runnymede & Weybridge          | 116. Tottenham                |
| 101. Sevenoaks                      | 117. Twickenham               |
| 102. Slough                         | 118. Uxbridge & South Ruislip |
| 103. South Basildon & East Thurrock | 119. Vauxhall                 |
| 104. South West Bedfordshire        | 120. Walthamstow              |
| 105. South West Hertfordshire       | 121. Watford                  |
| 106. South West Surrey              | 122. Welwyn Hatfield          |
| 107. Spelthorne                     | 123. West Ham                 |
| 108. St Albans                      | 124. Westminster North        |
| 109. Stevenage                      | 125. Wimbledon                |
| 110. Streatham                      | 126. Windsor                  |
| 111. Surrey Heath                   | 127. Woking                   |
| 112. Sutton & Cheam                 | 128. Wycombe                  |

Source: IPSA, *The Members' Expenses Scheme, Schedule 2*, 29 March 2010, HC 501 2009-10

Note: these are the constituencies that apply following the Boundary Review that takes effect at the next General Election

### Appendix 3: IPSA MPs' expenses scheme – summary 2010/11

(a) Accommodation Expenses and London Area Living Payment

	Accommodation Expenses		Accommodation Expenses		Hotel Accommodation		Caring Responsibility	London Area Living Payment
	London Area (1)	Rent (max)	Mortgage interest (transition) Total	Mortgage (max)	(per night) London Area	Elsewhere		
2010/11	£19,900	£17,400	£17,500	£15,000	£130	£105	£2,425	£3,670

(1) For MPs claiming for rental payments within the Member's constituency, or within 20 miles of any point on the constituency boundary, IPSA may set out in guidance annual Accommodation Expenses budgets, which may vary having regard to particular constituencies.

(b) Staffing, Office, Administrative and Winding-up Expenses

	Staffing Expenditure	Constituency Office Rental Expenditure		General Administrative Expenditure	Winding-up Expenses
		London Area	Non-London Area		
2010/11	£109,548	£12,761	£10,663	£10,394	£40,609