

Reimbursement of Members' Expenses Scheme – incidental ancillary provision

By correspondence

Reference: SPCB (2022) Paper 72

Executive summary

1. The Scottish Parliamentary Corporate Body (SPCB) is invited to consider whether the costs of meeting a cost-of-living payment of:
 - £600 to MSPs' staff earning £32,000 or less (ONS figure says this is the average UK FTE salary and the point of most impact); and
 - £300 to MSPs' staff earning above this up to £43,662 (below the Scottish Higher Rate of Tax)

may be met from the Incidental and Ancillary Employment Costs Provision (IAECP) of the Reimbursement of Members' Expenses Scheme.

Issues and options

2. For background, the overall inflation rate jumped to 11.1% in October, which was the highest rate in 41 years.
3. Many employers are responding by stepping in to support their staff during this time, recognising that the cost-of-living crisis is affecting their staff in different ways. Some employers are increasing the wage rates of staff while others are offering a one-off payment. Others are making difficult choices to target their available resources to those people who need it most.
4. People Services have had contact with Members who wish to support their staff at this difficult time, reflecting the support offered by employers elsewhere. Through the Staff Cost Provision (SCP) at paragraph 3.2.2 of the Members' Expenses Scheme, while Members can take steps to increase the base rate of pay for their staff within their capped SCP limit, they cannot make one-off non-consolidated payments to their staff.
5. Provision is made elsewhere through the Incidental and Ancillary Employment Costs Provision (IAECP) at paragraph 3.5.4 of the Expenses Scheme to:
 - meet such expenses or costs in respect of such items of a kind which reflect good employment practices and facilities for Members in their capacity as employers; or
 - for Members staff as the SPCB determines appropriate.

6. Having reviewed the IAECF it is believed that a cost-of-living payment could be met from the good employment practices element of the Provision. However, it is for the SPCB to determine whether it considers such payments do fall best into this provision.
7. If the SPCB is content that this payment should be met from the IAECF, the Allowances Office would apply any such costs to this provision.
8. To ensure this payment does not interfere with a staff member's entitlement to Universal Credit, the Pay and Pensions Office would make payments to eligible staff in instalments from December through to the end of March 2023.

Governance

9. Provision is made in the Expenses Scheme to meet the cost of making this payment which reflects good employment practice.
10. In setting its policy to support staff during the cost-of-living crisis, the SPCB should consider its duties under the Scottish Public Sector Duties under the Equality Act 2010. Specifically, the SPCB's duty to advance equality of opportunities between people of different groups. Applied equally to all groups of staff will improve the financial circumstances including those working part time with caring responsibilities and people with a disability. Financial support to those with lower levels of income also signals inclusivity, promoting Parliament as a good place to work.

Resource implications

11. It is confirmed that there are sufficient funds in the overall expenses provision budget to meet these costs.

Publication Scheme

12. This paper will be published in accordance with the SPCB's publication scheme.

Decision

13. The SPCB is invited to agree that the costs of making the cost-of-living payment as set out in paragraph 1 of this paper should be met from the IAECF of the Members' Expenses Scheme.

Lorna Foreman, Group Head of People Services
Sara Glass, Group Head of Financial Resources
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