

## PARLIAMENTARY ALLOWANCES AND PAY

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This briefing provides an outline of the system of parliamentary pay and allowances in the Scottish Parliament. It gives data on allowances expenditure for 2006-07 and parliamentary pay for 2007-08. The Briefing provides comparative information on salaries in the UK Parliament, the National Assembly for Wales, the Northern Ireland Assembly and the European Parliament. It also provides information on grants and pensions available to Members of the Scottish Parliament and Officeholders and on the financial assistance available to certain political parties. It updates SB 04/48 Parliamentary Pay and Allowances, SB 05/81 MSPs' Allowances and Expenditure and SB 07-09 Parliamentary Pay and Allowances. It includes information on:

- Enabling statutory provision for pay and allowances
- Allowances in the Scottish Parliament
- Financial assistance for non-executive parties
- Allowances in the UK Parliament and devolved assemblies
- Total allowances expenditure in the Scottish Parliament for 2006-07
- Salaries for MSPs, officers of the Parliament and Ministers
- Grants, pensions, etc. in the Scottish Parliament
- Salaries in other parliaments and assemblies

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## KEY POINTS OF THIS BRIEFING

- The Scottish Parliament has made provision for a variety of allowances to be made available to MSPs on the basis of expenditure incurred. The latest version of the Members' Allowance Scheme came into effect on 1 July 2001 and makes provision for the allowances to be up-rated from 1 April each year
- The Scottish Parliament Party Leaders' Allowances Scheme came into effect on 1 April 2002. It provides for reimbursement of specified expenses incurred by a leader of a political party with 15 or more members represented in the Parliament. Leaders of parties containing members of the Executive are excluded
- Financial assistance is available to non-executive political parties in the Scottish Parliament to assist their members in the performance of their parliamentary duties. Eligibility for the scheme depends on being a registered political party and on members of the party not holding more than a specified number of ministerial or junior ministerial posts. The Scottish National Party is currently not eligible
- Information on individual Members' allowances claims in respect of the last two financial years (2005-06 and 2006-07) can be retrieved from the Scottish Parliament web site. Claim information and receipts are available for the 2005-06 financial year; claim data is available for the 2006-07 financial year. A breakdown and analysis of expenditure on allowances is set out in this briefing.
- In the 2006-07 financial year the total costs reimbursed to or paid on behalf of Members, or borne by the SPCB on behalf of Members were £10.261 million. This represented an increase of £0.49 million or 5.16% on the previous year's corresponding figure of £9.768 million.

Scheme	2006-07	2005-06	Change	
Allowances and Expenditure	£9,745,815.54	£9,388,059.00	+£271,604.74	+ 2.89%
Party Leaders Allowance	£5,775.82	£1,919.51	+ £3,856.31	+ 200.90%
Office Supplies, Furniture & Equipment	£509,694.50	£378,816.35	+£130,878.15	+ 34.55%
Totals	£10,261,285.86	£9,768,794.86	+£492,491.00	+5.041%

- Changes should be seen in the context of the Retail Price Index (inflation) at the end of financial year 2006-07 of 5.04%. Average (RPI) inflation over the twelve month period from April 2006 to March 2007 was 3.0%. Consumer Price Index rose an average of 2.7% over the same period.
- The current annual salary of a Member of the Scottish Parliament is £53,091. Ministers and Officeholders receive a further salary in addition to their MSP salary
- MSPs' salaries are reviewed on 1 April of each year to maintain those salaries at 87.5% of the salary payable to Members of the House of Commons
- MPs and MEPs receive a basic annual salary of £60,675. Members of the National Assembly for Wales and Members of the Northern Ireland Assembly receive a basic annual salary of £46,496
- Additional salary entitlements are paid to Officeholders and ministers in all the institutions covered
- MSPs and specified Officeholders are entitled to receive a pension out of the Scottish Parliament Contributory Pension Fund in respect of their period in office

# ALLOWANCES

## MEMBERS' ALLOWANCES SCHEME

It is for the Scottish Parliament to determine the levels of, and arrangements for, Members' allowances. The allowances rates that were first put in place and which remained in place until the Parliament made its own arrangements related to the accommodation and travel expenses of MSPs. These were based on the reimbursement of any such expenses (subject to any maxima or rates determined by the SPCB) necessarily incurred on or after 7 May 1999 in attending any meeting of the Parliament or otherwise performing his or her Parliamentary duties.

This was the position under Art. 9 of the [Scotland Act 1998 \(Transitory and Transitional Provisions\) \(Salaries and Allowances\) Order 1999 \[SI 1999/1097\]](#) and remained the case until the Parliament made its own arrangements under section 81 of the Scotland Act 1998. Provision has been in place since 1999 for the SPCB to up-rate allowances on 1 April of each year, having regard to such indices as the SPCB considers appropriate.

The current Allowances Scheme was agreed to in the same debate as that on salaries, on 21 June 2001, on a motion brought by Des McNulty MSP ([Official Report](#) Col 1901) (Scottish Parliament 2001c). The new system came into effect on 1 July 2001. All of the information that is tabulated below is publicly available [on the Scottish Parliament web site](#) with an explanation of what each category comprises (through the links in the table).

In addition, from 8 June 2006, the Parliament enabled public access to the claims made by individual MSPs under the Parliament's Allowances Scheme, through a web-based [searchable database](#). Claim information and receipts are available for the 2005-06 financial year; claim data is available for the 2006-07 financial year.

The changes as a result of the most recent up-rating are incorporated into the information given below. This shows the ceiling amounts that are allocated under each type of allowance. Because not all MSPs will claim the total amounts allowed, data on actual receipted expenditure for each type of allowance is provided below (Table 4). The different forms of allowance are:

- **Members' Support Allowance:** an allowance of up to £60,700 for each of the 129 MSPs is allocated and subject to the provision of receipts for expenditure. The main purpose of the support allowance is to enable a Member to:
  - employ staff to assist the Member in carrying out his/her parliamentary duties
  - establish and run an office, within the relevant constituency/region
  - meet with constituents
  - pay the fees of a Member or his / her staff, and to meet the training, travelling and overnight expenses, of his/her staff, attending seminars/conferences which relate to the Member carrying out his/her parliamentary duties
  - pay staff and volunteer training costs
  - meet travelling and overnight expenses of travel to elsewhere in the UK (i.e. outside Scotland) and to Brussels and Strasbourg as part of a Member's parliamentary duties
- **Edinburgh Accommodation Allowance:** entitlement to this allowance depends on the proximity to Edinburgh of the constituency or region where the Member has their main residence. Some Members, e.g. a Member having their main residence in the Livingston constituency, have no entitlement as Livingston is deemed to be close enough to Edinburgh for commuting purposes; some Members, e.g. Members with a main residence in the Dundee West constituency, are entitled to an overnight expenses allowance of up to £110.45 per night for each night they are required to stay overnight for

parliamentary duties in Edinburgh. Some Members, e.g. Members with a main residence in the Western Isles constituency, are entitled to an annual allowance of up to £11,400 (returned Members) or £10,369 (new Members), which can cover overnight expenses or the costs of accommodation in Edinburgh. If a Member uses the Edinburgh Accommodation Allowance for residential accommodation in Edinburgh, the allowance will cover the following expenses:

- rent payable for the lease of the property
- interest on the capital required to purchase the property
- conveyancing fees and outlays, and the surveyors' fees, incurred in the purchase of the property
- council tax
- factoring charges
- the provision of utilities
- building and contents insurance
- TV Licence
- reasonable removal costs
- reasonable costs of securing the property

The constituencies and regions that qualify Members for Accommodation allowance are set out in [Annex B](#) of the MSP Allowances Scheme.

- **Support Fund - Employees and Contingencies:** the Support Fund is disbursed in respect of National Insurance and pension contributions paid by a member as an employer as well as salary and employment costs. It also includes items such as surgery advertising and telephone line rental / conversion. The Surgery Advertising Allowance for a full financial year is £1,459, or £1,327 from the election on 4 May 2007. Similarly, the allowance for telephone line rental for a full year is £784 (returned Members) and £713 from the 4<sup>th</sup> of May (new Members). The allowance available for telephone line conversion is £363.
- **Exceptional Needs Allowance:** up to £122.83 (London) or £98.80 (elsewhere) per night a night is available to Members who represent certain constituencies, where it would be unreasonable to expect the Member to return to his/her main or other home before or after undertaking parliamentary duties within that Member's constituency or region. Eligibility for receipt of the exceptional needs allowance depends on whether the constituency in question is one which is of over 250,000 hectares, contains significant island communities or is among the largest regions, as set out in [Annex C](#) on the Parliament's web site allowances page.
- **Overnight Expenses Allowance:** each Member is eligible for an allowance of up to £98.80 per night or up to £122.83 per night in London or at an amount determined by the SPCB in respect of a stay outside the UK, where a Member requires for the purpose of carrying out his / her parliamentary duties to spend a night away from his/her main or other residence. A reimbursement of expenses in connection with trips outside the UK is permitted only if the trip has been authorised in advance by the SPCB.
- **Members' Travel Allowance:** reimburses travelling expenses at specified rates (car travel 49.3p per mile, motorbike 24p per mile and bicycle 20p per mile) necessarily incurred by that Member within Scotland in performing his or her parliamentary duties. The variations in Members' travel costs reflect the differences in the geographical size and location of constituencies and regions represented together with the means of travel available to Members. Reimbursement is not provided for travel between the Parliamentary complex and accommodation rented or bought under the Edinburgh Accommodation Allowance where the property is outside the City of Edinburgh.

- **Employee Travel Allowance:** each Member is eligible for an allowance in respect of travelling expenses at a specified rate (40p per mile for motor travel) incurred by his/her employees supporting the Member in performance of his/her parliamentary duties on a set number of journeys (currently set at 66) in the year.
- **Family Travel Allowance:** each Member is eligible for funding in respect of 11 single journeys per family member per year between his/her constituency, region, or main residence and Edinburgh. Immediate Family is defined to include a spouse or other nominated person and any child under 18.
- **Disability Allowances:** for a Member with a disability, an allowance up to a maximum of £12,273 per session may be awarded for him/her to use in any way which the SPCB decides is helpful to the Member in undertaking his/her work. Any Member may apply to the SPCB for an allowance to meet costs including:
  - (a) those incurred in making reasonable adjustments to his or her local office to accommodate a Member's employee who has a disability and/or facilitating access for disabled members of the public;
  - (b) providing equipment and/or parking spaces for disabled persons;
  - (c) facilitating meetings for disabled persons by hiring (on an occasional basis) alternative office and meeting premises; and
  - (d) contracting sign language interpreters for meetings with members of the public
- **Winding Up Allowance:** a Member is eligible for this if he/she ceases to be a Member of the Scottish Parliament. The allowance is equivalent to one third of the Members' Support Allowance payable in any one financial year (i.e. one third of 60,700 = £20,233).
- **Pooling of costs:** data protection issues arise for MSPs where their staff are paid directly from their allowances – these salaries cannot be disclosed for data protection reasons and therefore are not included. MSPs can:
  1. Employ their own staff
  2. Employ their own staff and "pool" costs to employ other staff on a shared basis
  3. Pool costs and employ all staff on a shared basis.

Most parties pool some costs to which they are entitled under the Members Support Allowance, in order to employ shared staff. This means that the pooled cost figures shown against MSPs of those parties are primarily and substantially employment costs. This does not mean that those MSPs are necessarily higher spenders than other MSPs. It simply means that, as the employment costs are not specifically identifiable as staff salaries, they have not been excluded as is the case with MSPs who employ their staff directly. Accordingly, any ranking of Members Support Allowance expenditure would not accurately represent the results.

- **Pensions of Members' Employees:** Employees of MSPs have a contractual entitlement to receive a pension contribution from their employers. The SPCB, on behalf of MSPs as employers, has, after consultation, recently introduced new pension arrangements for Members' employees and this has prompted a number of employees, who had not previously entered into any pension arrangement, to opt into the new arrangements and invest their accrued entitlements. Further information is given in the detailed breakdown of Scottish Parliament expenditure, below.

## ALLOWANCES AND EXPENSES RATES

The following table indicates allowances and expenses rates for the current and most recent financial years. Data has been provided in this briefing of actual allowances expenditure for all

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four quarters of the 2006-07 financial year, which was subject to expenditure limits for that year (see Table 4, below).

**Table 1: [Allowances and Expenses Rates 2007-2008](#) and [Allowances and Expenses Rates 2006-2007](#) (maxima):**

	<a href="#">2006-2007</a>	<a href="#">2007-2008</a>
<a href="#">Members' Support</a>	56,600	£60,700*
<a href="#">Edinburgh Accommodation</a>		
Annual Allowance	£10,600	£11,400 (returned Members) £10,369 (new Members)
Overnight Rate	£103.50 per night	£110.45 per night
<a href="#">Support Fund - Employees and Contingencies</a>		
Surgery Advertising - Full Year	£1,368	£1,457
Surgery Advertising - 4th May		£1,327 (all Members)
Telephone Line Rental - Full Year	£734	£784 (returned Members)
Telephone Line Rental - 4th May		£713 (new Members)
Telephone Line Conversion	£331	£363
<a href="#">Exceptional Needs &amp; Overnight Expenses</a>		
Overnight Rate	£115.85 (London) £92.60 (elsewhere)	£122.83 (London) £98.80 (elsewhere)
<a href="#">Disability allowance</a>		
Members Support	£11,584 per Parliamentary Session	£12,173 per Parliamentary Session
Employee/Constituency Office Translation & Interpretation Limit		SPCB to determine on application £201
<a href="#">Winding up</a>		
Constituency Member	19,500	20,233
Regional Member	1/3 of Members Support Allowance	
<a href="#">Members' Travel</a>		
Motor Mileage	49.3p per mile	49.3p per mile
Motor Cycle	24p per mile	24p per mile
Pedal Cycle	20p per mile	20p per mile
<a href="#">Employee travel</a>		
No of journeys	74 journeys	66 journeys
Motor Mileage Rate	40p per mile	40p per mile
<a href="#">Family travel</a>		
Journeys per family member per year	12 single journeys	11 single journeys

\* Regional Members will be advised of their Members Support Allowance on an individual basis

## **FINANCIAL ASSISTANCE FOR 'NON-EXECUTIVE' PARTIES IN THE SCOTTISH PARLIAMENT**

Section 97 of the Scotland Act 1998 provides for an Order in Council to allow the SPCB to provide [assistance for opposition parties](#) by making payments to registered political parties in the Parliament "for the purpose of assisting members of the Parliament who are connected with such parties to perform their Parliamentary duties." A party does not generally qualify if any MSP connected with it is also a Minister, but some flexibility is built in under s97(3)-(4) to take account, for example, of parties where only one MSP holds a ministerial post.

A UK Statutory Instrument, the *Scottish Parliament (Assistance for Registered Political Parties) Order 1999* (the 'Assistance Order', SI 1999/1745), is currently the relevant piece of legislation. Under the Assistance Order, to be eligible, a party may have no more Ministers or Junior Ministers than one fifth of the total number of Ministers and Junior Ministers within the Scottish Executive.

This means that in the 2003-2007 parliamentary session, which included the 2006-07 financial year, neither the Scottish Labour Party nor the Scottish Liberal Democrats were eligible for any payment. Furthermore, even where the one fifth limit is not exceeded and the party is still eligible, any members of the Scottish Executive and Junior Ministers are excluded from the count of members in the party for the purposes of the claim. An eligible party is entitled to an annual sum based on the number of members of the Parliament who are connected to the party, and the Assistance Order makes provision for annual up-rating of this sum. Table 2 shows the amounts eligible political parties were entitled to claim for the period from 1 April 2006 to 31 March 2007 and the amounts eligible parties actually claimed in the period 2006-07.

**Table 2: 2006-07 Financial Assistance to Non-Executive Parties**

Eligible party	Seats	Total eligible amount	Total amounts claimed
Scottish National Party	26	£154,232.78	£133,548.95
Scottish Conservative and Unionist Party	18	£106,776.54	£8,7150.30
Scottish Socialist Party	6	£35,592.18	£35,592.18
Scottish Green Party	7	£41,524.21	£41,519.24
Senior Citizens Unity Party	1	£5,932.03	£5,922.50
<b>Totals</b>		<b>£344,057.74</b>	<b>£303,733.17</b>

The same rules apply to the current financial year within the 2007-2011 parliamentary term. However, the financial year will have been split into two periods by the election of 2007. The first period is from 1 April to 16 May (the day before the election of the Scottish Executive and Junior Ministers). The second period comprises the rest of the year. The first period is based on the number of Members returned at the previous election (2003) and the second period on the number returned at the most recent election (2007).

Whereas under the rules the Liberal Democrats and Labour were not entitled to any money for the first period, the Scottish National Party, Scottish Socialist Party and the Senior Citizens Unity Party are not entitled to money for the second period (the former because it now forms more than one fifth of the Executive and the latter two parties because they did not have any Members returned).

The entitlements, at £6,216.77 per seat, for the two periods break down as follows:

**Table 3: Non-Executive Party Entitlements: 2007-08:**

Party	1 <sup>st</sup> Period		2 <sup>nd</sup> Period	
	Seats	Pro-rata amount	Seats	Pro-rata amount
Scottish National Party	26	£21,758.70	N/A	-
Scottish Labour Party	N/A	-	46	£247,475.27
Scottish Liberal Democrats	N/A	-	16	£84,165.50
Scottish Conservative and Unionist Party	18	£15,063.71	17	£91,458.25
Scottish Socialist Party	6	£5,021.24	0	-
Scottish Green Party	7	£5,858.11	2	£10,759.79
Senior Citizens Unity Party	1	£836.87	0	-
<b>Totals</b>		<b>£48,538.63</b>		<b>£433,858.81</b>

The Review Body on Senior Salaries (SSRB) recommended a review of the current arrangements for financial assistance for 'opposition' parties. (Review Body on Senior Salaries 2001, recommendation 9.) This review is currently on hold until the results of the Electoral Commission's review of UK state funding are known. The latter review is considering several matters including whether or not there is a case for increased public funding of political parties and, if so, what form it should take. The review was launched on 28 May 2003, with the publication of an [issues paper](#) (Electoral Commission 2003) on the funding of political parties.

In April 2006 the Electoral Commission published a [Draft code of conduct on loans for political parties](#) (Electoral Commission 2006a), which sets out the Commission's code of conduct on the reporting of loans. And in May of 2006, the Commission published [Party Funding Principles](#) (Electoral Commission 2006b), which set out that any system for the funding of political parties must:

- encourage smaller contributions from a larger number of people rather than small numbers of high value contributions
- ensure that no single funding source can exert undue influence
- ensure that parties continue to generate a significant proportion of their income from voluntary contributions
- neither entrench the existing party system nor inhibit the development of new parties
- be based on clear and fair rules for how parties qualify for any public funds
- be simple and practicable in terms of implementation
- be open and transparent so that the public can see clearly the sources and uses of funds
- take account of the needs of parties at all levels and in all parts of the United Kingdom

In November 2006, [Public Perspectives: The future of party funding in the UK. Final Report](#) was published. It is the [Ipsos MORI](#) final report for the Electoral Commission on the findings from deliberative workshops held in York, London, Cardiff, Edinburgh and Belfast on the issue of party funding.

## **PARTY LEADERS' ALLOWANCES**

The [Party Leaders' Allowance Scheme](#) was introduced following debate on the following motions: [Scottish Parliament Salaries Scheme \(SP Paper 554\)](#) and [Scottish Parliament Party Leaders' Allowances Scheme](#) (SP Paper 555). They were debated on 21 March 2002 (Scottish Parliament 2002c). This scheme represents the Parliament's alternative to the SSRB's proposals to take account of the position of party leaders. It came into effect on 1 April 2002 and has provision for annual up-rating from 1 April every year (Scottish Parliament 2002a, Part A, rule 6(1)).

The scheme applies to those party leaders of registered political parties with not less than 15 MSPs, but excludes the leader of any party which has a Scottish Minister or Junior Minister amongst its members (Scottish Parliament 2002a, Part A, rule 1). Thus, in the part of the 2006-07 financial year that fell within the 2003-07 parliamentary term, the leaders of the Scottish Conservative and Unionist Party and Scottish National Party were eligible but not the leaders of the Scottish Liberal Democrats, Scottish Labour Party, Scottish Socialist Party and Scottish Green Party. In the second period of the 2006-07 financial year, falling within the current parliamentary term (2007-2011), the leaders of the Scottish Labour Party, Scottish Liberal Democrats and Scottish Conservative and Unionist Party were eligible, but not the leaders of the Scottish National Party or the Scottish Green Party.

The scheme provides for reimbursement of specified expenses incurred by a qualifying party leader. The maximum levels for a financial year are: £13,094, in respect of a registered political party with 15–29 MSPs (i.e. currently the Scottish Conservative and Unionist Party and the Scottish Liberal Democrats); and £24,959 in respect of a registered political party with 30 or more MSPs (i.e. currently the Scottish Labour Party) (Scottish Parliament 2002a, Part A, rule 1 and Part B, paras 1(4)(a) and (b)).

New party leaders were elected during the current financial year. This election during a financial year brings the party leaders allowance rules (Part B, 1(5)) into play: “where a member becomes a qualifying party leader during a financial year, the amount which may be claimed shall be the *pro rata* amount due from the date when that member became a qualifying party leader to the end of the relevant financial year.”

The allowance may be used for:

- the employment of staff
- necessary office accommodation costs
- office equipment and furniture
- travel and overnight expenses of the member and his or her staff. Travel can be within Scotland and the UK, to Brussels/Strasbourg or elsewhere outside the United Kingdom, for meetings as part of the duties of a Parliamentary party leader or, in the case of staff, assisting with those duties. The SPCB must authorise in advance the travel expenses of staff members for travel outside the United Kingdom.

There is no additional salary or allowance in the Scottish Parliament for parties' business managers (whips). Additional salary entitlements are paid to government and opposition whips and deputy whips in the United Kingdom Parliament, as set out in Table 8, below.

## EQUIPMENT AND FURNITURE SCHEME

Separate arrangements are made for the provision of equipment, furniture and office supplies to Members, as these are not claimed against allowances. Equipment and furniture is procured for Members' use, but remains the property of the SPCB. During 2003-04 the Parliament commissioned a programme of work to help improve the level of support offered to Members' local offices in conducting parliamentary business. As part of the programme a project was initiated to improve the connectivity to local offices and at the same time to align the technologies deployed in local offices with those used in the Parliament. This project is called the Local Office Technology Refresh Project. Individual [Members Costs & Expenditure for Equipment and Furniture Scheme](#) is set out on the Parliament's web site. Total expenditure on equipment and furniture for 2006-07 is set out in Table 4, below.

## SCOTTISH PARLIAMENT TOTAL EXPENDITURE FOR 2005-06 AND 2006-07

In the 2006-07 financial year the total costs reimbursed to or paid on behalf of Members, or borne by the SPCB on behalf of Members were £10.261 million. This represented an increase of £0.49 million or 5.16% on the previous year's corresponding figure of £9.768 million.

**Table 4: Allowances Expenditure (£)**

Scheme	2006-07	2005-06	Change	
Allowances and Expenditure	£9,745,815.54	£9,388,059.00	+£271,604.74	+ 2.89%
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Totals	£10,261,285.86	£9,768,794.86	+£492,491.00	+ 5.041%

Changes should be seen in the context of the Retail Price Index (inflation) at the end of financial year 2006-07 of 5.04%. Average (RPI) inflation over the twelve month period from April 2006 to March 2007 was 3.0%. The Consumer Price Index rose by an average of 2.7% over the same period.

The above figures include staff costs not identified in the individual MSP data. Further details of individual MSP allowances and categories of allowance are provided on the [MSP Allowances](#) section of the Scottish Parliament website.

## DETAILED BREAKDOWN OF SCOTTISH PARLIAMENT EXPENDITURE

A breakdown of expenditure under the Allowances Scheme is provided in the [SPICe User Guide to the Allowances Search engine](#). Further [details on the expenditure of each MSP](#) are

available through the Parliament's website. Information on Members' allowances expenditure has been provided at a greater level of detail from 2005-06. This combined with the provisions of the Data Protection Act 1998, which require certain personal information to be withheld, means that data relating to individual MSPs, particularly for the Members Support Allowance, cannot be directly compared with the data provided for the periods prior to 2004-05.

The following information is therefore at an aggregate level only:

- Details of salary, pension and national insurance contributions of Members' employees in 2006-07 was £6,411,743.93 (2005-06: £6,498,330.97).
- The figures for 2006-07 include an accrual of £86,151.80 (2005-06: £155,000) in respect of backdated Members' contributions to staff pension plans for 2006-07 under new arrangements entered into in 2005-06.
- Expenditure on office supplies, equipment and furniture was £509,694.50 (2005-06: £378,816.35). This constituted an increase of 34.5% on the previous year's figure.
- Total expenditure on childcare vouchers for 2006-07 was £40,344.98 (2005-06: £29,198.45).
- Total security related expenditure for 2006-07 was £6,311.87 (2005-06: £8,600.75).

These changes should be seen in the context of the Retail Price Index (inflation) at the end of financial year 2006-07 of 4.8%. Average (RPI) inflation over the two year period 2005-06 to 2006-07 was 3.3%.

All other expenditure under the Allowances Scheme and detailed individual MSP data is available on the [MSP Allowances](#) section of the Scottish Parliament website. The individual MSP data is organised by "claim month". It should be noted that the first date appearing in any claim will determine under which month the whole claim appears. Therefore, if a claim is submitted for a period of three months then the date of the earliest claim will dictate the "claim month". For example if a claim covering January, February and March is submitted, then the "claim month" will be shown as January. A [User Guide - MSPs' Allowances Search 2006-07](#) is also available of the Parliament's web site.

## REVIEW OF ALLOWANCES IN THE SCOTTISH PARLIAMENT

In June 2007, the Scottish Parliamentary Corporate Body announced that there should be a full scale review of parliamentary allowances. The [Allowances Review Panel](#) that was set up to conduct the review is to report "no later than March 2008". The [Panel website](#) (Scottish Parliament 2007) contains information including details of [the panel](#) itself, [background materials and news releases](#), and the [public call for evidence](#). The [remit of the review](#) covers the three main allowance categories, that is the Members' Allowances Scheme, the Party Leaders' Allowance Scheme and the Equipment and Furniture Scheme. The remit is as follows:

To carry out a review of the Members' Allowances Scheme, Party Leaders' Allowance Scheme and Equipment and Furniture Scheme. As part of its consideration, the review panel is to have regard to the following:

- What are the tasks expected of Members of the Scottish Parliament?
- What are the tasks expected of party leaders and should there be a numerical qualification in terms of numbers of Members to qualify for payment, and if so, what should this be?
- What resources are required to enable those tasks to be undertaken effectively and efficiently on behalf of constituents and the Parliament
- What resources could be best provided centrally, or through other financial support mechanisms and what resources could be provided through an Allowances Scheme

The review panel shall invite evidence submissions from MSPs and such persons, parties and other organisations as it deems appropriate, and shall otherwise conduct the review as it sees fit.

The review panel may consider comparators with other support mechanisms both within the United Kingdom and beyond.

The review panel shall prepare a report setting out its findings and recommendations, with reasons, for submission to the SPCB by around the end of March 2008

## ALLOWANCES RATES IN THE UK PARLIAMENT AND DEVOLVED ASSEMBLIES

Although this briefing concentrates on United Kingdom legislatures, information on other countries may be sought from the [Commonwealth Parliamentary Association](#) (CPA). The CPA has published *Commonwealth Parliamentary Salaries and Allowances 2000-2001*, *Survey of Remuneration paid to Members of the Parliaments and Legislatures of the Commonwealth, 2004-2005* and *Survey of Facilities and Services Available to Commonwealth Parliamentarians, 2002-2003* (the last of these publications covers allowances such as Members Support Allowance).

### ***The UK Parliament***

For more information on allowances available to Members of the House of Commons and the House of Lords see the House of Commons Library Research Paper 04/40 [Parliamentary Pay and Allowances](#) (House of Commons Library 2004), the House of Commons Information Office [Factsheet](#) (House of Commons Information Office 2004), the House of Commons Library Research Paper 06/47 [Parliamentary pay and allowances](#) (which replaces Research Paper 05/42) and House of Commons Library Standard Note SN/PC/4192 [Parliamentary pay and allowances – update](#). Pension provision for Members' staff is made by Group Stakeholder Arrangement.

Salary rates for Members of the House of Commons and the House of Lords, including those of ministers and Officeholders, have been set out in tables 7 and 8 below. Allowance rates have been set out in Table 5, below.

**Table 5: Summary of Current Rates: House of Commons, with Effect from April 2007:**

Members' Parliamentary Salary	£60,675
Staffing Allowance	£90,505 (maximum)
Incidental Expenses Provision (IEP)	£21,339
IT equipment	Centrally provided; worth around £3,000
London Supplement	£2,812
Additional Costs Allowance	£23,083
Winding up Allowance	£37,281
Car Mileage - First 10,000 miles	40p per mile
Car Mileage - In excess of 10,000 miles	25p per mile
Motorcycle allowance	24p per mile
Bicycle allowance	20p per mile

In addition to the allowances set out in Table 5, a new allowance - the [Communications Allowance](#) – was introduced. It came into effect from the beginning of April 2007 at a rate of £10,000 per annum. This covers regular reports and constituency newsletters, questionnaires and surveys, petitions, targeted communications, contact cards, distribution costs including direct mailing and postage, websites and some capital purchases (House of Commons 2007b, para 2.1).

### ***National Assembly for Wales***

Details of allowances available to Members of the National Assembly of Wales for 2004/2005 can be obtained by contacting the Assembly's [Public Information Unit](#).

## ***Northern Ireland Assembly***

Details of allowances available to Members of the Northern Ireland Assembly can be obtained by contacting the [Assembly Information Office](#).

## **SALARIES**

### **STATUTORY PROVISION**

Details of initial salaries set by the Senior Salaries Review Body and the enabling statutory provision for Scotland have been set out in [SB 07-09 Parliamentary Pay and Allowances](#) (Earle 2007), parts of which have been summarised below for the sake of completeness.

The Scotland Act 1998 (c.46) ('the Scotland Act') provides for pay and allowances to MSPs, Officeholders of the Parliament and Ministers. The Parliament is required under s81 to make provision (by Scottish Act or by resolution of the Parliament) for the payment of:

- salaries and allowances to MSPs and to members of the Scottish Executive (which includes junior Scottish ministers), and
- pensions and the like to former MSPs, members of the Scottish Executive and Officeholders of the Parliament.

MSPs are not entitled to any salary or allowance until they have taken the oath of allegiance required by s84. Once they have done so,<sup>1</sup> they are entitled to relevant payments for the whole period since being returned as Members of the Scottish Parliament.

Initial salaries, subject to annual up-rating according to the senior civil service formula, were set out in the [Scotland Act 1998 \(Transitory and Transitional Provisions\) \(Salaries and Allowances\) Order 1999 \[SI 1999/1097\]](#). The Presiding Officer and deputy Presiding Officers received an additional sum. Under this initial scheme, salaries were up-rated from 1 April each year using a formula relating to senior civil service salary increases (the Salaries and Allowances Order, art 7). This remained in force until 1 April 2002 when the Scottish Parliament's own arrangements, conferring the function of setting salaries on the Scottish Parliamentary Corporate Body (SPCB), came into effect.

In 2001 the SSRB again reviewed parliamentary pay of MSPs, officers of the Parliament and Ministers. It also reviewed allowances. The SSRB recommendations were broadly accepted by the four main political parties (Scottish Parliament 2001a). These, too, have been set out in [SB 07-09 Parliamentary Pay and Allowances](#) (Earle 2007) and have led to the current scheme.

### **THE CURRENT SALARY SCHEME**

The salaries of MSPs, Officeholders of the Parliament, the Scottish Law Officers<sup>2</sup> and Ministers are paid by the SPCB, although prior to 1 April 2002 Ministers' salaries were paid out of the Scottish Consolidated Fund (i.e. the Scottish budget). The two Scottish Law Officers do not have to be MSPs. However, where they are not, they receive their officeholder's salary and an amount equivalent to an MSP's full salary.

[Scottish Parliament Salaries and Allowances](#) were debated in the Chamber on 21 March 2002 (Scottish Parliament 2002c). The motion provided that the SPCB should decide salary levels for Members and Ministers and that any future increases should be based on 87.5% of Westminster salaries. This motion was passed. It was a free vote.

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<sup>1</sup> This must have been within two months or such other longer period as the Parliament may allow, otherwise they cease to be Members: s84(3)

<sup>2</sup> i.e. the Lord Advocate and the Solicitor General for Scotland. The Law Officers are the principal legal advisers to the Scottish Executive. The Lord Advocate is also the Ministerial Head of the Crown Office and Procurator Fiscal Service, and the head of the systems of criminal prosecution and the investigation of deaths in Scotland.

## SALARIES OF MSPS AND SCOTTISH MINISTERS

SPICe Briefing 02/130 [Parliamentary Pay and Allowances](#) was published on 9 December 2002 reflecting these changes. SPICe Briefing 04/48 [Parliamentary Pay and Allowances \(2004/2005\)](#) was published on 7 July 2004 and in December 2005, the Corporate Body published SPICe Briefing 05/81 [MSPs' Allowances and Expenditure 2004/05](#). This briefing provides similar yet updated information to that given in SPICe Briefing 07/09 [Parliamentary Pay and Allowances](#), which was published on 20 February 2007 and updated on 2 April 2007.

MSP salaries have increased each April since 2002, by an average of 2.26% per annum: from April 1 2003 salaries were increased by 2.25% over 2002 levels and a 2% increase was implemented with effect from 1 April 2004. A 2.8% increase was effective from 1 April 2005. In percentage terms these increases were the same as those received by Members of Parliament at Westminster, and remain at 87.5% per cent of salaries paid to Westminster Members of Parliament. From 1 April 2007, the salary of a Member of the Scottish Parliament was £53,091. Additional amounts are paid to ministers and officers of the Parliament. Both the Lord Advocate and the Solicitor General for Scotland receive the equivalent of an MSP salary included with their Law Officer salaries.

Following a [debate in the House of Commons on 18 May 2006](#) (Hansard Col 1152), a motion was passed to increase Westminster MPs' salaries in two stages: 1% from 1 April 2006 and a further 1% from 1 November 2006. At 1 April 2006 the salary of a MSP was £52,226, increasing to £52,743 on 1 November 2006. From 1 April 2007, MSPs received a 0.66% increase. Salaries of members of the Scottish Executive, junior Scottish Ministers and Members of the Scottish Parliament are set out in the following table:

**Table 6: Salaries for Members of the Scottish Parliament from 1 April 2007:**

Office	Additional Officeholder's Salary	Total salary
Member of the Scottish Parliament	N/A	£53,091
First Minister	£76,907	£129,998
Scottish Ministers	£39,897	£92,988
Presiding Officer	£39,897	£92,988
Junior Scottish Minister	£24,989	£78,080
Deputy Presiding Officers	£24,989	£78,080
Lord Advocate	£52,123	£105,214
Solicitor General	£37,690	£90,781

Those Members of the Scottish Parliament who hold a dual mandate are listed in a Factsheet: [MSPs with Dual Mandates](#). (Scottish Parliament 2007b) MSPs who are also Councillors will not be affected as being a Councillor is classified as separate employment. There may, however, be an obligation on the MSP to declare or register the additional salary as an interest. MSPs who are also MPs or MEPs receive one third of their MSP salary during any period where an MP or an MEP salary is payable to an MSP, regardless of whether the salary was in fact drawn down. Under paragraph 2(2) of the Scottish Parliament Salary Scheme, there is no flexibility negotiation on this point. (Scottish Parliament 2002b)

## GRANTS, PENSIONS ETC IN THE SCOTTISH PARLIAMENT

The transitional and transitory provisions subordinate to the Scotland Act, to which referral will be made in this section, will remain in force until the Scottish Parliament makes its own arrangements under s 81(3) of the Scotland Act or by resolution conferring power on the SPCB.

Under this legislation, Members may be entitled to claim the following grants or pensions:

- **Resettlement Grants for MSPs:**<sup>3</sup> for MSPs who do not stand, or are not returned at a subsequent general election, the level of grant is calculated as a percentage of MSPs' annual salary, by reference to age and complete years of service (the Grants Order, art 3 and Schedule).
- **Ill-health Retirement Grants for MSPs:**<sup>4</sup> for MSPs under 65 who resign on ill-health grounds, the level is equal to resettlement grant under art. 3 - but only the art. 3 resettlement grant payable if the MSP would otherwise be entitled to both grants (the Grants Order, arts 4-5; the Amendment Order)
- **Severance Grants for specified officeholders:**<sup>5</sup> for officeholders under 65 who cease to hold that office (other than by death), and do not return to one of the relevant offices within 3 (or, in certain cases, 6) weeks, the level of grant is one-quarter of annual salary. 'Relevant office' is a member of the Scottish Executive (except the First Minister); Junior Minister; Deputy Presiding Officer; leader of non-executive party<sup>6</sup> or Chief Business Manager of a qualifying party (the Grants Order, art 6)
- **Pensions:** these are available to MSPs and specified Officeholders (including the Lord Advocate and the Solicitor General).<sup>7</sup> Pension entitlements are available to the First Minister and Officeholders that are additional to their MSP pensions. Pensions are paid out of a fund known as the Scottish Parliamentary Contributory Pension Fund. The fund is vested in and administered by the SPCB. Participants contribute 6% of their salaries or, where applicable, 6% of a 'permitted maximum' salary. Participants can apply for an early pension where they cease to be a contributor because of ill-health before attaining the age of 65.

Because the current pension regime is founded on a *Transitory and Transitional Provision*, a new scheme requires to be put in place during the current parliamentary session. This is being undertaken by the [Scottish Parliamentary Pension Scheme Committee](#), which met for the first time on Tuesday 18 September 2007. As the Committee's page on the Scottish Parliament web site notes, "The remit of the committee is to inquire into and report with recommendations for a Committee Bill on a replacement for the Scottish Parliamentary Pension Scheme rules." The Committee is currently in the process of drawing up a public consultation document. The new pension scheme will be drafted on the basis of this consultation process.

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<sup>3</sup> Art. 3 and schedule, *Scotland Act 1998 (Transitory and Transitional Provisions) (Grants to Members and Officeholders) Order 1999* [SI 1999/1081] – until the Parliament makes its own arrangements under s81(3) by Act or by resolution conferring power on the SPCB

<sup>4</sup> Arts. 4-5, *Scotland Act 1998 (Transitory and Transitional Provisions) (Grants to Members and Officeholders) Order 1999* [SI 1999/1081] – until the Parliament makes its own arrangements under s81(3) by Act or by resolution conferring power on the SPCB

<sup>5</sup> Art 6, *Grants to Members and Officeholders Order 1999* [SI 1999/1081] – until the Parliament makes its own arrangements under s81(3) by Act or by resolution conferring power on the SPCB

<sup>6</sup> that is, a qualifying party – a registered party with at least 10 MSPs – with which no Minister is connected

<sup>7</sup> *Scotland Act 1998 (Transitory and Transitional Provisions) (Scottish Parliamentary Pension Scheme) Order 1999* [SI 1999/1082]

## SALARIES IN OTHER PARLIAMENTS AND ASSEMBLIES

This briefing will concentrate on United Kingdom legislatures, although information on other countries may be sought from the [Commonwealth Parliamentary Association](#).<sup>8</sup>

### ***The United Kingdom Parliament: House of Commons and House of Lords***

Tables 7 and 8 below provide details of the salaries for the financial year 2007/08 in respect of MPs, Ministers and the principal Officeholders in the House of Commons and the House of Lords.

On 2 March 2007, the Prime Minister announced, in a written ministerial statement, that from April 2007, the salary of a Member of Parliament would increase by 0.66%:

The Review Body's recommendations on SCS Pay mean that Ministers' and MP's (sic.) pay, which is linked to the average increase in the midpoint of SCS pay, will increase by 0.66 per cent. The Review Body is also currently conducting a triennial review of MPs' and Ministers' pay which is due to report in summer 2007. (House of Commons 2007a)

From 1 April 2007, Members' salaries were increased from £60,277 to £60,675.

However, in a [ministerial statement on 26 July 2007](#) Harriet Harman MP, the leader of the House of Commons, announced the completion of the SSRB Review on 26 July 2007:

My right hon. Friend the Prime Minister has today received the 3rd triennial report from the Senior Salaries Review Body on Parliamentary Pay and Allowances.

The Government plan to publish the report in the autumn, followed shortly thereafter by consideration by both Houses in the normal way. (House of Commons 2007c)

At Business Questions, Harriet Harman said: "The report will be published, and the House will debate it, in the autumn (House of Commons 2007c). The announcement was made on the final sitting day before the Summer Recess. The effect of the SSRB Report on salaries will therefore only be known in the autumn of 2007.

**Table 7: MPs', Ministers' and Officeholders' Salaries in the House of Commons 2007-08:**

Office / Post	Salary for Office	Full Salary*
Member of Parliament	£60,675	N/A
Speaker	£76,904	£137,579
Prime Minister	£128,174	£188,849
Cabinet Minister	£76,904	£137,579
Minister of State	£39,893	£100,568
Leader of the Opposition	£70,497	£131,622
Solicitor General	£67,008	£127,683
Advocate General	£94,794	**

\* i.e. including Member's salary

\*\* no additional salary. Advocate General sits in the House of Lords

<sup>8</sup> The Commonwealth Parliamentary Association has published the following: Commonwealth Parliamentary Salaries and Allowances 2000-2001, Survey of Facilities and Services Available to Commonwealth Parliamentarians, 2002-2003 and Survey of Remuneration paid to Members of the Parliaments and Legislatures of the Commonwealth, 2004-2005. these documents are available through the CPA web site under [Electronic publications and recommendations of CPA Study Groups, Seminars and Workshops](#): <http://www.cpahq.org/default.aspx?id=2368>.

**Table 8: Ministers' and Officeholders' Salaries in the House of Lords 2007-08:**

Office / Post	
Cabinet Minister	£104,386
Leader of the Opposition	£70,986
Lord Speaker <sup>9</sup>	£104,386
Lord Chancellor <sup>10</sup>	
Minister of State	£81,504
Parliamentary Under Secretary	£70,986
Government Chief Whip	£81,504
Government Deputy Chief Whip	£70,986
Opposition Chief Whip	£65,624
Chairman of Committees	£81,504
Principal Deputy Chairman	£76,250
Attorney General	£109,201
Advocate General	£94,794

For more information see the House of Commons Library Research Paper 04/40 *Parliamentary Pay and Allowances* (House of Commons Library 2004), the House of Commons Information Office Factsheet (House of Commons Information Office 2004), the House of Commons Library Research Paper 06/47 *Parliamentary Pay and Allowances* (House of Commons Library 2006) and House of Commons Library Standard Note SN/PC/4192 *Parliamentary Pay and Allowances – Update*. (House of Commons Library 2007)

As that latter note observes (House of Commons Library 2007, p.17), there have been calls for a substantial pay rise for MPs, which would have a knock-on effect on pay levels for MSPs, pegged as they are at 87.5% of MP salaries.

### ***The National Assembly for Wales***

Table 9 below provides details of the salaries for the current and preceding financial year of Members, Ministers and the principal officeholders in the National Assembly for Wales. Following a Determination, based on recommendations of the SSRB and passed by the Assembly on 9 March 2005 (National Assembly for Wales 2005), the salaries of Members and Officeholders are increased each year by the same percentage as the average of the movements in the mid-points of the senior civil service pay bands. This is in line with arrangements in the House of Commons in which pay increases for Ministers are linked automatically to the increase in pay bands for the senior civil service, under the provisions of section 1 of the Ministerial and other Salaries Act 1997. Because of the link between salaries in the devolved legislatures and those in the House of Commons, and the link between House of Commons and senior civil service pay, there is a consequent link between salaries in the devolved legislatures and those in the senior civil service.

<sup>9</sup> The Lord Speaker took office on 4 July 2006; the *Constitutional Reform Act 2005* no longer required the Lord Chancellor to fulfil this role.

<sup>10</sup> In the Government reshuffle of 28 June 2007, the post of Lord Chancellor was moved from the House of Lords to the House of Commons. The Lord Chancellor remains entitled to a salary of £232,900, but will only take the salary of a Cabinet Minister in the Commons. See Cabinet Office, *Ministerial Salaries*, <http://www.civilservice.gov.uk/other/parliamentary/pay/ministerial/index.asp>

**Table 9: Members', Ministers' and Officeholders' Salary Levels 2007-08:**

Office / Post	Additional Officeholder's salary	Total Salary
Assembly Member	N/A	£46,496
Assembly Members who are also MEPs or MPs <sup>11</sup>	N/A	£15,499
Presiding Officer	£39,939	£86,435
Deputy Presiding Officer	£25,121	£71,617
Assembly First Minister	£76,996	£123,492
Welsh Ministers	£39,939	£86,435
Deputy Ministers	£25,121	£71,617
Leader of largest party without an executive role	£39,939	£86,435
Counsel General (if AM)	£39,939	£86,435
Counsel General (if not AM)	£86,435	£86,435
Chairs of Scrutiny Committees, Audit Committee and Finance Committee	£5,819	£52,315

### ***The Northern Ireland Assembly***

Following the appointment of an Executive after the election in March 2007, ministers receive such salaries as determined either by the Assembly or by the Secretary of State for Northern Ireland. The figures given in Table 10, below, set out the details of that determination. However, at time of writing the 2007-08 pay award had not been agreed or implemented. Table 10, therefore, sets out the 2006-07 salary rates.

**Table 10: Members', Ministers' and Officeholders' Salary Levels for 2006-07 (£)**

Office / Post	Additional Officeholder's salary	Total Salary
Assembly Member	N/A	43,101
First Minister and Deputy First Ministers	71,434	114,535
Presiding Officer	37,801	80,902
Deputy Presiding Officer	8,499	51,600
Minister	37,801	80,902
Junior Minister	19,609	62,710
Chairs of Statutory Committees	11,331	54,432
Deputy Chairs of Statutory Committees	5,667	48,768
Members of the Assembly Commission	11,331	54,432

### ***The European Parliament***

Under the European Parliament (Pay and Pensions) Act 1979 the salary of British MEPs is linked to that of British MPs. This gives MEPs the same salary as MPs (discussed above), of £60,675. MEPs who are also MPs receive an additional one third of this rate (a so-called '[duality rate](#)'). Allowances are governed by the European Parliament.

The link between MEP and MP salaries in the home countries of MEPs will be discontinued after the 2009 European Parliament election. It will be replaced by an agreed statutory regime<sup>12</sup> that will set the monthly salary for all MEPs at 38.5% of the basic monthly salary of a judge at the Court of Justice of the European Communities (as at July 2006, this was around €7,300 or £5,095 per month).<sup>13</sup> This is designed to end pay disparities among Members from different countries, who currently receive the same salaries as members of their national parliaments.

<sup>11</sup> Currently no Assembly Members are also Members of the European Parliament or Members of Parliament, but one AM was also a Member of Parliament until the May 2007 Election.

<sup>12</sup> <http://europa.eu.int/eur-lex/lex/JOHtml.do?uri=OJ:L:2005:262:SOM:EN:HTML>

<sup>13</sup> See Article 2 of Reg 422/67/EC as amended.

The new system will mean MEPs will be paid by the European Union and will in turn pay income tax on those salaries directly to the EU budget. There will be a transitional period during which Member States may apply rules different to those in the statute.

With the coming into force of the statute, MEPs' travel expenses will no longer be refunded on a flat-rate basis, but will be reimbursed on the basis of actual costs incurred. Members will enter a common pension scheme, with contributions paid by the European Parliament.

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