



The Scottish Parliament
Pàrlamaid na h-Alba

Review of Party Leaders' Allowance and Financial Assistance to Political Parties



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1. Executive Summary

2. The SPCB has commissioned a review of the Party Leaders' Allowance Scheme and Financial Assistance to Political Parties (Short Monies) during the current session of Parliament such that any agreed revisions are effective from the start of the next session in May 2026. This review is designed to ensure that the Party Leaders' Allowance and Short Monies continue to support Party Leaders and parliamentary groups in carrying out their roles. As per the SPCB's instruction, any changes or scope to enhance existing arrangements must continue to demonstrate value for money.
3. Central to the research and analysis performed, officials sought feedback from each parliamentary party leader and business manager directly to seek their views on how they believe the Party Leaders' Scheme and financial assistance supports the party leaders and parliamentary groups in their roles. The feedback received, together with analysis of internally held data has been considered and incorporated within the findings and analysis of this review. For completeness, the arrangements in place for other UK legislatures have also been considered where relevant.

2. Purpose and Remit

4. In May 2024 the SPCB instructed an internal review to consider the Members' Expenses Scheme as well as funding provided through the Party Leaders' Allowance and financial assistance to political organisations (Short Monies).
5. The review into the latter has sought to continue to provide support, which is comprehensive, clear and transparent. The review was further designed to be broadly cost neutral insofar as possible with any limited cost implications for changes taking account of supporting Party Leaders and parliamentary groups through the Party Leaders' Allowance and Short Monies, while continuing to demonstrate value for money.
6. The published remit as agreed by the SPCB, was:
 - Review of Party Leaders' Allowance operation and level of support.
 - Review of Short Monies (Financial Assistance to Political Parties).

3. Research and Analysis Methodology

7. Research and analysis were performed internally by officials between January 2025 and August 2025. Feedback received from Party Leaders and party Business Managers has been used to obtain an insight, supported by examples, of how the existing arrangements currently operate and what could potentially be enhanced or improved. Information received from other SPS offices involved in

the management and support of the Party Leaders' Allowance and Short Monies brought further clarity to the arrangements.

8. The SPCB will wish to note that no unintended consequences for Members and/or their staff in relation to protected characteristics are anticipated at this stage in relation to any proposed changes. Solicitors will support any required drafting changes to the existing Scheme and legislation taking account of any relevant legislative matters.
9. The SPCB should note that the analysis performed within this review is based on party balance as at 31 July 2025. The review does not attempt to reflect the party balance following the May 2026 Scottish election. Using the current party balance at a fixed date is designed to provide context and is provided for illustrative purposes only. The analysis, associated costs, and the additional resource requirement is provided based on assumptions had the proposed changes taken place on 31 July 2025.

4. Themes and Recommendations

Party Leaders' Allowance - operation and level of support.

10. The Party Leaders' Allowances Scheme is designed to support qualifying party leaders to perform the additional duties that arise from their role. The resource available is tier based, dependent on the number of Members representing each registered political party in the Scottish Parliament. It excludes party leaders and members who are also Members of the Scottish Government or are Junior Ministers.
11. During consideration of the Party Leaders' Allowance (PLA), and based on discussions with Party Leaders, Business Mangers and relevant staff, the following themes emerged.

Theme 1: Widen access to the Party Leaders Allowance to party leaders with less than 15 party Members

12. Two opposition parties are currently eligible for reimbursement of party leader expenses based on the following eligibility criteria:
 - 15 to 29 Members - £26,586 for 2025/26
 - 30 plus Members - £50,496 for 2025/26
13. The PLA may be used to employ staff to support the parliamentary party leader role only and expenses may be reimbursed for office costs, accommodation, equipment and furniture and overnight and travel costs for the party leader and staff employed by way of the PLA. Recent and previous feedback received has indicated that the PLA does not sufficiently meet these costs. Based on 2024-25 actual expenditure, the majority of the PLA was used to employ staff and meet limited travel costs. In recent years, the higher level available has enabled the

employment of one full-time member of staff, and the lower level has provided for one part-time member of staff (less than 0.5 FTE).

14. Party leaders and business managers have advised that party leaders often incur additional costs as a direct result of their high-profile public roles, irrespective of the number of members within their respective party groups. It was advised that they have also met eligible costs personally when they have no entitlement to the PLA or due to the limited support available. There is a consistent view across all Party Leaders that access to the PLA should be widened to contribute to the democratic process.
15. The arrangements in place for funding political parties and party leaders at other UK legislatures has been considered to inform proposals and recommendations. These are summarised at ANNEX B.
16. The potential to combine the PLA with Short monies is considered later in this paper. The following options, presented for the SPCB's consideration, are based on current arrangements, whereby the PLA is funded and provided separately.
 - **Option 1:** Retain the existing PLA arrangements as is, with no change to eligibility criteria, or level of provision. While there are no additional resource requirements, beyond annual uprating, this falls short of addressing the issues raised by party leaders.
 - **Option 2:** Widen access to the PLA by reducing the eligibility criteria to parties with 5 or more Members from the current 15, consistent with the membership requirements of the Parliamentary Bureau. Based on party membership at 31 July 2025, the additional annual resource requirement (at 2025/26 rates) is £53,172 as follows:

Party Leader Allowance	Levels/No. of MSPs	Amount
Conservative	30 plus MSPs	£50,496
Labour	5 to 29 MSPs	£26,586
Green	5 to 29 MSPs	£26,586
Liberal Democrats	5 to 29 MSPs	£26,586
Total Cost		£130,254
Current Cost		£77,082
Additional Cost		£53,172

17. While this option widens support across more party leaders, it does not address the limited level of the support.

- **Option 3:** Widen access to the PLA by reducing the eligibility criteria to parties with 5 or more Members from the current 15 and increase the PLA to fund of 1 FTE staff member at the highest grade within the MSP job family range for parties with 30 members or more and 0.5 FTE staff for parties with 5 to 29 Members.

Party Leader Allowance	Level/No. of MSPs	Amount
Conservative	30 plus MSPs	£67,811
Labour	5 to 29 MSPs	£33,905
Green	5 to 29 MSPs	£33,905
Liberal Democrats	5 to 29 MSPs	£33,905
Total Cost		£169,526
Current Cost		£77,082
Additional Cost		£92,444

18. This option provides support across more party leaders and has a sound basis of aligning with employment costs consistent with how the Party Leaders' Allowance is currently being used. It does not however recognise that leaders of larger party groups may require a greater level of support than smaller parties.

- **Option 4:** Widen access to the PLA by reducing the eligibility criteria to parties with 5 or more Members from the current 15, and provide funding based on a set amount per Member returned.

Party Leader Allowance	No. of MSPs at 31/7/2005	£2,000 per MSP	£2,500 per MSP	£3,000 per MSP
Conservative	30 MSPs	£60,000	£75,000	£90,000
Labour	22 MSPs	£44,000	£55,000	£66,000
Green	7 MSPs	£14,000	£17,500	£21,000
Liberal Democrats	5 MSPs	£10,000	£12,500	£15,000
Total		£128,000	£160,000	£192,000
Current cost		£77,082	£77,082	£77,082
Additional cost		£50,918	£82,918	£114,918

19. This option provides support across more Party Leaders; however, it does not provide a reasonable level of support to smaller parties.

- **Option 5:** Widen access to the PLA by reducing the eligibility criteria to parties with 5 or more Members from the current 15, and provide funding based on a fixed amount per party, plus a variable amount per Member returned.

Party Leader Allowance	No. of MSPs at 31/7/2005	£1,000 per MSP	£1,500 per MSP	£2,000 per MSP
Fixed Amount		£25,000	£20,000	£15,000
Conservative	30 MSPs	£55,000	£65,000	£75,000
Labour	22 MSPs	£47,000	£55,000	£69,000
Green	7 MSPs	£32,000	£37,500	£29,000
Liberal Democrats	5 MSPs	£30,000	£32,500	£25,000
Total		£164,000	£190,000	£198,000
Current cost		£77,082	£77,082	£77,082
Additional cost		£86,918	£112,918	£120,918

20. This option provides support across more Party Leaders and ensures that a fixed amount is provided irrespective of party representation. However, it does not directly align with employment costs, which is how the Party Leaders' Allowance is currently being used.

- **Option 6:** Widen access to the PLA by reducing the eligibility criteria to parties with 5 or more Members from the current 15. Introduce a middle tier from 16 to 29 Members and increase the PLA to fund 1 FTE staff member at the highest grade within the MSP job family range for parties with 30 members or more, 0.75 FTE for parties with 16 to 29 members and 0.5 FTE staff for parties with 5 to 15 Members.

Party Leader Allowance	Level/No. of MSPs	Amount
Conservative	30 plus MSPs	£67,811
Labour	16 to 29 MSPs	£50,859
Green	5 to 15 MSPs	£33,905
Liberal Democrats	5 to 15 MSPs	£33,905
Total Cost		£186,480
Current Cost		£77,082
Additional Cost		£109,398

21. This option provides support across more Party Leaders and is based on employment costs consistent with how the Party Leaders Allowance is currently being used. It further recognises that larger Party Groups may require a greater level of support.
- **Recommendation 1:** It is recommended that Option 5 be adopted to widen access to the Party Leaders' Allowances Scheme by reducing the eligibility criteria to 5 or more sitting Members and introducing a fixed amount per party and then and a set amount per Member of the party.
 - **Recommendation 2:** It is recommended that future uprating indices for the PLA be set consistent with increases to the Staff Cost Provision (currently AWE).

Review of Financial Assistance for Non-Government Political Parties (Short Monies)

22. The Financial Assistance for Non-Government Political Parties (Short Monies) provides funding to non-government parties in the Scottish Parliament. Introduced in 1999, it is provided to parties to assist Members of the Parliament, who are connected with such parties, to perform their Parliamentary duties.
23. Allocation of Short Monies is based on a fixed amount per Member, where Members are returned at an election as a party candidate. If any Members are also members of the Scottish Government, they are disregarded in the calculation for Short Monies. The remaining party members remain eligible, so long as the number of the party members of the Scottish Executive or Junior Ministers does not exceed one fifth of the total number of members of the Scottish Executive or Junior Ministers. If the party's members exceed one fifth, then there is no entitlement to Short Monies.
24. As with funding for Party Leaders, support for opposition parties in other legislatures (summarised at ANNEX B) has also been considered to inform proposals and recommendations.
25. The following themes have emerged from the review:

Theme 2: Consider changes to level or structure of financial assistance for political parties

26. The Scottish Parliament provides £12,064.76 per member per year from 1 April 2025, with the rate increased annually based on the previous March RPI (3.2% for 2025/26 based on RPI in March 2025). The level of Short Money available to parties is fixed on the number of members returned at the previous election. No pro-rata adjustments are applied to Short Monies during a session when a Member resigns from a political party.

27. The Short Money allocations for 2025/26 (based on party balance at May 2021) are:

Party	Number of Members	Total Allocation 2025/26
Conservative	31	£374,007.56
Labour	22	£265,424.72
Green	8	£96,518.08
Liberal Democrats	4	£48,259.04
Total	65	£784,209.40

28. During the review, and in the feedback sessions with relevant Members and their staff, options to combine the PLA with Short Monies were discussed and considered. While it was recognised that combining both to offer one source of funding to all Party groups might offer more flexibility, equally it was recognised that Party Leaders may lose access to specific support.
29. Retaining the status quo and keeping PLA and Short Monies separate (and applying an increase as per Option 3 in paragraph 15 above), would provide an estimated overall aggregate increase of **£92,444 or 11%** in the funding available to parties, as is set out in the table below.

Party	Short Monies	Proposed PLA	Total Proposed Support	Total Current support	Increase
Conservative	£374,008	£67,811	£441,819	£424,504	£17,315
Labour	£265,425	£33,905	£299,330	£292,011	£7,319
Green	£96,518	£33,905	£130,423	£96,518	£33,905
Liberal Democrats	£48,260	£33,905	£82,165	£48,260	£33,905
Total	£784,211	£169,526	£953,737	£861,307	£92,444

- **Recommendation 3:** In view of the feedback received, and taking account of the SPCB's instruction that this review be broadly cost neutral, it is recommended that Party Leaders' Allowance and Short Monies continue to be funded and managed separately with access to the Party Leaders' Allowance widened to include parties with 5 or more Members and to align with staffing requirements.

Theme 3: Consider arrangements for partnership or coalition agreements

30. Feedback from officials has highlighted the need to provide more clarification on the impact of coalitions and partnership agreements, particularly the impact on Short Money allocations when coalitions and/or agreements are established or disbanded. While the order is clear in respect of the percentage of members involved in relation to the Scottish Government, junior ministers and total party representation, recent arrangements have highlighted an opportunity to define the relevant periods.

- **Recommendation 4:** It is recommended that guidance is prepared to clarify and define the arrangements in relation to an agreement or coalition.

Theme 4: Splitting of costs between Group pool and Financial Assistance

31. Feedback from officials has highlighted the need to provide more clarification on the splitting of staffing costs between Staff Cost Provision group pools and Short Monies, any associated redundancy arrangements and other costs such as travel and the party's accountability and responsibilities, for example in producing P11d forms for their staff and HMRC.

- **Recommendation 5:** It is recommended that more comprehensive guidance on short monies be developed to take account of the issues raised.

Theme 5: Audit certificates

32. Feedback from officials has highlighted the need to introduce a tighter deadline for audit certificates from parties to be received, and where they are not received, it has been suggested that consideration should be given to introducing sanctions such as withholding funds for the following year until such time as the audit certificate has been received. Experience has shown that in some years certificates have not been received until a year later.

- **Recommendation 6:** It is recommended that guidance be prepared to reinforce the date for submission of audit certificates.

Annex A: Summary of Themes and Recommendations

Review of Party Leaders' Allowance operation and level of support.

Theme 1: Increase access to the Party Leaders' Allowance to party leaders with less than 15 party members

Recommendation 1: It is recommended that Option 5 be adopted to widen access to the Party Leaders' Allowances Scheme by reducing the eligibility criteria to 5 or more sitting Members and introduce a fixed amount per party and then a set amount per Member of the party.

Recommendation 2: It is recommended that future uprating indices for the PLA be set consistent with increases to the Staff Cost Provision (currently AWE).

Review of Short Monies (Financial Assistance for Political Parties)

Theme 2: Consider changes to level or structure of financial assistance for political parties

Recommendation 3: In view of the feedback received, and taking account of the SPCB's instruction that this review be broadly cost neutral, it is recommended that Party Leaders' Allowance and Short monies continue to be funded and managed separately with access to the Party Leaders' Allowance widened to include parties with 5 or more Members and to align with staffing requirements.

Theme 3: Consider arrangements for partnership or coalition agreements

Recommendation 4: It is recommended that guidance is prepared to clarify and define the arrangements in relation to an agreement or coalition.

Theme 4: Splitting of costs between Group pool and Financial Assistance

Recommendation 5: It is recommended that more comprehensive guidance on Short Monies be developed to take account of the issues raised.

Theme 5: Audit certificates

Recommendation 6: It is recommended that guidance be prepared to reinforce the date for submission of audit certificates.

Annex B: Review of Party Leaders' Allowance operation – Other UK Legislatures and level of support.

1. The UK Parliament provides Short Monies to the Leader of the Opposition and all opposition parties. Funding is available to parties that secured either two seats or one seat and more than 150,000 votes at the previous general election. The Short Money scheme at Westminster has three main components:
 - Funding to assist an opposition party in carrying out its Parliamentary business– the amount payable to qualifying parties in 2025/26 was £22,853.25 for every seat won at the last General Election plus £45.64 for every 200 votes gained by the party.
 - Funding for the opposition parties travel and associated expenses is capped (currently £251,055.23) and is shared between each opposition party in the same proportion as the amounts provided by the general funding set out above.
 - Funding for the running costs of the Leader of the Opposition's office (currently £1,064,739.30) is provided to support the running costs of the Leader of the Opposition's office. Other opposition party leaders are not entitled to any specific funding for their party leaders.
2. The Determination for the Welsh Senedd sets out salaries for office holders including enhanced remuneration (in addition to the basic Assembly Member salary) for the Leader of a Political Group not in Government. In 2025/26 the additional salary is set at £15,514 + £1,194 per Member up to £42,963 with an overall maximum total of up to £119,343 (including their Member's salary).
 - The Senedd also provides political parties with a Support for Political Parties Allowance to assist parties to undertake their work. The total support available for all parties is £1,235,040. This can be used to employ staff in an administrative and research capacity; meet the cost of travel and fund office equipment and hire of facilities.
3. Parties may employ staff in any combination of set salary bands (only one FTE chief of staff permitted) so long as the salaries do not exceed the total value of the allowance which is a tiered system as follows:
 - any Political Party or Parties represented in the Welsh Government receive a core administration allowance of £13,580 per Member up to a maximum of £203,480.
 - Any Political Party not represented in the Welsh Government, with three or more Members, will be entitled to a core administration allowance of £67,170.
 - Following the allocation of core administration allowances, the remaining Support for Political Parties Allowance will be allocated on a per capita basis among all Members whose parties are not represented in the Welsh Government.
4. The difference between the actual salaries of all staff and the total value of the allowance is known as the "Remaining Balance. This may be used to cover other

staff related costs such as approved redundancy costs, travel, hire of facilities, etc.

5. The Northern Ireland Assembly does not provide separate funding for party leaders but provides all parties with financial assistance and additional funds for opposition parties to support their Members. This is based on the number of Members returned for each party at an Assembly election.
6. An additional amount is paid to an Opposition party, calculated as:
 - a base payment of £25,000; and
 - a scale payment of $N \times £7,500$, where N is the number of Members connected with the Opposition party.