

Reimbursement of Members' Expense Scheme – Office Cost Provision

21 April 2022

Reference: SPCB (2022) Paper 28

Executive summary

1. The SPCB is invited to consider an application by a Member for additional monies to meet an overspend in their Engagement provision under the exceptional expenses provision of the Reimbursement of Members' Expenses Scheme.

Issues and options

- 2. The SPCB were previously provided an oral update in relation to VAT and printing costs for Members who had made use of the Parliament contractor, Paramount Printers for printing their annual reports.
- As Members may recall in previous sessions Paramount invoiced the SPCB through its central contract and Members were notionally recharged to the central MSAPP budget. As the Parliament is VAT registered it was able to reclaim the VAT and therefore Members only saw the VAT excluded cost.
- 4. This session that changed with removal of MSAPP and the creation of the Engagement Provision as Members are not VAT registered and cannot reclaim VAT and never have been able to. This means the Parliament cannot reclaim VAT on Members' Expenses or on behalf of Members so any cost met from the Members' Expenses Scheme that includes VAT must have the VAT element met as part of the costs within the overall limit for the provision.
- 5. When Members were making use of Paramount earlier this year quotes were produced that did not include VAT and therefore some Members did not budget for the additional cost of VAT in their proposed spending. Officials have been in contact with Paramount to ensure that their quotes

include the VAT now that they are directly invoicing Members for the service so that this doesn't occur again, and Members are clear on their proposed spend when using this service.

6. To date all Members have been able to meet the costs from within their Engagement provision limit or by making use of the flexibility built into the Scheme, however, one Member, Craig Hoy MSP has not been able to do this despite flexing the full £5k available to him from his office cost provision. Mr Hoy is £1,648 overspent some of which relates to the issue with the VAT and Mr Hoy would like to ask the SPCB to consider an exceptional expense application for the VAT element of this amount of £1,126. Mr Hoy has accepted an error was made in relation to the remaining overspend and proposes to meet the cost personally and repay the Parliament and wishes to assure the SPCB that this will be more closely monitored in future to ensure spend remains within the annual limits.

Governance

7. The Reimbursement of Members' Expenses Scheme allows application for additional costs to meet one-off exceptional expenses under the exceptional expenses provision.

Resource implications

8. The additional costs can be met within the overall Members' Expenses budget for 2021-22 if agreed.

Publication Scheme

9. This paper can be published in line with the publication scheme.

Next steps

10. To advise the Member of the outcome and if the SPCB agree to meet the additional costs from the Scheme to adjust the Members budget's accordingly.

Decision

11. The SPCB is invited to:

• Consider the application for additional monies under the exceptional expenses provision as detailed above.

Allowances Office

7 April 2022