



The Scottish Parliament  
Pàrlamaid na h-Alba

# **Reimbursement of Members' Expenses Scheme – Proposed motion to make a change to the Scheme**

## **04 May 2023**

**Reference: SPCB (2023) Paper 31**

### **Executive summary**

1. The SPCB is invited to consider the proposed change to the Reimbursement of Members' Expenses Scheme to allow indexation of the amount of flexibility allowed for in the Scheme in line with the office cost and engagement provisions on an annual basis.

### **Issues and options**

2. When the Members' Expenses Scheme was reviewed in Session 5 a number of changes were made to ensure that the Scheme remained operationally fit for purpose and provided Members with flexibility in how they conducted their parliamentary duties by allowing them the opportunity to transfer monies between the Office Cost Provision and the Engagement Provision up to a limit of £5,000 each year and within the overall confines of the total combined monies available within those provisions.
3. As discussed at the SPCB meeting on 9 March 2023 the SPCB wished to review the limit set for transferring between the provisions with the aim of allowing this amount to be increased annually in line with the indexation of the office cost and engagement provisions to maintain the same level of flexibility on offer to Members following any increase to the provisions. After looking into the matter, it was determined that to enable this a change to the Scheme would be required as there is no way to increase the flexibility within the Scheme as currently worded.
4. As the SPCB are aware any change to the Scheme must be agreed by Parliament and therefore we would propose that the following motion be laid before Parliament to enable us to include the proposed increase to the flexibility limit permitted in line with the indexation adopted by the SPCB each year for office cost and engagement provisions.

5. The proposed motion is as follows: -

That the Parliament, in exercise of the powers conferred by sections 81(2), 81(5)(b) and 83(5) of the Scotland Act 1998, determines that the Reimbursement of Members' Expenses Scheme, which was agreed to by resolution of the Parliament on 02 March 2021, be amended as follows:

- a) Insert, in paragraph 1.2.4, after “considers appropriate.” and before “Such increases”: “Any such uprating shall also be applied to the limit on the amount by which Members may vary their office cost and engagement provisions up or down subject to the overall agreed combined annual limit, as set out in paragraph 4.3.1 and 5.1.3.”

and

- b) Insert, in second sentence of paragraph 4.3.1 after “financial year,” and before “subject to”: “or by such sum as determined following the uprating of the variation limit applied under paragraph 1.2.4,”

and

- c) Insert, in second sentence of paragraph 5.1.3 after “financial year,” and before “subject to”: “or by such sum as determined following the uprating of the variation limit applied under paragraph 1.2.4,”

6. This would mean the new paragraphs would read as follows:

1.2.4 For each financial year the SPCB shall uprate the various limits on expenses or costs which can be reimbursed under the Scheme, having regard to such indices as the SPCB considers appropriate. Any such uprating shall also be applied to the limit on the amount by which Members may vary their office cost and engagement provisions up or down subject to the overall agreed combined annual limit, as set out in paragraph 4.3.1 and 5.1.3. Such increases shall apply from 1 April in any financial year.

4.3.1 A constituency member is entitled to reimbursement of office costs subject to the limit in each financial year specified in the Schedule of Rates. Members may vary the limit of the office cost provision up or down by a maximum of £5,000 each financial year, or by such sum as determined following the uprating of the variation limit applied under paragraph 1.2.4, subject to the overall combined limit for the office cost and engagement cost provisions remaining within the overall agreed combined annual limit.

5.1.3 A member is entitled to reimbursement of engagement costs subject to the limit in each financial year specified in the Schedule of Rates. Members may vary the limit of the Engagement Provision up or down by a maximum of £5,000 each financial year, or by such sum as

determined following the uprating of the variation limit applied under paragraph 1.2.4, subject to the overall combined limit for the Engagement and Office Cost Provisions remaining within the overall set limit.

7. The SPCB are also invited to consider which option in relation to the new limit available to transfer by Members' they wish to implement from 1 April 2023. The options are:

**Option A:** - increase the amount from 1 April based on the increases for both 2022/2023 and 2023/2024 financial years (7.8% and 13.4%) equals a 21.2% increase to £6,060 maximum

**Option B:** - increase amount from 1 April based on this year's increase alone of 13.4% to £5,670 maximum

8. Time in the Chamber has been requested for the SPCB to lay the motion and it would be proposed that the portfolio member, Jackson Carlaw, do this on behalf of the SPCB once a time has been identified.

## Governance

9. In exercising its functions under the Scheme, the SPCB has the power to propose changes to the administration of the Scheme and the Scheme itself to Parliament for consideration.

## Resource implications

10. There are no financial implications of this change, whichever increase option is chosen, as any transfer of funds between the office cost provision and engagement provision must remain within the overall combined total each financial year and this change simply will allow the amount able to be transferred to remain in line with any increases made to the provisions.

## Publication Scheme

11. The paper can be published in line with the SPCB's Publication Scheme.

## Next steps

12. If the motion is agreed by the SPCB then officials will take forward arrangements for securing an agreed time to lay the motion before

Parliament and provide support to the portfolio member as necessary in doing so.

13. If the motion is subsequently agreed by Parliament, officials will advise Members of the new limit for transfer, as agreed by SPCB, and amend and publish the Scheme and Guidance accordingly.

## **Decision**

14. The SPCB is invited to agree

- the content of the proposed motion for changes to the Members Expenses Scheme;
- that the portfolio member should lay the motion on behalf of the SPCB at the agreed time; and
- which option for the level of increase they wish to implement.

**Allowances Office**

24 April 2023