



Review Body on Top Salaries

Report No. 9

Ministers of the Crown
and Members of Parliament
and the Peers' expenses
allowance: Part III

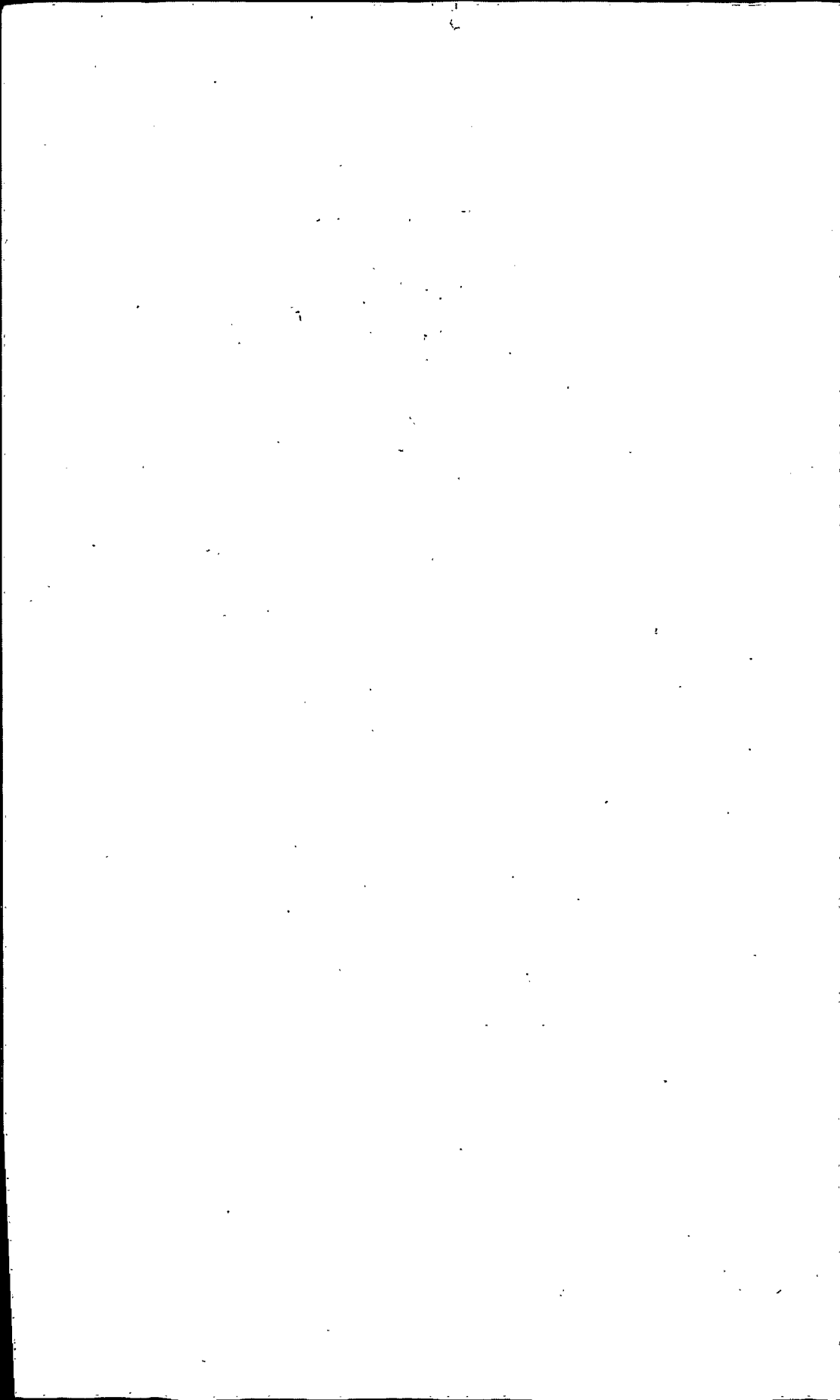
Chairman:
THE RT. HON. LORD BOYLE OF HANDSWORTH

*Presented to Parliament by the Prime Minister
by Command of Her Majesty
March 1977*

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REVIEW BODY ON TOP SALARIES

On 15 January 1975, the Review Body on Top Salaries was invited by the Prime Minister to review and recommend changes:

- (i) in the emoluments, allowances and expenses of Ministers of the Crown and Members of the House of Commons including Mr Speaker and other holders of remunerated offices in both Houses of Parliament together with the relevant pension arrangements, and
- (ii) in the rates and conditions of payment of the Peers' expenses allowance.

The first part of this remit was discharged in Report No. 7 and Report No. 8 which covered the salaries, allowances and pension arrangements of Members of Parliament, Ministers and paid office holders. This report covers the Peers' expenses allowance and completes the remit.

The members of the Review Body are:

The Rt. Hon. Lord Boyle of Handsworth, *Chairman*

H. W. Atcherley¹

Sir George Goldstream KCB, KCVO, QC

Lord Hirshfield

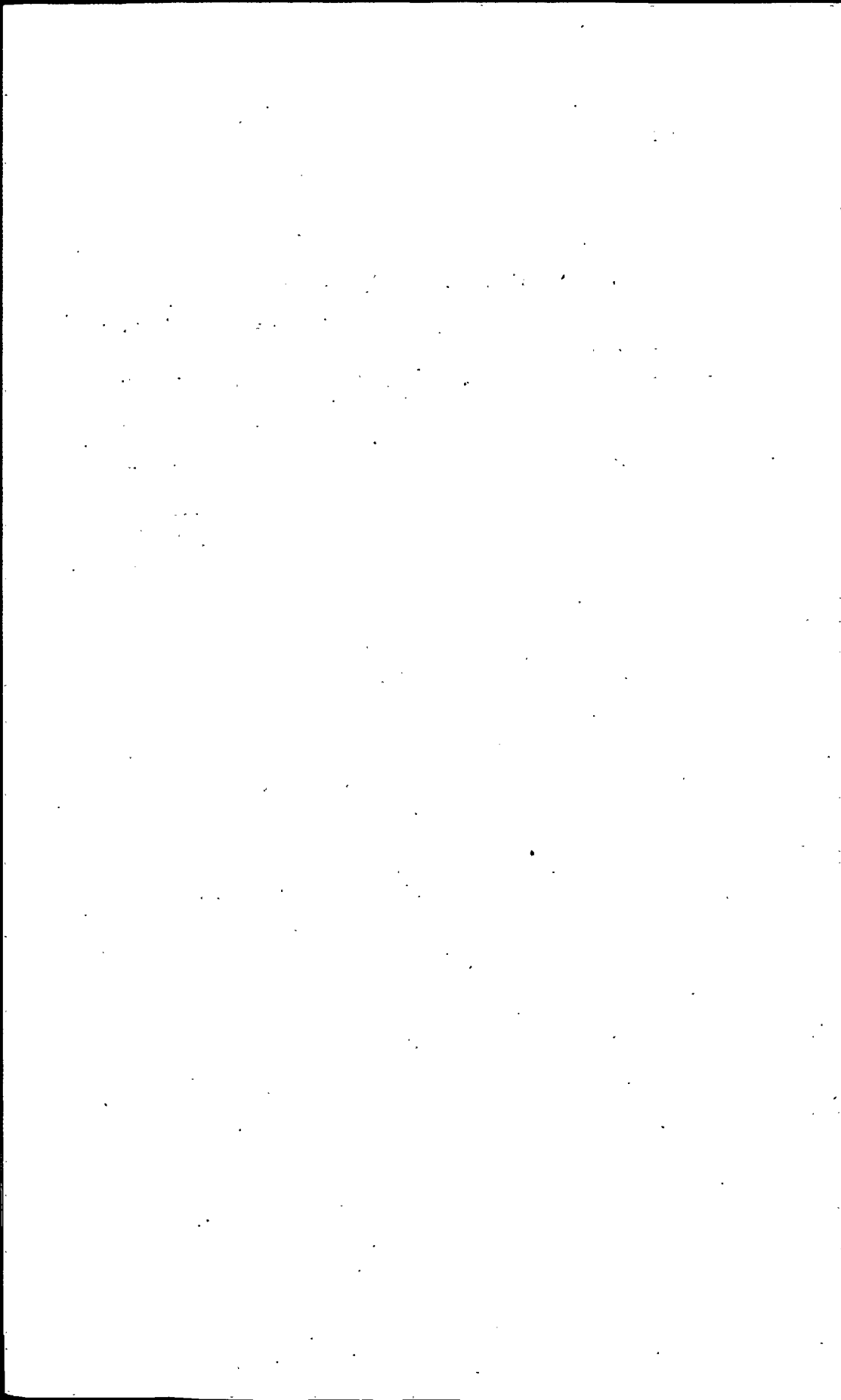
A. J. L. Lloyd QC

Lord Pritchard DL

Baroness Seear

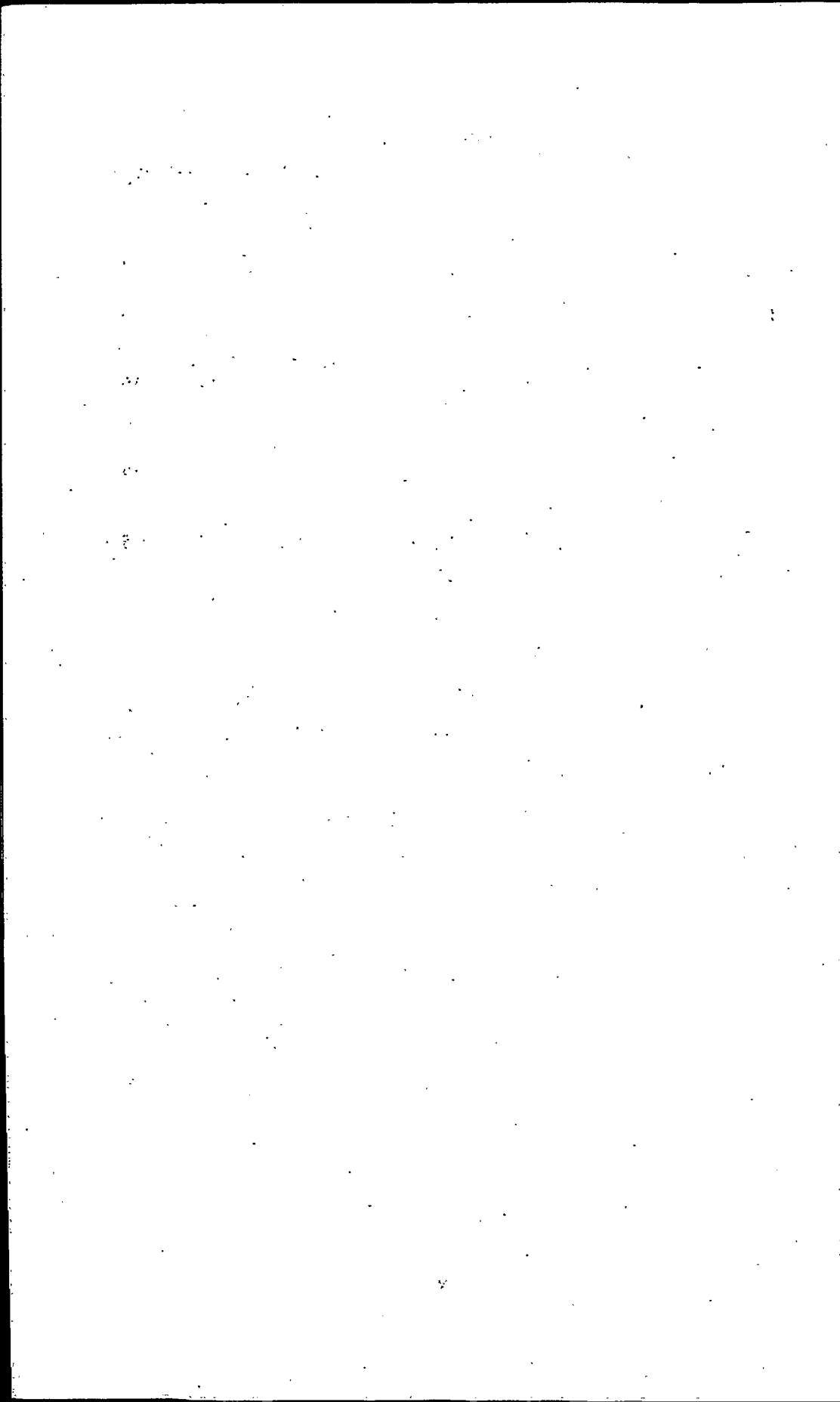
The Secretariat is provided by the Office of Manpower Economics.

¹Also Chairman of the Review Body on Armed Forces Pay.



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MINISTERS OF THE CROWN AND MEMBERS OF PARLIAMENT AND THE PEERS' EXPENSES ALLOWANCE: PART III

CHAPTER 1

INTRODUCTION

The background

1. We were invited by the Prime Minister on 15 January 1975 to review the remuneration and pensions of Ministers of the Crown and Members of Parliament, and the Peers' expenses allowance. We put forward recommendations in our Report No. 7¹ for the salary of Members, the Parliamentary salary of Ministers and paid office holders who are Members of the House of Commons, and for the main allowances and facilities; and in Report No. 8² for some further aspects of the allowances and facilities, the Parliamentary pension scheme, and the pay and pensions of Ministers and paid office holders in both Houses of Parliament. We now submit our recommendations for the Peers' expenses allowance and thus complete our review. The earlier parts of our remit have presented specific problems of some difficulty, but the Peers' expenses allowance has given rise to much wider problems that go beyond the immediate context and impinge, for example, on tax practice and constitutional issues.

2. This is the first review of the Peers' expenses allowance to have been undertaken by an independent body since the review by the Lawrence Committee³ in 1964, and it was made clear to us at the outset that we were expected to consider afresh the basic question whether reimbursement of expenses alone remained an appropriate system for the House of Lords. We consider the issue in Chapter 2. Prior to 1946, no provision existed for the reimbursement of any of the expenses incurred by Peers in attending the House of Lords. In 1946, the cost of rail fares between home and London became reimbursable (subject to an 'assiduity rule' which required attendance at a minimum of one-third of sittings: this requirement was dropped in 1972). In 1954, a detailed scheme was proposed that would have provided a taxable daily attendance allowance (payable subject to a minimum number of attendances) and would have allowed legitimate expenses to be offset against tax on the allowance. If this scheme had been adopted, it would have provided, inter alia, a form of remuneration for the work done which to some extent would have replaced earnings lost in other occupations through attending the House of Lords. In the event, the scheme was not adopted, not least because the taxation rules would not permit expenses incurred in attending the normal place of work (for example, the cost of overnight accommodation in London) to be set against tax on remuneration for that work. It would also have meant that reimbursement of the cost of travel to and from London would have become taxable. (We return to this point in paragraph 12). Although the concept of direct remuneration was examined in some detail on that occasion, it was not adopted

¹Review Body on Top Salaries, Report No. 7: Ministers of the Crown and Members of Parliament and the Peers' expenses allowance: Part I—Cmnd. 6136, July 1975.

²Review Body on Top Salaries, Report No. 8: Ministers of the Crown and Members of Parliament and the Peers' expenses allowance: Part II—Cmnd. 6574, July 1976.

³Report of the Committee on the Remuneration of Ministers and Members of Parliament—Cmnd. 2516: Chairman, Sir Geoffrey Lawrence.

in practice, nor has it been introduced since, both for these reasons and because of the constitutional implications which we discuss in Chapter 2.

3. Instead, an expenses allowance with a maximum of 3 guineas a day was introduced for Peers from 1 July 1957, following a Resolution of both Houses of Parliament. The maximum was increased to 4½ guineas a day with effect from 16 October 1964 in the light of a recommendation of the Lawrence Committee¹. Subsequent increases followed reviews by an unofficial Committee of Whips and the Select Committee on Leave of Absence and Lords' Expenses, which led to the introduction of new maxima of £6.50 (effective from 1 January 1970), £8.50 (1 January 1972) and £11.50 (1 August 1974). The present maximum of £13.50 a day was introduced as an interim measure (effective from 13 June 1975) pending completion of our review of the Parliamentary remit as a whole. We ourselves suggested this interim increase to meet what had clearly become a pressing problem for many Peers who needed to stay overnight in London in order to attend successive days' sittings: evidence from the returns to a questionnaire which we invited Peers to complete (paragraph 5) demonstrated that the existing maximum of £11.50 a day had become inadequate to cover the expenses of these Peers. At that time, the evidence indicated that an increase in the maximum to £13.50 a day would be justified, as an interim measure, pending the completion of our inquiries.

4. Some of the costs of attending the House of Lords are met separately from the expenses allowance. The cost of travel by public transport between home and Westminster is reimbursable but, since 1961, the alternative of claiming car mileage allowance for these journeys has been available to Peers. The car mileage allowance is linked to the rate for MPs (which in turn is linked to the highest rate of motor mileage allowance in the civil service for journeys on official business, following the recommendation in our Report No. 7²): it is currently 11.8p per mile.

Our inquiries

5. We sent a questionnaire to all Members of the House of Lords (other than those who had not received a writ of attendance and those who had been given leave of absence) in which we asked for information and views on a range of matters related to the Peers' expenses allowance. The response rate was 66 per cent. A summary of the results is in Appendix A.

6. We are grateful to all those who have made themselves available for discussion with us in the course of our inquiries, and to those from whom we have received written evidence. We are indebted to the members of an informal Advisory Group composed of Members of the House of Lords, under the chairmanship of the Rt. Hon. Lord Champion, which was set up at our request, and also to the Leaders of the three main Parties in the House of Lords: the advice from both sources has been of much value, as it has provided us with a number of views from within the House on particular matters relating to the Peers' expenses allowance. A list of individuals and organisations who gave oral evidence to us is in Appendix B.

¹ Report of the Committee on the Remuneration of Ministers and Members of Parliament—Cmnd. 2516: Chairman, Sir Geoffrey Lawrence.

² Review Body on Top Salaries, Report No. 7: Ministers of the Crown and Members of Parliament and the Peers' expenses allowance: Part I—Cmnd. 6136 (paragraph 38).

Implications of the current restraint measures

7. Our consideration of the Peers' expenses allowance is the final part of a comprehensive review that was begun, and partially completed, before the first and second year "Attack on Inflation" measures were introduced. We describe in the note that follows this chapter the way in which the allowance is affected by those measures notwithstanding the fact that it is not in any sense remuneration (whether by salary or fee) for the work done by Members of the House of Lords.

IMPLICATIONS OF THE ATTACK ON INFLATION MEASURES FOR THE RECOMMENDATIONS

(Note to Chapter 1)

The recommendations in this report are put forward against the background of the pay restraint measures outlined in the White Paper "The Attack on Inflation"¹ which operated from 11 July 1975 to 31 July 1976 and "The Attack on Inflation—The Second Year"² which operate from 1 August 1976 to 31 July 1977. These measures have implications for allowances that are designed to reimburse expenses, and therefore for the present review of the Peers' expenses allowance. Allowances that are designed to reimburse actual expenditure can be increased without having to count against the pay limits, provided that the increase does no more than reflect increases in the relevant costs. An increase which exceeds this or an extension in the scope or coverage of such an allowance has to count against the pay limits, which are related to total earnings. Under the measures that were in operation from 11 July 1975 to 31 July 1976, increases in remuneration were limited on an individual basis to a maximum of £6 a week subject to a ceiling of £8,500; under the current measures they are limited on an individual basis to a 5 per cent addition to earnings with a cash minimum of £2.50 a week (for those earning up to £50 a week) and a cash maximum of £4 a week without a ceiling, and maintain the requirement that a 12-month interval must elapse between major pay increases.

¹Cmnd. 6151, July 1975.

²Cmnd. 6507, June 1976.

CHAPTER 2

THE ISSUES AND OUR CONCLUSIONS

8. It was made clear to us that our terms of reference, which require us to review “the rates and conditions of payment of the Peers’ expenses allowance”, were intended to involve an examination of the continued suitability of the present arrangements as a whole and consideration of possible alternatives. The concept of a review of the system as a whole is central to our task: it has not been simply a matter of bringing up to date the maximum of an expenses allowance within which increased costs have to be accommodated. We have carried out the first thorough review for more than a decade of an arrangement which has, over that period, attracted a good deal of criticism, much of which has been ill-informed and based on misunderstanding of the purpose of the allowance.

9. Against this general background, we have considered afresh the basis on which the Parliamentary work of Peers should be recognised, including the case for some form of direct remuneration; the form of the arrangement for reimbursing the expenses incurred in the pursuit of Parliamentary business; and the coverage of the expenses that properly qualify for reimbursement. These issues are interdependent, and we deal with them in turn.

Direct remuneration or reimbursement of expenses?

10. It has been suggested to us in the course of our review that Peers should no longer be expected to carry out the duties required of them in conducting the business of the House of Lords without some form of direct remuneration. Suggestions on the form that this might take have included a salary as such, an annual or sessional ‘fee’, and a daily attendance allowance. Some of these proposals have assumed that any form of payment would be subject to minimum attendance requirements, and that the existing or modified arrangements for the reimbursement of expenses (including travel costs) would continue.

11. This point of view has force—particularly in relation to those Peers who devote a great deal of time and effort to the work of the House. However, it raises important issues of principle. Under our present Parliamentary system, in which the House of Lords is a non-elected Chamber, there are strongly held views and arguments that, on constitutional grounds, direct remuneration for Peers ought not to precede reform of the House of Lords. In this respect, we find ourselves in agreement with the view of the Lawrence Committee that a recommendation from an outside body in favour of the introduction of direct remuneration “might well amount to a recommendation on the reform of the House of Lords itself”¹. Clearly, such an implied recommendation would be well outside our terms of reference.

12. The concept of remuneration also raises important practical difficulties. Under the present system, reimbursement of certain expenses incurred by Peers in attending the House of Lords on Parliamentary business is acceptable free of tax *because* there is no office of profit. The payments in respect of most of these expenses, *including the reimbursement of travel costs*, would become liable to tax

¹Report of the Committee on the Remuneration of Ministers and Members of Parliament—Cmnd. 2516 (paragraph 158).

if any form of remuneration were introduced. The tax rules do not allow expenses payments to be free of tax where they are in respect of costs incurred in attending the 'normal place of work' which, for Peers, is the House of Lords. Members of Parliament and local government councillors have been suggested to us as parallels, but they are in fact in a very different position from Peers. Both have two places of work (the constituency and Westminster; and the ward and the Local Authority offices) and are therefore eligible for tax-free reimbursement of expenses incurred in attending their secondary place of work, notwithstanding the fact that they are directly remunerated.

13. For these reasons, partly constitutional and partly practical, we do not recommend the introduction of direct remuneration.

The form of reimbursement of expenses

14. We have received many suggestions¹ for modifying the form in which Peers' expenses are reimbursed. The majority of these have envisaged an allowance with two or more maxima to recognise the difference in the expenditure necessarily incurred by those Peers who, because of the location of their main home, are obliged to stay overnight in London between successive days on which the House is sitting, and those who are not. Most of these suggestions arose from concern that, while the maximum of the allowance had become inadequate to meet the expenses of those who needed to stay overnight in London away from their home, it ought not to be increased further in the form of a single maximum applicable to all Peers.

15. However, a differential allowance would give rise to practical difficulties. We have considered proposals based on different maxima for 'London' and for 'provincial' Peers, and others that aim to provide essentially the same division through differentials based on various combinations of geographical distance from London. But all such proposals involve arbitrary distinctions between individual Peers that do not always correspond with the amount of expenditure necessarily incurred by an individual in attending the House. As a broad principle, we regard such artificial distinctions as undesirable: they inevitably give rise to borderline cases and to a system of reimbursement that would be unnecessarily complex in the particular circumstances.

16. We believe that the desire for some form of differential arrangement arises in part from inadequate definition of the expenses that justify a claim against the allowance and those that do not. Consequently, there is quite widespread concern that the present system discriminates against those Peers who are obliged to stay overnight in London by requiring them to cover all their expenses, including the cost of the overnight stay, within the single maximum, whereas it is still open to Peers who do not have to stay overnight to claim up to the maximum for other expenses. Most of the proposals put to us were aimed essentially at separating the costs of a necessary overnight stay from the expenses that are common to all Peers.

17. This is clearly a valid distinction, and we therefore propose a modification to the present arrangements which, sensibly and flexibly operated along the

¹Those that were put forward in replies to the questionnaire are in Appendix A, Table 14.

lines we indicate in paragraphs 22 and 23, should meet both the needs of our present Parliamentary system and the varying needs of individual Peers.

The coverage of the allowance

18. We consider now the elements of expenditure that should be covered within the expenses allowance. These have never in fact been defined clearly. The 1957 Resolutions that introduced the allowance indicated that the object was to enable Peers (other than paid office holders) to recover "any expenses certified by them as incurred for the purpose of attendance at sittings of that House or of Committees, other than sittings for judicial business . . ."1. In the debate on the Resolution in the House of Lords at the time, the Leader of the House indicated that the expenses covered by the allowance included subsistence costs—"hotel charges, meals and so forth"—and miscellaneous travelling costs "such as taxi fares or petrol and oil for journeys to and from the Palace of Westminster . . ."2. (The petrol and oil costs became separately covered through the introduction in 1961 of the car mileage allowance). Clarification of this broad definition was sought later in the debate, particularly in relation to the expenses that could be claimed by a Peer who lived in London compared with one who lived elsewhere. The outcome was summarised by the Leader of the House in these terms: "we should not try today to define too closely what expenses will qualify—in other words to try to say what expenses should be put down by a noble Lord who lives in the country and what expenses should be put down by a noble Lord living in London"3. The problem of coverage thus remained.

19. In 1964, the Lawrence Committee drew attention to the difficulties created by this approach, and saw the description of the coverage of the allowance as leaving room for "some ingenuity of argument"4. The Committee based its conclusions on the terms of the 1957 Resolution (expenses incurred "for the purpose of attendance . . ."), but did not attempt to define precisely the expenses that the wording should cover. However, the Committee referred to current prices of "subsistence costs, i.e. charges for meals and lodgings in London at a standard not extravagant but appropriate to the dignity of the House (to which must be added miscellaneous costs such as taxi and bus fares)"4, in support of the increase recommended in the maximum. Later reviews within the machinery of the House of Lords have been based on the concept that the maximum of the allowance covered subsistence costs, incidental expenses and those travel costs that were not separately reimbursed: increases in the maximum have been judged against movements in the highest rate of overnight subsistence allowance in the civil service, in the corresponding rate for daytime subsistence and in the fares item within the general index of retail prices.

20. We have described the background in some detail to illustrate the continuing lack of clarity on the precise coverage of the Peers' expenses allowance that results from the absence of any specific definition in the past. Certainly, we have observed during the current review that a great deal of confusion

1House of Commons Hansard, Volume 573, 9 July 1957 (column 227).

2House of Lords Hansard, Volume 204, 8 July 1957 (column 767).

3Ibid. (column 781). As one Peer put it in the debate, "that kind of thing settles itself".

4Report of the Committee on the Remuneration of Ministers and Members of Parliament—Cmnd. 2516 (paragraph 165).

remains about the nature of expenses that can properly be claimed and hence wide differences of practice in relation to claims exist between individual Peers. We have come to the conclusion that circumstances now require a clear exposition of the range of admissible expenses. We believe that the great majority of Peers will welcome this. We also consider it right to draw attention to certain items of expenditure which ought to be excluded specifically from the scope of the allowance.

21. Before we discuss individual items of expenditure in detail, it is necessary to return briefly to the basis on which reimbursement of Peers' expenses is acceptable as free of tax. This hinges on the fact that, in their capacity as Members of the House of Lords, Peers are unpaid: in this situation, the Inland Revenue accept reimbursement of expenses as free of tax so long as the reimbursement does no more than 'fill the hole in the pocket' that results in this case directly and necessarily from carrying out Parliamentary business as a Member of the House of Lords. We have taken all the necessary steps to satisfy ourselves that the elements which we include within the scope of the allowance meet this criterion and consequently that no new taxation implications arise.

Items covered by the allowance

22. As we see it, the following items are eligible to be claimed against the expenses allowance: overnight subsistence; daytime subsistence; incidental travel; secretarial costs; postage; and certain additional expenses (which we define in paragraph 33). We deal below with each of these items, but we should at this point make clear our intentions regarding the operation of the allowance. We see it as appropriate for the eligible items to be divided into the following groups:

- (i) overnight subsistence;
- (ii) day subsistence and incidental travel;
- (iii) secretarial costs;
- (iv) postage and the additional expenses which are defined in paragraph 33.

We have allocated a daily maximum to each group to replace the present single overall maximum. The first two groups consist of items on which expenditure is closely linked to actual attendance at the House of Lords. Claims should therefore relate to expenditure incurred on a day-to-day basis; that is, only the actual expenditure incurred on each day (within the daily maximum for the group) may be claimed, and one day's costs for the group that are above the daily maximum should not be offset against another day's costs that are below it. At least some of the expenditure on items in the third and fourth groups, however, will be incurred away from Westminster, but as a direct consequence of membership of the House of Lords and the pursuit of Parliamentary business: we consider that expenditure incurred in these circumstances should fall within the scope of the expenses allowance. Furthermore, expenditure on items in these groups will not always be related closely to days of attendance at Westminster: to meet this situation, actual expenditure incurred over a period may be claimed (subject to the existing requirement that claims must be made within 3 months of incurring the expenditure), provided that the product of the individual group maximum and the number of days of attendance at Westminster is not exceeded.

In either case, the maximum for a group that includes more than one eligible item may be allocated between the items as necessary to meet actual expenditure.

23. Four of us¹ consider that a four group arrangement based on headings (i) to (iv) above would be appropriate for claiming reimbursement and we consider that this follows logically from the approach in the previous paragraph. It would provide a sufficient measure of flexibility and it would not, we believe, give rise to practical problems for the House authorities. On the other hand, three of us² prefer a division of the relevant items into three groups instead of four, by combining groups (iii) and (iv)—that is those items for which expenditure can be claimed over a period—in a single group. This would provide a single maximum for those two groups and therefore a greater measure of flexibility in the operation of the allowance. In neither a ‘four group’ nor a ‘three group’ arrangement do we envisage that Peers should be required to produce vouchers for expenditure in relation to claims against the allowance. But we suggest that it would be helpful to them if the form on which claims are made were modified to list the groups of eligible items—whether the claim covers a day, a week, a month or a longer period—in order to facilitate calculation of the total claim.

Overnight subsistence

24. It has been the clear intention from the outset to provide for basic subsistence costs within the expenses allowance: that is, the cost of main meals during the day and, where necessary because attendance at the House involves absence from the main home, of overnight accommodation. It is obviously essential to the proper working of the House of Lords that an adequate number of Peers, irrespective of where they live, should be able to attend the House at times when business continues late into the evening. Just as it would be wrong in principle to deter Peers who live beyond normal daily travelling distance of Westminster from taking part in business on these occasions, so it would be wrong, and in any case impracticable, to have to rely always on those Peers who live in or near London to be in attendance.

25. We regard it as appropriate to make provision for overnight expenses as a separate item within the allowance. (Daytime subsistence expenses can be incurred by all Peers and are included in a different group). As we have said (paragraph 22), the amount we have allocated to overnight subsistence should be regarded as a specific daily maximum within which only actual expenditure on a particular day may be claimed. Those Peers who live long distances from London will normally find it necessary to stay overnight between successive days’ sittings of the House: we consider it right that they should be able to claim against the overnight element within the allowance whether they stay in a club or hotel, or whether they have private accommodation (other than their main home) in London—in which case it must be used wholly or mainly for this purpose. In the latter case, the number of nights necessarily spent in London on Parliamentary business would of course still govern the maximum amount which could be claimed. We do not rule out the possibility that Peers who live within normal daily travelling distance of Westminster may claim occasionally

¹Lord Boyle, Mr. Atcherley, Sir George Coldstream and Mr. Lloyd.

²Lord Hirshfield, Lord Pritchard and Baroness Seear.

for the cost of overnight accommodation: we have in mind such occasions as late-night sittings when it would be impossible or impracticable to return home on the same night. This approach should also be adopted for Peers who may have to stay overnight on the occasion of late-night sittings in the same circumstances where there is no sitting on the following day¹. In either case, we take the view that sensible interpretation of individual cases should be left to Peers themselves and to the House authorities.

26. In considering a daily maximum for overnight subsistence (and a suitable element within the maximum of the group that includes daytime subsistence) we have had regard to the additional costs allowance that is available to Members of the House of Commons. This allowance is expressed as an annual maximum amount, but it has its basis in the highest rate of overnight subsistence allowance in the civil service for regular visitors to London. This base rate (currently £14.15 a day) covers subsistence costs for a 24-hour period and therefore provides a broad check on the appropriate provision for both the day and the overnight subsistence elements within the expenses allowance. However, we have also taken account of the fact that the maximum of the MPs' additional costs allowance is now adjusted automatically in line with movements in the relevant civil service rate whereas we do not see a link of this kind as consistent with the form of Peers' expenses allowance that we recommend. As we have some evidence which suggests to us that hotel charges have already increased since the relevant civil service rate was last adjusted (with effect from 1 July 1976), we consider that £11.00 is an appropriate maximum for the overnight subsistence element,

Daytime subsistence and incidental travel costs

27. **Daytime subsistence.** We see it as appropriate to make provision for these costs within a group which also covers incidental travel costs. Claims within the maximum for this group should relate to actual expenditure on a particular day, but they may be divided between subsistence and travel costs in accordance with the expenditure incurred.

28. **Travel.** Separate provision is made for the basic costs of travel between home and Westminster, either by reimbursement of public transport fares or by payment of car mileage allowance. These costs can be substantial and, of course, vary greatly between individual Peers. Clearly, it would not be practicable to attempt to provide for them within the expenses allowance, and separate provision should continue to be made. But in addition incidental travel costs—including the cost of travel by taxi—can also be substantial. It is right in our view that the expenses allowance should likewise continue to make provision for the costs of such travel.

29. We consider that the appropriate daily maximum provision for daytime subsistence and incidental travel costs is £6.50.

Secretarial costs

30. Some 22 per cent of the Peers who replied to our questionnaire suggested that secretarial costs should be recognised specifically as a proper claim

¹This would apply, for example, if the business of the House necessitated an overnight stay on a Thursday night.

against the maximum of the expenses allowance¹. Our survey shows that the need for expenditure on secretarial assistance varies widely between Peers and it will also vary from time to time for individual Peers; but it is clear to us that the cost of secretarial assistance can be a very real burden, particularly to those who devote a great deal of time and effort to House of Lords' business, whether through involvement in European Economic Community matters or in the important issues that Members of the House of Lords are in a position to bring to public and Parliamentary attention. We are mindful also of the fact that at certain times of the year the legislative burden on the Lords can be very heavy, and it is in the public interest that the most active Peers should have adequate resources to undertake the necessary scrutiny of major bills. In the light of this, we conclude that, where secretarial costs are incurred, they should be recognised within a maximum limit.

31. We have considered whether secretarial support should be provided either by a separate allowance with a separate maximum or by a centrally provided service at Westminster. A separate allowance which required separate administration would, however, introduce an unnecessary complication and a facility at Westminster would not help those Peers whose need for secretarial support may arise primarily when they are pursuing Parliamentary business away from Westminster. We therefore conclude that the expenses allowance should include an element to defray the cost of secretarial help and, where appropriate, the cost of providing necessary equipment. We have therefore made provision for a daily maximum amount of £4.00 which we would expect to meet the likely secretarial needs on Parliamentary business of most Peers. In this case, however, we do not intend that the maximum should operate as a rigid limit in relation to claims against a particular day's attendance, but that claims for reimbursement of actual expenditure should be set against a number of days' attendance subject only to the limit of a maximum allowance for secretarial costs at the rate of £4.00 per day of attendance, and to the existing requirement that claims must be made within three months of incurring the expenditure (paragraph 22).

Postage and certain additional expenses

32. **Postage.** Under the present arrangements, stationery for use on Parliamentary business is provided free of charge. However, unlike MPs in the same circumstances, Peers have to pay their own postage costs. It is obvious that the conscientious and hard-working Peer is bound to incur such costs, which can be substantial, in the course of conducting House of Lords' business and we consider that these should be eligible as a claim within the expenses allowance. Naturally, the amount spent on postage varies. Over time, it may be substantial but, expressed as a daily maximum, the amount involved is relatively small. For the purpose of claims against the allowance, therefore, we have included postage costs in a group with certain additional expenses, which we define below (paragraph 33).

33. **Certain additional expenses.** Our inquiries also suggest that one or two items give rise to a real cost for those Peers who are most active in pursuit of Parliamentary business and in preparing for debates when away from West-

¹Appendix A, Table 17.

minster. We have in mind the additional domestic costs that arise in consequence of attendance at the House, particularly in relation to a Peer who sets aside part of the home as an office for this purpose (as individual Peers have told us that they do). In some occupations, and generally in relation to those who are self-employed or fee-earning, the resultant costs can be set off against tax on income. Peers have no income from their membership of the House of Lords, and we consider that, where such costs are genuinely incurred in the pursuit of Parliamentary business, they should be eligible claims on the expenses allowance within a maximum amount. We also take the view that it is impossible for a Peer who is closely involved in House of Lords' business to be equipped satisfactorily to deal with that business without incurring some expenditure on personal briefing: we consider that there would be widespread agreement that a revising Chamber should be a well-briefed Chamber. We have in mind the purchase of books and periodicals or the payment of a professional subscription relevant to a specialist interest directly related to Parliamentary duties. We consider that such expenses should be eligible claims against the expenses allowance, subject also to a maximum amount.

34. We have allocated a daily maximum of £3·00 in respect of postage costs and these additional items (paragraph 33). As in the case of secretarial costs, the maximum is not a rigid limit for each particular day's attendance: claims for reimbursement of actual expenditure over a period (within the existing arrangements) may be set against a number of days' attendance subject to a maximum total amount related to the daily maximum and the number of days of attendance and, in this case, subject also to the measure of flexibility between items within a group which we have described (paragraph 22).

35. We now turn to a different but connected matter: at present, inland telephone calls on Parliamentary business may be made by Peers free of charge from Westminster. It would, in our view, be appropriate for this arrangement to be extended to certain overseas calls in line with the arrangement recommended for the House of Commons in our Report No. 8¹. We take this opportunity to spell out the intention of that recommendation which referred specifically to telephone calls on Parliamentary business from the House to other countries of the European Economic Community. It is our intention that the definition should be interpreted as covering all Parliamentary business: it would, for example, cover calls on Parliamentary business connected with Western European Union affairs, or calls on Parliamentary business to the headquarters of the Council of Europe.

Items not covered by the allowance

36. We now deal with those major items which have been suggested to us as appropriate for inclusion within the scope of the allowance but which we consider should be excluded.

37. **Hospitality.** We have received many representations during this review that entertainment expenses should be an allowable charge against the Peers' expenses allowance, and we noted that the returns to our questionnaire indicated

¹Review Body on Top Salaries, Report No. 8: Ministers of the Crown and Members of Parliament and the Peers' expenses allowance: Part II—Cmnd. 6574 (paragraph 21).

that some Peers incur substantial expenditure on this account¹. The argument in support of this approach is that the proper execution of Parliamentary business from time to time obliges Peers to take soundings of views from parts of the community likely to be affected by legislation that is before Parliament, and in these circumstances there can be an obligation to invite representatives to the House for discussion and to provide hospitality there.

38. However, we have had to bear in mind the wider implications of including the cost of hospitality as an eligible item within the Peers' expenses allowance. There is a problem of definition. We have been told by the Inland Revenue that very strict treatment for tax purposes is accorded to all forms of entertainment expenditure in the context both of companies and of individuals. It would be necessary to establish that the expenditure had arisen directly out of the office or was reasonably connected with it. In the context of the House of Lords it would not be practicable to define categories of hospitality that would automatically meet these requirements, and it would be very difficult to identify a realistic maximum amount that would be appropriate to all Peers. From the point of view of preserving the tax-free nature of the Peers' expenses allowance as a whole, claims on this account would be subject to examination: obviously, this would give rise to practical difficulties and would bring with it the need for vouching and for other individual checks which, as we have said (paragraph 23), we do not regard as appropriate.

39. We have also had very much in mind the position of Members of the House of Commons, who will incur at least as much expenditure of this kind as do Members of the House of Lords: they have no hospitality allowance, nor are they able generally to set off entertainment expenditure against tax on their salaries, because of the difficulty of establishing to the satisfaction of the Inland Revenue that each item claimed met the Schedule E taxation criterion of having been incurred wholly, exclusively and necessarily in the pursuit of Parliamentary business.

40. We have concluded that it would not be appropriate to attempt to provide for reimbursement of the cost of any form of hospitality within the Peers' expenses allowance. Nevertheless, we are aware that occasions will arise when some Peers will find that it is virtually impossible to avoid incurring some expenditure on this account as a result of their position in Parliament; for instance, occasions such as reciprocal visits of overseas Parliamentary delegations where an obligation arises to return a suitable measure of hospitality at *Westminster*. In circumstances of this kind, there is a strong case for the provision of such hospitality by Parliament itself: this possibility ought to be examined further in the context not only of the House of Lords but of Parliament as a whole.

41. **Loss of earnings.** It has also been put to us that Peers should be able to claim against the expenses allowance for loss of earnings. We have considered this carefully, but we conclude that the inclusion of an element which would amount to a replacement of earnings would not be consistent with the basic concept of the allowance, which is to fill the 'hole in the pocket' created through *extra expenditure* directly and necessarily arising from attendance at the House

¹Appendix A, Table 17.

of Lords and the pursuit of Parliamentary business. Moreover, given the range of earnings of individual Peers, the effect of a provision of this kind would vary widely; and it would be related primarily to outside factors and therefore less directly to the pursuance of House of Lords' business than are the other elements within the allowance. In the light of these considerations, we do not consider that Peers should be able to claim for loss of earnings against the expenses allowance.

42. **Other expenses.** It has been suggested to us that facilities on the lines of those available to MPs should be provided to enable the wives or husbands of Peers to travel occasionally to Westminster to attend official functions. But there is a significant difference between the position of an MP's wife or husband, where regular involvement in the practical constituency side of the Member's job is normal, and the position of a Peer's wife or husband, since Peers have no direct representative function. We do not recommend, therefore, the introduction of an arrangement of this kind.

43. We have also noted that disabled Peers frequently incur additional expenditure in attending the House of Lords, because of the need for special travel arrangements or to stay in hotels with particular facilities. However, as with disabled Members of the House of Commons¹, we consider that in this case the problems of particular disabilities can best be considered within the machinery of Parliament itself.

The new arrangements

44. **Recommendations.** We recommend that expenditure on the following items should be eligible to be claimed against the Peers' expenses allowance: overnight subsistence (where an overnight stay in London is necessary because of attendance at the House of Lords on Parliamentary business); daytime subsistence; travel (other than travel for which the costs are separately reimbursed or which attracts payment of the car mileage allowance); secretarial assistance (including, where appropriate, the cost of necessary equipment); postage; and certain additional expenses (additional domestic and 'personal briefing' costs defined in paragraph 33) incurred in pursuit of House of Lords' business. For the purpose of claims against the allowance, the eligible items should be divided into four groups, each with an individual daily maximum as follows:

- (i) overnight subsistence (maximum—£11·00)
- (ii) day subsistence and incidental travel (maximum—£6·50)
- (iii) secretarial costs (maximum—£4·00)
- (iv) postage and certain additional expenses (maximum—£3·00)

Claims against items in the first and second groups should be restricted, within the daily maxima, to the amounts actually incurred on an individual day of attendance at the House of Lords. Claims against items in the third and fourth groups may be arranged to recover actual expenditure over a period whether incurred at or away from Westminster, subject to the existing requirement that claims must be made within 3 months of incurring the expenditure and to the

¹Review Body on Top Salaries, Report No. 8: Ministers of the Crown and Members of Parliament and the Peers' expenses allowance: Part II—Cmnd. 6574 (paragraph 11).

limit provided by the daily maximum for the group and the number of days of attendance at Westminster. In all cases where a group contains more than one item, actual expenditure incurred on individual items may be claimed provided that the maximum for the group is not exceeded. As we explain in paragraph 23, a minority of us would prefer groups (iii) and (iv) to be combined in a single group with a single maximum. In neither case do we envisage a necessity for the vouching of expenditure in relation to claims against the allowance. We exclude from the scope of the allowance expenditure incurred on hospitality, on travel for a Peer's wife or husband, and loss of earnings. We recommend that future reviews of the Peers' expenses allowance should take place at intervals of not more than two years.

45. We believe that the modifications we propose to the existing arrangements will be in accord with the needs both of Parliament and of individual Peers. Under the new arrangements claims must, of course, continue to be restricted to expenditure that has actually been incurred, within the limits that we have indicated. This means that in no circumstances could a claim be made against the expenses allowance for an amount in excess of £24.50 in respect of a single day's attendance including a necessary overnight stay in London and away from the main home; or, in the case of Peers whose main home is in or within normal daily travelling distance of London, for an amount in excess of £13.50 save in the particular circumstances defined in paragraph 25. We see it as important that the working of the allowance and the maxima within it should be reviewed at regular intervals and should be judged on each occasion against the factors and circumstances appropriate at the time.

CHAPTER 3

SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

46. In Chapter 1 we describe the background to this report which completes the review under our Parliamentary remit which we began in January 1975. We outline the history of the Peers' expenses allowance (paragraphs 2-4) and describe our inquiries during the current review (paragraphs 5-6). The implications of the 1975 and 1976 restraint measures for our recommendations are described in a Note to Chapter 1.

47. We assess the issues and put forward our conclusions in Chapter 2. We explain that, from the outset, the object has been to carry out a fundamental review of the system and not simply to bring up to date the existing maximum of the expenses allowance (paragraph 8). We discuss the question of some form of direct remuneration for Members of the House of Lords which was last considered in 1963-64; but, partly for constitutional and partly for practical reasons, we do not recommend its introduction (paragraphs 10-13). We consider various suggestions that have been made to us in the course of our review for an expenses allowance with differential maxima. We conclude that much of the support for a change on these lines has arisen because of lack of clarity about the exact nature of the expenses that can properly be claimed against the allowance, and consequent concern that the present system discriminates against Peers who are obliged to stay overnight in London away from their home and to cover all their expenses, including the cost of the overnight stay, within the single maximum (paragraphs 14-16). We propose a modification to the present arrangements designed to meet this situation (paragraph 17).

48. We review the coverage of the expenses allowance and we note that it has not hitherto been defined clearly, and that a great deal of confusion and some differences in claiming practice exist (paragraphs 18-20). We specify the purpose of the allowance as reimbursement of expenditure on subsistence (including the cost of staying overnight in London where necessary); travel costs (other than those that are separately reimbursed or that attract payment of the car mileage allowance); secretarial costs; and postage and certain additional expenses that are related to additional domestic and personal briefing costs incurred in the pursuance of House of Lords' business away from Westminster (paragraphs 22-34). These items should be divided into groups (which may consist of one item only), each with an individual daily maximum. For those groups that provide for expenditure that is closely related to attendance at Westminster, claims against the group maximum must relate only to expenditure incurred on a particular day of attendance. Where eligible expenditure can also be incurred away from Westminster and over a period, it may be recovered over a period, subject to the limitation imposed by existing provisions for claiming and by the group maximum and the number of days of attendance. In

either case, the maximum for a group that contains more than one item may be allocated as necessary between items. Four of us consider that claims against the allowance should be made on the basis of the four groups envisaged, although three of us prefer a division of the relevant items into three groups for the purpose of claims, by providing a single maximum for those items on which expenditure can be incurred and recovered over a period. We suggest that the claim form should be modified to list the grouping of the eligible items (paragraph 23).

49. As we have recommended for Members of Parliament, the arrangement for free telephone calls from the House on *Parliamentary business* should be extended to calls to other countries of the European Economic Community (paragraph 35). We also indicate certain items of expenditure that should be specifically excluded from claims against the Peers' expenses allowance (paragraphs 36-43). These include expenditure on hospitality. However, we suggest that Parliament itself might make appropriate provision for hospitality in certain circumstances, and that this possibility should be examined further. Both loss of earnings and the travel costs of wives or husbands of Peers are also excluded from the coverage of the allowance. We consider that the question of special additional assistance for disabled Peers is not appropriate to a review of this nature and that it can best be considered within the machinery of Parliament itself.

50. We recommend that the allowance should cover the items of admissible expenditure which we have identified, and that those items should be grouped for the purpose of claims against the allowance into the four groups that the majority of us consider appropriate (paragraph 44). We also specify the daily maximum amounts applicable to each group of eligible items, and recommend that future reviews of the Peers' expenses allowance should take place at intervals of not more than two years.

51. Finally, we should like to take the opportunity to counter some of the serious misconceptions that are frequently repeated in the newspapers and over the air. We have observed during the course of this review that an impression exists outside Parliament—and, indeed, that it has been fostered over the years—that the Peers' expenses allowance is a daily attendance fee that Peers can claim as of right by attending the House of Lords. The impression is false, but it has persisted in spite of periodic restatements of the facts—for example by the Lord Privy Seal in the House in July 1975, when he said, "I take this occasion again to stress that the purpose of the Peers' Expenses Allowance . . . is to cover the reimbursement of expenditure incurred in attending the House. It is not a flat rate attendance allowance"¹. It cannot be emphasised too strongly that this is the position: the allowance has always been a *maximum* daily amount against which Peers can claim reimbursement of at least some of the expenses that they have actually incurred in attending to Parliamentary business. The claiming of these expenses has not required detailed documentation of expenditure: nor would we consider this appropriate for the future. But the lack of clarity in the past about types of expenditure that can be claimed properly and those that

¹House of Lords Hansard, Volume 896, 24 July 1975 (column 438).

are excluded has only added to the misunderstanding, both inside and outside Westminster. We believe that our approach to the allowance, and the recommendations we put forward in this report, should help to clear up this misunderstanding without resort to unnecessarily complicated procedures.

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2 December 1976

APPENDIX A

SURVEY OF THE CIRCUMSTANCES OF MEMBERS OF THE HOUSE OF LORDS AND OF THEIR VIEWS ON THE PEERS' EXPENSES ALLOWANCE

*(Carried out by the Office of Manpower Economics on behalf of the
Review Body on Top Salaries)*

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Introduction

1. Questionnaires were sent on 21 March 1975 to 840 Members of the House of Lords¹ for return by 11 April 1975. Replies were received from 565 Members but 14 of these did not contain sufficient information for the purpose of this analysis and were omitted. The response rate for the 551 questionnaires analysed was high at 66 per cent, although not quite as high as the 70 per cent achieved in the survey of Members of Parliament also carried out early in 1975². The response rate from office holders³ was higher than from Life Peers, which in turn was higher than from hereditary Peers; the response rate from those attending for more than one-third of sittings was also higher than the response rate from less frequent attenders (Table 1).

2. In general, the questionnaires were completed satisfactorily but difficulty arose over the question about hours spent on Parliamentary work. The questionnaire asked for information on average weekly hours of attendance at the House of Lords and on average weekly hours spent outside the House on Parliamentary business since the beginning of the current Parliament (October 1974) to end-February 1975; but it was apparent that a number of Peers had given either the average hours per day or the total hours during the period (or in some cases during the year to end-February 1975). As far as possible, the replies were put onto a consistent basis: some Peers were uncertain of the exact number of days on which they had attended the House of Lords during the year to end-February 1975 and many suggested that the information could be obtained from the Accountant to the House of Lords and this was done.

3. The survey asked for information under four heads on average expenditure incurred for the purpose of attendance at sittings or Committees of the House of Lords: travel to and from the House (excluding reimbursed rail or air fares); personal subsistence other than accommodation; accommodation in hotels, clubs etc.; and private accommodation (other than a main home). To enable total daily expenditure to be calculated, the reported expenditure on private accommodation (which was requested for a period of twelve months to end-February 1975) was converted to a daily basis. A divisor of 365 was used (Tables 6A, 6B and 11) but it could be appropriate to use as a divisor the number of days (118) on which the House of Lords sat in the period, particularly if private accommodation were maintained solely for purposes of attendance at the House and results on this basis are included in Table 11 and the footnotes to Table 6B. The questionnaire did not specifically exclude expenditure on travel by car (which attracts payment of the car mileage allowance) and in some cases expenditure of this kind could not be excluded from the analysis: consequently,

¹All Peers other than those who had not received a writ of attendance and those who had been given leave of absence.

²Review Body on Top Salaries, Report No. 8: Ministers of the Crown and Members of Parliament and the Peers' expenses allowance: Part II—Cmnd. 6574, July 1976 (Appendix A).

³For the purposes of this survey, views on the operation of the Peers' expenses allowance were sought from paid office holders in the House of Lords. In this context, office holders include Ministers, Parliamentary Secretaries and Parliamentary Under Secretaries of State, the Chief Whip and Deputy Chief Whip, Government Whips, the Leader of the Opposition, the Opposition Chief Whip, the Lord Chairman of Committees and the Principal Deputy Chairman of Committees, none of whom were entitled to claim against the Peers' expenses allowance at the time of the survey (but who have since become entitled to claim up to £700 a year). Also included are Lords of Appeal (who are not entitled to claim against the Peers' expenses allowance, and whose salaries are covered under our standing terms of reference).

the distributions of expenditure incurred on travel to and from the House (Table 7) show larger percentages of Peers having a higher level than would otherwise have been the case and the average expenditures (Tables 6A and 6B) are also higher than they would otherwise have been.

4. The questionnaire itself is not reproduced in this Appendix but the order and wording of the tables closely reflect it. There were variations in the response rate to different questions and these are shown in the tables. Inevitably, the replies were influenced to some extent by the nature of the questions and must be interpreted accordingly. For example, the three specific questions about the Peers' expenses allowance (Table 13) attracted much higher responses than the general question asking for proposals on the level of the maximum (Table 15).

5. The response to invitations to put forward comments or proposals also varied. Some Peers did not reply and others made more than one comment or proposal in response to each invitation and these are analysed separately within the same table: a few of the comments or proposals have been transferred in the analysis of the replies from one question to another where this was found to be more appropriate.

6. Totals may not precisely equal the sum of the components where figures have been rounded. The following symbols are used in the tables:

— Nil

0 Less than half the final digit shown

.. Not available

All Peers: Response to questionnaire

TABLE 1

	Total number at 1 March 1975	Number returning questionnaire	Response rate
	Number	Number	%
<i>Office holders</i>			
Minister	7	5	71
Parliamentary Secretary or Under Secretary	3	3	100
Other office holder	11	10	91
Lord of Appeal	12	7	58
Total, office holders	33	25(a)	76
<i>Not holding office</i>			
Spiritual Peer	26	21	81
Life Peer: former office holder	..	21	..
Other Life Peer	..	146	..
Total, Life Peers	257	188	73
Hereditary Peer: former office holder	..	40	..
Other hereditary Peer	..	298	..
Total, hereditary Peers	550	338	61
Total, not holding office	807	526	65
<i>All Peers</i>			
Sittings attended in previous year:			
Over one-third	316	253	80
One-third or less	524	298	57
Total, all Peers	840	551(b)	66

(a) 19 Life Peers and 6 hereditary Peers.

(b) A further 14 questionnaires were returned but they did not contain sufficient information for the purpose of this analysis.

TABLE 2

All Peers: Percentage distributions of age, years of service and distance from London of main home

	Office holders	Not holding office		All
		Life Peers	Hereditary Peers	
	%	%	%	%
Age (years)				
Under 40	4	1	9	6
40-49	4	2	17	11
50-59	16	11	25	20
60-64	32	21	10	15
65-74	40	48	26	34
75 and over	4	18	14	15
Years of service				
Under 2	24	21	5	11
2- 9	32	47	22	31
10-19	24	31	32	31
20 or more	20	1	41	26
Main home				
In London	36	30	16	22
Within 50 miles	12	19	17	18
51-100 miles	28	15	24	21
101-200 miles	4	14	16	15
201-300 miles	4	12	9	10
Over 300 miles	16	10	17	15
All outside London	64	70	84	78
All (number)	25	188	338	551

**All Peers: Percentage distributions and average number of days of attendance at the House of Lords
by age, years of service and distance from London of main home**

	Days of attendance on Parliamentary business in the year to end-February 1975													All ranges (100%)	Average number of days of attendance
	0	1-4	5-9	10-19	20-29	30-39	40-49	50-74	75-99	100-117	118-120	121-130(a)	131 or more (a)		
	%	%	%	%	%	%	%	%	%	%	%	%	%	Number	Days
Not holding office															
Age															
Under 40	—	14	14	14	11	7	7	11	11	4	7	—	—	28	40
40-49	5	13	11	13	13	7	2	16	11	8	—	—	—	61	38
50-59	6	14	15	17	14	3	6	7	9	8	1	—	1	101	34
60-64	2	13	8	11	10	10	2	18	18	7	—	2	—	61	45
65-74	1	9	7	13	13	7	8	13	11	16	1	1	—	167	48
75 and over	4	10	4	10	4	4	9	17	16	12	9	—	1	77	58
Years of service															
Under 2(b)	4	8	16	20	20	4	8	4	12	4	—	—	—	25	30
2-9	2	10	12	14	11	7	4	13	13	10	2	1	1	163	43
10-19	3	8	8	10	12	4	6	14	15	14	3	1	1	167	52
20 or more	4	18	6	15	9	8	8	13	9	9	1	—	—	140	38
Main home															
In London	—	6	6	15	7	5	8	16	15	22	2	—	—	102	56
Within 50 miles	3	14	6	8	7	6	9	14	14	15	3	1	—	87	52
51-100 miles	1	16	9	15	11	7	6	12	15	6	3	—	—	104	40
101-200 miles	4	13	11	14	12	13	5	13	5	6	3	—	—	76	36
201-300 miles	4	8	15	12	21	2	6	12	13	4	2	—	2	52	38
Over 300 miles	8	11	14	16	14	3	3	12	9	8	—	1	1	74	36
All outside London	4	13	10	13	12	6	6	12	12	8	2	1	1	393	41
Life Peers	—	7	9	12	10	6	6	16	14	15	4	1	1	161	54
Hereditary Peers	4	13	9	14	11	6	7	12	11	9	1	0	0	334	40
All not holding office	3	12	9	14	11	6	6	13	12	11	2	0	0	495	44
Office holders	—	—	—	8	—	—	—	32	24	28	8	—	—	25	82
All	3	11	9	13	10	6	6	14	13	12	2	0	0	520	46

(a) The number of days on which the House of Lords sat during the year to end-February 1975 was 118 but some Peers attended Committees on other days: the highest number of days recorded by a Peer in the survey was 168.

(b) 31 Peers (of whom 27 are Life Peers) who had been Members of the House of Lords for less than the full year to end-February 1975 are excluded from the Table.

TABLE 4

**All Peers: Percentage distributions of hours spent on Parliamentary business at the House of Lords,
outside the House of Lords and in total**

Hours spent on Parliamentary business	Percentage of Peers whose average hours per week(a) were:									All ranges (100%)	Average hours	Percentage of returns (c)	
	0(b)	0.1-1	2-4	5-9	10-14	15-19	20-24	25-29	30 or more				
<i>At the House of Lords</i>	%	%	%	%	%	%	%	%	%	Number	Hours	%	
Office holders	—	—	5	15	15	5	25	10	25	20	20	80	
Other Life Peers	7	10	18	16	15	13	12	4	4	139	11	79	
Other hereditary Peers	17	13	18	18	16	9	4	3	2	254	7	76	
All	13	12	17	17	16	10	8	4	4	413	9	77	
<i>Outside the House of Lords</i>													
Office holders	12	—	6	29	6	18	12	12	6	17	14	68	
Other Life Peers	19	9	30	14	15	3	2	2	6	126	7	72	
Other hereditary Peers	38	12	22	14	7	4	2	—	0	221	4	66	
All	30	10	24	15	10	4	3	1	2	364	5	68	
	0(b)	0.1-4	5-9	10-14	15-19	20-29	30-39	40-49	50-59	60 or more			
<i>In total</i>	%	%	%	%	%	%	%	%	%				
Office holders	—	—	—	12	6	12	24	35	6	6	17	35	68
Other Life Peers	5	21	14	12	10	15	17	4	1	2	124	17	71
Other hereditary Peers	19	23	15	13	10	11	8	1	—	—	214	11	64
All	13	21	14	12	10	12	12	4	1	1	355	14	66

(a) Hours relate to weeks during which the House of Lords sat in the period from October 1974 to end-February 1975.

(b) Or 'negligible'.

(c) Percentages relate to numbers providing data for this table compared with numbers returning the questionnaire as shown in Table 1, but excluding 16 Peers who had been Members of the House of Lords for less than the 4 months to end-February 1975.

TABLE 5

**All Peers who are not office holders: Relationship of average hours per week spent on
Parliamentary business at the House of Lords to days of attendance**

Days of attendance (in the year to end-February 1975)	Percentage of Peers whose average hours per week(a) at the House of Lords were:									All ranges (100%)	Percentage replying (c)
	0(b)	0·1-1	2-4	5-9	10-14	15-19	20-24	25-29	30 or more		
	%	%	%	%	%	%	%	%	%	Number	%
0	100	—	—	—	—	—	—	—	—	15	100
1- 4	59	41	—	—	—	—	—	—	—	34	60
5- 9	43	57	—	—	—	—	—	—	—	28	61
10- 19	11	22	64	2	—	—	—	—	—	45	67
20- 29	—	13	64	21	2	—	—	—	—	47	85
30- 39	—	5	18	68	9	—	—	—	—	22	73
40- 49	—	—	22	57	17	4	—	—	—	23	74
50- 74	—	2	2	33	37	19	8	—	—	52	80
75- 99	—	—	—	10	29	35	13	12	2	52	85
100-117	—	—	—	8	36	16	18	10	12	50	93
118-120	—	—	—	—	20	30	40	—	10	10	91
121-130	—	—	—	—	—	50	50	—	—	2	100
131 or more	—	—	—	—	—	50	—	—	50	2	100
All	14	13	18	17	16	11	7	3	2	382	77

(a) Hours relate to weeks during which the House of Lords sat in the period from October 1974 to end-February 1975.

(b) Or 'negligible'.

(c) Percentages relate to numbers providing data both on days of attendance and hours per week compared with those providing data on days of attendance only. The overall percentage compared with the total of questionnaires returned (Table 1) is 73 per cent. 31 Peers who had been Members of the House of Lords for less than the full year to end-February 1975 are excluded from the Table.

TABLE 6A

All Peers(a): Average expenditure incurred for the purpose of attendance at sittings or Committees of the House of Lords

	Travel to and from the House(b)		Personal subsistence		Hotels, clubs etc.		Private accommodation(c)			All accommodation		Total expenses	
	Number	£ a day	Number	£ a day	Number	£ a day	Number	£ a year	£ a day ^(d)	Number	£ a day ^(d)	Number	£ a day ^(d)
<i>Not holding office</i>													
<i>Claiming</i>													
Main home													
In London	75	1.29	74	2.20	75	—	75	68	0.19	75	0.19	72	3.69
Within 50 miles	67	1.66	65	2.89	60	2.13	60	282	0.77	60	2.91	60	7.64
51-100 miles	77	2.43	80	3.46	78	2.19	78	520	1.43	78	3.62	74	9.55
101-200 miles	56	2.21	58	4.40	57	5.21	57	265	0.73	57	5.94	55	12.37
201-300 miles	41	2.23	41	3.90	40	5.60	40	234	0.64	40	6.24	39	12.41
Over 300 miles	54	2.78	56	4.70	57	5.32	57	521	1.43	57	6.74	53	14.22
All outside London	295	2.25	300	3.81	292	3.84	292	382	1.05	292	4.89	281	10.97
Days of attendance													
Under 10(e)	48	2.82	50	3.96	48	4.69	48	47	0.13	48	4.82	46	11.76
10-39	119	2.63	122	3.70	120	4.23	120	157	0.43	120	4.66	115	10.87
40-99	141	1.57	140	3.51	139	2.36	139	468	1.28	139	3.64	134	8.80
100 or more	62	1.47	62	2.65	60	1.03	60	511	1.40	60	2.43	58	6.53
Total claiming	370	2.06	374	3.49	367	3.06	367	318	0.87	367	3.93	353	9.49
Not claiming(f)	66	1.05	65	1.28	63	1.32	63	247	0.68	63	2.00	61	4.14
All not holding office	436	1.90	439	3.16	430	2.80	430	308	0.84	430	3.65	414	8.70
<i>Office holders</i>													
In London	6	0.32	6	1.00	6	—	6	—	—	6	—	6	1.32
Outside London	11	0.31	11	3.82	11	0.91	11	1,018	2.79	11	3.70	11	7.82
All office holders	17	0.31	17	2.82	17	0.59	17	658	1.80	17	2.39	17	5.53
All	453	1.84	456	3.15	447	2.72	447	321	0.88	447	3.60	431	8.57

(a) Excluding those Peers unable to estimate their expenditure on certain items and 80 who gave no information at all on expenses.

(b) Other than reimbursed rail or air fares (see also paragraph 3 of this Appendix).

(c) Other than main home.

(d) Per calendar day; expenditure on private accommodation, if calculated per sitting day, would be approximately three times as great as shown here and there would be proportionate effects on the figures for 'All accommodation' and 'Total expenses'.

(e) Including 3 Peers who did not attend before end-February 1975 but gave details of expenses subsequent to that date.

(f) Including a small number of Peers who did not say whether they claimed against the expenses allowance.

All Peers(a): Average expenditure of those who incurred expenditure for the purpose of attendance at sittings or Committees of the House of Lords

TABLE 6B

	Travel to and from the House(b)		Personal subsistence		Hotels, clubs etc.		Private accommodation(c)			All accommodation		Total expenses	
	Number	£ a day	Number	£ a day	Number	£ a day	Number	£ a year	£ a day ^(d)	Number	£ a day ^(d)	Number	£ a day ^(d)
<i>Not holding office</i> Claiming													
Main home In London	60	1.61	50	3.26	—	—	2	2,542	6.97	2	6.97	62	4.29
Within 50 miles	48	2.31	56	3.36	18	7.11	13	1,302	3.57	31	5.62	57	8.04
51-100 miles	63	2.97	70	3.96	22	7.77	32	1,268	3.47	54	5.23	73	9.68
101-200 miles	51	2.43	57	4.47	38	7.82	12	1,261	3.45	50	6.77	55	12.37
201-300 miles	35	2.61	38	4.21	26	8.62	12	778	2.13	38	6.57	39	12.41
Over 300 miles	51	2.95	53	4.96	36	8.42	17	1,746	4.78	53	7.25	53	14.22
All outside London	248	2.68	274	4.17	140	8.02	86	1,298	3.56	226	6.32	277	11.13
Days of attendance Under 10(e)	40	3.39	42	4.71	28	8.04	3	750	2.05	31	7.46	44	12.30
10-39	101	3.10	109	4.15	60	8.47	20	940	2.58	80	6.99	113	11.06
40-99	114	1.94	118	4.17	42	7.81	44	1,478	4.05	86	5.89	127	9.28
100 or more	53	1.73	55	2.98	10	6.20	21	1,460	4.00	31	4.71	55	6.88
Total claiming	308	2.47	324	4.03	140	8.02	88	1,327	3.63(f)	228	6.33(f)	339	9.88(f)
Not claiming(g)	32	2.17	21	3.95	9	9.22	6	2,597	7.12	15	8.38	33	7.66
All not holding office <i>Office holders</i>	340	2.44	345	4.03	149	8.09	94	1,408	3.86	243	6.45	372	9.68
In London	4	0.85	4	1.50	—	—	—	—	—	—	—	4	1.98
Outside London	6	0.32	8	5.25	2	5.00	7	1,599	4.38	9	4.52	10	8.61
All office holders	10	0.53	12	4.00	2	5.00	7	1,599	4.38	9	4.52	14	6.71
All	350	2.39	357	4.03	151	8.05	101	1,421	3.89	252	6.39	386	9.57

(a) to (e) See Table 6A, footnotes (a) to (e) respectively.

(f) If the number of days on which the House sat (118) had been used as the divisor these amounts would be £11.24, £9.26 and £11.73 respectively.

(g) See Table 6A, footnote (f).

TABLE 7

All Peers: Percentage distribution in ranges of expenditure incurred on travel to and from the House of Lords

	Daily expenditure on travel to and from the House(a)									All ranges (100%)
	Nil	Under £1	£1-£1.99	£2-£2.99	£3-£3.99	£4-£4.99	£5-£9.99	£10-£14.99	£15 and over	
	%	%	%	%	%	%	%	%	%	Number
<i>Not holding office</i>										
<i>Claiming</i>										
Main home In London	20	17	36	20	1	3	1	1	—	75
Within 50 miles	28	15	18	21	4	3	9	1	—	67
51-100 miles	18	12	26	18	5	5	12	1	3	77
101-200 miles	9	20	34	14	4	9	7	2	2	56
201-300 miles	15	10	34	22	5	5	5	2	2	41
Over 300 miles	6	26	28	13	9	6	6	4	4	54
All outside London	16	16	27	18	5	5	8	2	2	295
Days of attendance Under 10(b)	17	10	23	19	4	6	12	6	2	48
10-39	15	8	26	25	8	5	7	3	3	119
40-99	19	18	32	16	3	5	6	—	1	141
100 or more	15	32	32	8	3	3	5	2	—	62
Total claiming	17	16	29	18	5	5	7	2	2	370
Not claiming(c)	52	8	21	9	2	3	5	2	—	66
All not holding office	22	15	28	17	4	5	6	2	1	436
<i>Office holders</i>										
In London	33	50	17	—	—	—	—	—	—	6
Outside London	45	36	18	—	—	—	—	—	—	11
All office holders	41	41	18	—	—	—	—	—	—	17
All	23	16	27	16	4	4	6	2	1	453

(a) See Table 6A, footnote (b).

(b) See Table 6A, footnote (e).

(c) See Table 6A, footnote (f).

TABLE 8

All Peers: Percentage distribution in ranges of expenditure incurred on personal subsistence, other than accommodation

	Daily expenditure on personal subsistence(a)												All ranges (100%)
	Nil	£1	£2	£3	£4	£5	£6	£7	£8	£9	£10-£15	£16 and over	
<i>Not holding office</i>	%	%	%	%	%	%	%	%	%	%	%	%	Number
<i>Claiming</i>													
Main home													
In London	32	22	16	15	3	3	3	1	1	—	3	1	74
Within 50 miles	14	14	22	15	12	14	5	—	3	—	2	—	65
51-100 miles	12	9	22	15	18	12	2	4	1	—	2	1	80
101-200 miles	2	5	9	12	19	33	14	3	2	—	2	—	58
201-300 miles	7	7	15	15	24	17	2	7	—	—	5	—	41
Over 300 miles	5	2	7	18	14	29	9	4	5	2	5	—	56
All outside London	9	8	16	15	17	20	6	3	2	0	3	0	300
Days of attendance													
Under 10(b)	16	4	10	10	14	26	10	2	4	—	4	—	50
10-39	11	7	16	16	16	21	4	3	2	—	4	—	122
40-99	16	11	19	13	13	13	4	4	2	1	3	1	140
100 or more	11	23	13	23	13	10	8	—	—	—	—	—	62
Total claiming	13	10	16	15	14	17	6	3	2	0	3	1	374
Not claiming(c)	68	8	11	5	2	2	—	2	2	—	2	2	65
All not holding office	21	10	15	13	12	15	5	3	2	0	3	1	439
<i>Office holders</i>													
In London	33	50	—	17	—	—	—	—	—	—	—	—	6
Outside London	27	18	9	18	—	—	—	9	—	—	18	—	11
All office holders	29	29	6	18	—	—	—	6	—	—	12	—	17
All	22	11	15	14	12	14	5	3	2	0	3	1	456

(a) To the nearest £.

(b) See Table 6A, footnote (e).

(c) See Table 6A, footnote (f).

TABLE 9

All Peers: Percentage distribution in ranges of expenditure incurred on accommodation in hotels, clubs etc.

	Daily expenditure on accommodation in hotels, clubs etc.(a)											All ranges (100%)
	Nil	£4 or less	£5	£6	£7	£8	£9	£10-£14	£15-£19	£20-£24	£25 and over	
<i>Not holding office</i>	%	%	%	%	%	%	%	%	%	%	%	Number
<i>Claiming</i>												
Main home												
In London	100	—	—	—	—	—	—	—	—	—	—	75
Within 50 miles	70	2	8	7	2	8	—	2	2	—	—	60
51-100 miles	72	1	8	5	3	3	1	6	—	—	1	78
101-200 miles	33	5	10	17	2	12	2	12	3	—	2	57
201-300 miles	35	5	10	10	2	2	2	32	—	—	—	40
Over 300 miles	37	5	9	7	9	12	—	14	7	—	—	57
All outside London	52	3	9	9	3	7	1	12	2	—	1	292
Days of attendance												
Under 10(b)	42	4	12	8	2	10	2	15	4	—	—	48
10-39	50	2	7	10	3	8	2	12	2	—	2	120
40-99	70	2	6	6	4	4	—	8	1	—	—	139
100 or more	83	3	5	3	—	3	—	2	—	—	—	60
Total claiming	62	3	7	7	3	6	1	9	2	—	1	367
Not claiming(c)	86	—	2	2	3	—	—	6	2	—	—	63
All not holding office	65	2	6	6	3	5	1	9	2	—	0	430
<i>Office holders</i>												
In London	100	—	—	—	—	—	—	—	—	—	—	6
Outside London	82	—	18	—	—	—	—	—	—	—	—	11
All office holders	88	—	12	—	—	—	—	—	—	—	—	17
All	66	2	6	6	3	5	1	8	2	—	0	447

(a) To the nearest £.

(b) See Table 6A, footnote (c).

(c) See Table 6A, footnote (f).

All Peers: Percentage distribution in ranges of expenditure incurred on private accommodation (other than main home)

Expenditure (£) on private accommodation (other than main home)													All ranges (100%)
Annual	Nil	Under 500	500-749	750-999	1,000-1,249	1,250-1,499	1,500-1,749	1,750-1,999	2,000-2,499	2,500-2,999	3,000-3,999	4,000- and over	
Per calendar day	Nil	Under 1·37	1·37-2·05	2·05-2·74	2·74-3·42	3·42-4·11	4·11-4·79	4·79-5·48	5·48-6·85	6·85-8·22	8·22-10·96	10·96 and over	
Per sitting day	Nil	Under 4·24	4·24-6·36	6·36-8·47	8·47-10·59	10·59-12·71	12·71-14·83	14·83-16·95	16·95-21·19	21·19-25·42	25·42-33·90	33·90 and over	
<i>Not holding office</i>	%	%	%	%	%	%	%	%	%	%	%	%	Number
<i>Claiming</i>													
Main home													
In London	97	—	—	—	—	—	—	—	1	—	1	—	75
Within 50 miles	78	2	2	2	5	5	3	—	2	—	2	—	60
51-100 miles	59	6	9	4	5	4	1	1	5	3	1	1	78
101-200 miles	79	5	2	3	—	—	3	2	3	2	—	—	57
201-300 miles	70	5	12	2	5	2	2	—	—	—	—	—	40
Over 300 miles	70	—	—	2	2	9	5	—	9	2	2	—	57
All outside London	71	4	5	3	3	4	3	1	4	1	1	0	292
Days of attendance													
Under 10(a)	94	—	4	2	—	—	—	—	—	—	—	—	48
10-39	83	5	4	2	2	1	—	—	2	1	—	—	120
40-99	68	4	4	3	3	4	5	1	4	1	3	1	139
100 or more	65	—	3	2	7	10	3	2	7	2	—	—	60
Total claiming	76	3	4	2	3	3	2	1	4	1	1	0	367
Not claiming(b)	90	3	—	—	—	—	—	2	2	—	—	3	63
All not holding office	78	3	3	2	2	3	2	1	3	1	1	1	430
<i>Office holders</i>													
In London	100	—	—	—	—	—	—	—	—	—	—	—	6
Outside London	36	—	9	9	9	9	18	—	—	—	—	9	11
All office holders	59	—	6	6	6	6	12	—	—	—	—	6	17
All	77	3	3	2	2	3	2	1	3	1	1	1	447

(a) See Table 6A, footnote (e).

(b) See Table 6A, footnote (f).

TABLE 11

All Peers: Percentage distribution in ranges of total expenditure incurred for the purpose of attendance at sittings or Committees of the House of Lords

	Total daily expenditure (£) on items covered by the allowance(a)											All ranges (100%)
	Nil	Under 1-50	1-50-3-99	4-6-49	6-50-8-99	9-11-49	11-50-14-99	15-19-99	20-24-99	25-29-99	30 and over	
<i>Not holding office</i>	%	%	%	%	%	%	%	%	%	%	%	Number
<i>Claiming</i>												
Main home In London	14	14	38	22	3	3	6	—	—	1	—	72
Within 50 miles	5	7	20	12	18	17	13	5	3	—	—	60
51-100 miles	1	3	15	20	15	18	8	14	3	1	3	74
101-200 miles	—	2	2	9	15	18	25	18	7	2	2	55
201-300 miles	—	3	5	13	10	15	21	18	10	5	—	39
Over 300 miles	—	2	—	6	23	13	23	13	13	—	8	53
All outside London	1	3	9	12	16	16	17	13	7	1	2	281
Days of attendance Under 10(b)	4	4	11	15	7	11	9	22	11	2	4	46
10-39	2	6	7	19	10	15	17	15	5	2	3	115
40-99	5	4	19	12	15	16	16	5	6	1	1	134
100 or more	5	9	24	10	24	9	14	5	—	—	—	58
Total claiming	4 (4)	5 (5)	15 (12)	14 (10)	14 (10)	14 (12)	15 (17)	10 (14)	5 (9)	1 (3)	2 (3)	353 (353)
Not-claiming(c)	46	13	10	10	3	3	3	7	2	3	—	61
All not holding office	10	7	14	14	12	12	13	10	5	2	2	414
<i>Office holders</i>												
In London	33	33	17	17	—	—	—	—	—	—	—	6
Outside London	9	9	9	18	9	18	18	9	—	—	—	11
All office holders	18	18	12	18	6	12	12	6	—	—	—	17
All	10 (10)	7 (7)	14 (11)	14 (10)	12 (9)	12 (11)	13 (14)	10 (13)	5 (8)	2 (3)	2 (3)	431 (431)

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(a) The distributions are for expenditure including private accommodation on a 'per calendar day' basis except for those in brackets where such expenditure has been included on a 'per sitting day' basis.

(b) See Table 6A, footnote (e).

(c) See Table 6A, footnote (f).

TABLE 12

All Peers who are not office holders: Percentage making claims against the Peers' expenses allowance

	Response to question		Percentage making claims
	Number	%	%
Main home			
In London	109	98	77
Outside London	404	97	83
Days of attendance			
Under 10	122	94	52
10-39	161	99	83
40-99	162	99	96
100 or more	68	99	97
Life Peers	182	97	87
Hereditary Peers	331	98	79
All not holding office	513	98	82

TABLE 13

All Peers: Percentages dissatisfied with the basis or level of the present expenses allowance and proposing various periods between reviews

	View on single maximum rate			Adequacy of £11.50 maximum			Period proposed between reviews					
	Per cent saying unsatisfactory	Replies to question	Percentage of returns	Per cent saying inadequate	Replies to question	Percentage of returns	Annual	Biennial	About every 4 years	Other	Replies to question	Percentage of returns
	%	Number	%	%	Number	%	%	%	%	%	Number	%
<i>Not holding office</i>												
<i>Claiming</i>												
Main home In London	57	82	98	52	79	94	52	34	8	6	79	94
Within 50 miles	55	69	95	57	72	99	55	30	7	8	71	97
51-100 miles	38	85	99	48	83	97	61	25	10	5	84	98
101-200 miles	46	69	100	61	67	97	54	32	4	9	68	99
201-300 miles	44	45	98	60	45	98	76	16	7	2	45	98
Over 300 miles	51	61	100	65	60	98	58	30	8	5	60	98
All outside London	47	329	98	57	327	98	60	27	7	6	328	98
Days of attendance												
0	33	6	100	50	6	100	50	17	33	—	6	100
1-9	42	57	98	44	54	92	51	33	11	5	57	98
10-39	41	129	96	50	130	97	58	29	8	5	129	96
40-99	50	153	99	61	152	98	56	31	7	7	153	99
100 or more	68	66	100	70	64	97	73	19	3	5	62	94
Total claiming	49	411	98	56	406	97	58	29	7	6	407	97
Not claiming(a)	37	90	84	40	81	76	38	34	25	3	97	91
All not holding office	47	501	95	54	487	93	54	30	11	5	504	96
<i>Office holders</i>												
In London	38	8	89	71	7	78	29	43	—	29	7	78
Outside London	73	15	94	86	14	88	50	19	12	19	16	100
All office holders	61	23	92	81	21	84	43	26	9	22	23	92
All	47	524	95	55	508	92	54	29	11	6	527	96

(a) See Table 6A, footnote (f).

All Peers: Changes proposed to replace the single maximum expenses allowances

Changes proposed	Office holders	Not holding office						All
		Claiming				All claiming	Not claiming (a)	
		Main home		Annual attendance				
		In London	Outside London	40 days or more	Under 40 days			
Number	Number	Number	Number	Number	Number	Number	Number	
A higher maximum for Peers whose main home is outside London of which:								
for overnight accommodation in London	8	19	55	51	23	74	3	85
for private accommodation in London	2	4	12	13	3	16	4	22
for transport costs	—	—	6	1	5	6	3	9
for loss of earnings	—	1	2	3	—	3	—	3
for unspecified reasons	1	6	15	8	13	21	1	23
sliding scale depending on distance	—	1	1	1	1	2	1	3
A higher maximum for:								
Regular attenders	—	4	9	8	5	13	5	18
Active Peers	—	4	13	6	11	17	3	20
Committee members	—	2	6	7	1	8	1	9
Chairmen of Committees	—	1	2	1	2	3	—	3
Opposition and Liberal spokesmen	1	1	4	4	1	5	1	7
Minimum daily hours to qualify for allowance	2	—	2	1	1	2	—	4
Sliding scale according to hours worked	—	2	4	2	4	6	5	11
Remuneration equal to that of an MP for full-time Peers	—	—	3	1	2	3	1	4
Salaries for active Peers and/or regular attenders	—	3	9	6	6	12	—	12
Salaries for Opposition spokesmen	—	1	4	4	1	5	—	5
Provisions to allow exceptional claims above the maximum	—	1	7	6	2	8	—	8
Attendance allowance or salary and provision for reimbursing expenses	2	4	7	10	1	11	3	16
Salary or allowance not linked pro-rata to attendance	—	—	5	5	—	5	—	5
The civil service overnight allowance	—	—	3	1	2	3	—	3
Actual expenditure reimbursed/itemised claim forms	—	—	10	5	5	10	4	14
London allowance	1	1	—	1	—	1	—	2
Other	—	1	7	3	5	8	6	14
Number of proposals	17	56	186	148	94	242	41	300
Number of Peers making proposals	13	45	149	117	77	194	32	239

(a) See Table 6A, footnote (f).

TABLE 15

All Peers: Specific proposals for the maximum of the expenses allowance and for a differential allowance for Peers whose main home is outside London

	Office holders	Not holding office						All
		Claiming				All claiming	Not claiming (a)	
		Main home		Annual attendance				
		In London	Outside London	40 days or more	Under 40 days			
<i>Maximum proposed (present basis or lower rate of 2 tier system)</i>	Number	Number	Number	Number	Number	Number	Number	Number
Up to £11.50	1	1	2	3	—	3	—	4
Over £11.50 and up to £12.50	—	—	6	3	3	6	—	6
Over £12.50 and up to £15	4	4	28	20	12	32	—	36
Over £15 and up to £20	—	2	16	15	3	18	—	18
Over £20 and up to £25	—	—	3	1	2	3	1	4
Over £25	—	—	1	1	—	1	—	1
<i>Differential proposed for Peers whose main home is outside London (b)</i>								
Up to £2.50	—	—	1	1	—	1	—	1
Over £2.50 and up to £5	3	1	9	8	2	10	—	13
Over £5 and up to £10	—	2	18	11	9	20	1	21
Over £10 and up to £15	—	—	3	2	1	3	2	5
Over £15 and up to £20	—	—	1	1	—	1	—	1

(a) See Table 6A, footnote (f).

(b) In addition, 5 Peers specified a differential based on regularity of attendance and 5 a differential for members for Committees.

TABLE 16

All Peers: Percentages considering that additional items of expenditure on Parliamentary business should be covered in whole or in part

	Office holders	Not holding office			All
		Claiming	Not claiming (a)	Total	
Whether other items of expenditure on Parliamentary business should be covered:					
Replies to question (number)	17	356	75	431	448
Percentage of returns (%)	68	85	70	82	81
Percentage of replies saying YES (%)	76	54	31	50	51

(a) See Table 6A, footnote (f).

TABLE 17

All Peers suggesting additional items of expenditure should be covered by the expenses allowance: Distribution in ranges and average expenditure on the additional items

Category of expenditure	Not holding office								Office holders (b)
	Annual expenditure					All ranges	Peers stating expenditure		
	Not stated(a)	Up to £100	£101-£500	£501-£1,000	Over £1,000			Average amount	
Number	Number	Number	Number	Number	Number	Number	£	Number	
<i>Office costs</i>									
Secretarial	63	10	25	10	7	115	52	527	6
Research	12	—	2	1	1	16	4	725	4
Telephone	14	10	4	—	—	28	14	89	—
Postage	26	21	3	—	—	50	24	61	1
Telephone and postage etc.	5	5	4	1	—	15	10	183	—
Stationery	4	3	—	—	—	7	3	41	—
Equipment	—	—	1	—	—	1	1	119	—
Accommodation or use of home	33	6	7	3	3	52	19	760	2
Not separately specified	22	1	9	8	7	47	25	959	2
Total office costs	93	17	37	16	19	182	89	826	10
<i>Travel, etc.</i>									
Travel in UK for research or meetings	9	2	3	—	—	14	5	199	—
Travel abroad for research or meetings	2	—	—	—	—	2	—	—	—
Attending European Parliament	2	—	—	—	—	2	—	—	—
Attending other European bodies	5	—	—	—	—	5	—	—	—
Use of car (other than already allowed)	2	—	—	2	—	4	2	765	1
Taxis, hire cars	6	—	—	—	—	6	—	—	1
Grant towards car purchase	1	—	—	—	—	1	—	—	—
Travel to London for wife	9	1	—	—	—	10	1	4	1
Total travel, etc.	30	3	3	2	—	38	8	316	3

Miscellaneous

Entertainment	33	16	31	7	3	90	57	305	7
Expenses of voluntary duties	6	1	1	—	—	8	2	121	1
Subscriptions and donations	6	2	—	—	—	8	2	48	—
Newspapers, journals, books	6	4	2	—	—	12	6	174	—
Relief staff in business or home	3	—	1	—	—	4	1	489	—
Loss of earnings	2	—	—	—	—	2	—	—	1
Wife's expenses	1	2	—	—	—	3	2	54	—
Clothing or robes	3	1	—	—	—	4	1	100	—
Other	7	3	1	—	—	11	4	107	—
Total miscellaneous	42	17	34	9	3	105	63	316	8
<i>Total expenditure</i>	103	10	41	21	26	201(c)	98	979	11(c)

(a) Including 6 Peers suggesting amounts needed but not giving expenditure.

(b) Three office holders only gave expenditure (2 for secretarial costs averaging £556 and 2 for entertainment averaging £324).

(c) A further 6 Peers said that new items should be covered but did not specify them.

TABLE 18

All Peers suggesting additional items of expenditure should be covered by the expenses allowance: Proposals for method of payment and criteria for payment for the additional items

Category of expenditure	Number naming category	Proposals for method of payment							Total number of proposals	of which: Payment dependent upon		
		Present or increased expenses allowance	Other allowance	Reimbursement	Free facilities	Salary	Tax relief	Other		Attendance	Function	Place of main home
	Number 192(a)	Number 55	Number 62	Number 53	Number 53	Number 5	Number 8	Number 2	Number 238	Number 69	Number 10	Number 2
<i>Office costs</i>												
of which:												
Secretarial	121	16	23	20	19	1	2	1	82	20	7	—
Research	20	4	3	—	5	—	1	1	14	4	—	—
Telephone	28	6	5	5	2	1	1	—	20	6	2	1
Postage	51	7	4	8	15	1	—	—	35	8	1	—
Telephone and postage etc.	15	4	2	2	1	—	—	—	9	4	—	—
Stationery	7	—	2	—	1	—	—	—	3	1	—	—
Equipment	1	—	—	—	—	—	—	—	—	—	—	—
Accommodation or use of home	54	10	10	9	7	1	3	—	40	12	—	1
Not separately specified	49	8	13	9	3	1	1	—	35	14	—	—
<i>Travel, etc.</i>												
of which:												
Travel in UK for research or meetings	14	3	3	3	1	—	—	—	10	3	1	—
Travel abroad for research or meetings	2	—	—	—	—	—	1	—	1	—	—	—
Attending European Parliament	2	—	—	1	—	—	—	1	2	1	—	—
Attending other European bodies	5	—	1	1	—	1	—	—	3	—	—	—
Use of car (other than already allowed)	5	—	2	—	—	—	—	—	2	—	—	—
Taxis, hire cars	7	—	—	3	—	—	—	—	3	—	1	—
Grant towards car purchase	1	—	—	1	—	—	—	—	1	—	—	—
Travel to London for wife	11	—	2	—	8	—	—	—	10	—	—	—

Miscellaneous
of which:

	113(a)	39	15	26	7	2	4	—	93	39	3	—
Entertainment	97	26	13	17	2	2	2	—	62	26	3	—
Expenses of voluntary duties	9	—	—	1	1	—	1	—	3	—	—	—
Subscriptions and donations	8	—	1	3	—	—	1	—	5	—	—	—
Newspapers, journals, books	12	6	—	1	2	—	—	—	9	6	—	—
Relief staff in business or home	4	2	—	1	—	—	—	—	3	2	—	—
Loss of earnings	3	1	—	—	—	—	—	—	1	1	—	—
Wife's expenses	3	1	—	—	—	—	—	—	1	1	—	—
Clothing or robes	4	2	1	—	—	—	—	—	3	2	—	—
Other	11	1	—	3	2	—	—	—	6	1	—	—
Number of proposals for all categories	212(a)	97	85	88	69	8	13	3	363	112	15	2
Number of Peers making proposals									156			

(a) Number naming one or more items in the group with or without making proposals.

TABLE 19

All Peers: Additional comments offered by respondents(a)

	Not holding office		Total (including office holders)
	Claiming	Not claiming(b)	
	Number	Number	Number
<i>Additional items meriting cover</i>			
Loss of earnings (where not shown in Table 17)	21	1	22
Time spent on Parliamentary business outside the House (including travelling time)	8	2	10
Expenses allowance to continue when on delegations or attending the European Parliament	6	—	6
<i>Differentials</i>			
Some system of rewarding active Peers is desirable	16	2	18
Means of Peers should be taken into account, or a means test would be acceptable	10	2	12
The maximum of the expenses allowances is too high for London members	5	2	7
<i>Criticisms of present system</i>			
Hours of attendance should be recorded	3	—	3
The present system is open to abuse (e.g. the full allowance is claimed for short attendance)	7	3	12
<i>Improvements or changes in allowances.</i>			
Combined travel and expenses allowance	1	—	1
Allowances should be linked to the cost of living	2	—	2
Allowances should be linked (other)	1	—	1
Allowances should be as for Local Councillors	3	—	3
Improved car mileage allowance	14	—	14
<i>Against major changes</i>			
Some Parliamentary work should be undertaken on a voluntary basis	10	5	15
The present system is the only workable one	8	—	8
Increases should be moderate or nil in the present economic situation	11	3	14
<i>General</i>			
The present allowance is claimed in full to cover a wide range of expenses or as compensation for work done both at the House and elsewhere	19	—	20
The House of Lords is expected to do more work than in the past	6	—	6
Higher payment for office holders	1	—	6
Other	12	2	17
Total number of comments	164	22	197
Number of Peers offering comments	129	17	155

- (a) Excluding comments on attendance, expenditure etc. serving to elucidate or expand replies to earlier questions.
 (b) See Table 6A, footnote (f).

APPENDIX B

LIST OF INDIVIDUALS AND ORGANISATIONS WHO GAVE ORAL EVIDENCE

Individuals who gave oral evidence

The Lord Amulree.

The Lord Avebury.

The Rt. Hon. Baroness Bacon CBE, DL.

The Earl of Bessborough.

The Rt. Hon. Lord Byers OBE, Leader of the Liberal Party in the House of Lords.

The Rt. Hon. Lord Carrington KCMG, Leader of the Opposition in the House of Lords.

The Baroness Elles.

The Baroness Elliott of Harwood DBE, JP.

The Rt. Hon. Lord Elwyn-Jones, the Lord Chancellor.

The Baroness Gaitskell.

The Rt. Hon. Lord Gordon-Walker CH.

The Earl of Halsbury FRS.

Sir Peter Henderson KCB, Clerk of the Parliaments.

The Lord Hunt CBE, DSO.

The Lord Hunt of Fawley CBE.

The Earl of Limerick.

The Rt. Hon. Baroness Llewelyn-Davies of Hastoe, Government Chief Whip in the House of Lords.

The Baroness Masham of Ilton.

The Rt. Hon. Lord Peart, Lord Privy Seal and Leader of the House of Lords.

The Lord Raglan DL, JP.

The Rt. Hon. Lord Rhodes KG, DFC, DL.

The late Lord Royle.

The Rt. Hon. Earl St. Aldwyn KBE, TD, DL, JP, Opposition Chief Whip in the House of Lords.

The Rt. Hon. Lord Shackleton KG, OBE.

The Rt. Hon. Lord Shepherd, former Lord Privy Seal and Leader of the House of Lords.

The Lord Tanlaw.

The Baroness White¹.

The Lord Winterbottom.

The Baroness Wootton of Abinger.

The Baroness Young.

¹Also a Member of the Advisory Group in the House of Lords.

Government Departments who gave oral evidence

Civil Service Department.

Board of Inland Revenue.

Members of the Advisory Group in the House of Lords

The Rt. Hon. Lord Champion, *Chairman*.

The Lord Airedale.

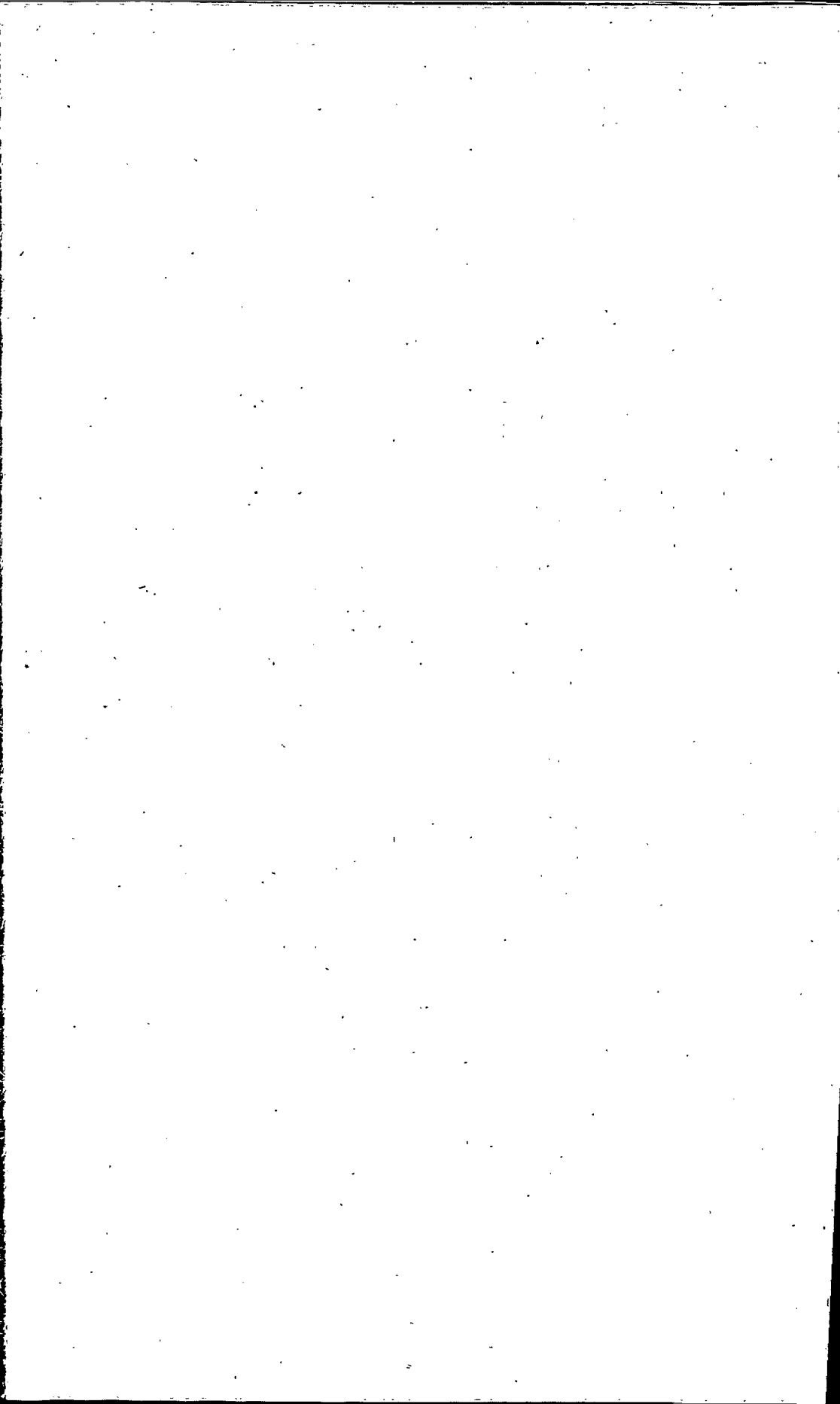
The Rt. Hon. Lord Drumalbyn KBE.

The Rt. Hon. Lord Greenwood of Rossendale DL.

The Lord Strang GCB, GCMG, MBE.

The Lord Tweedsmuir CBE, CD.

The Baroness White.



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