



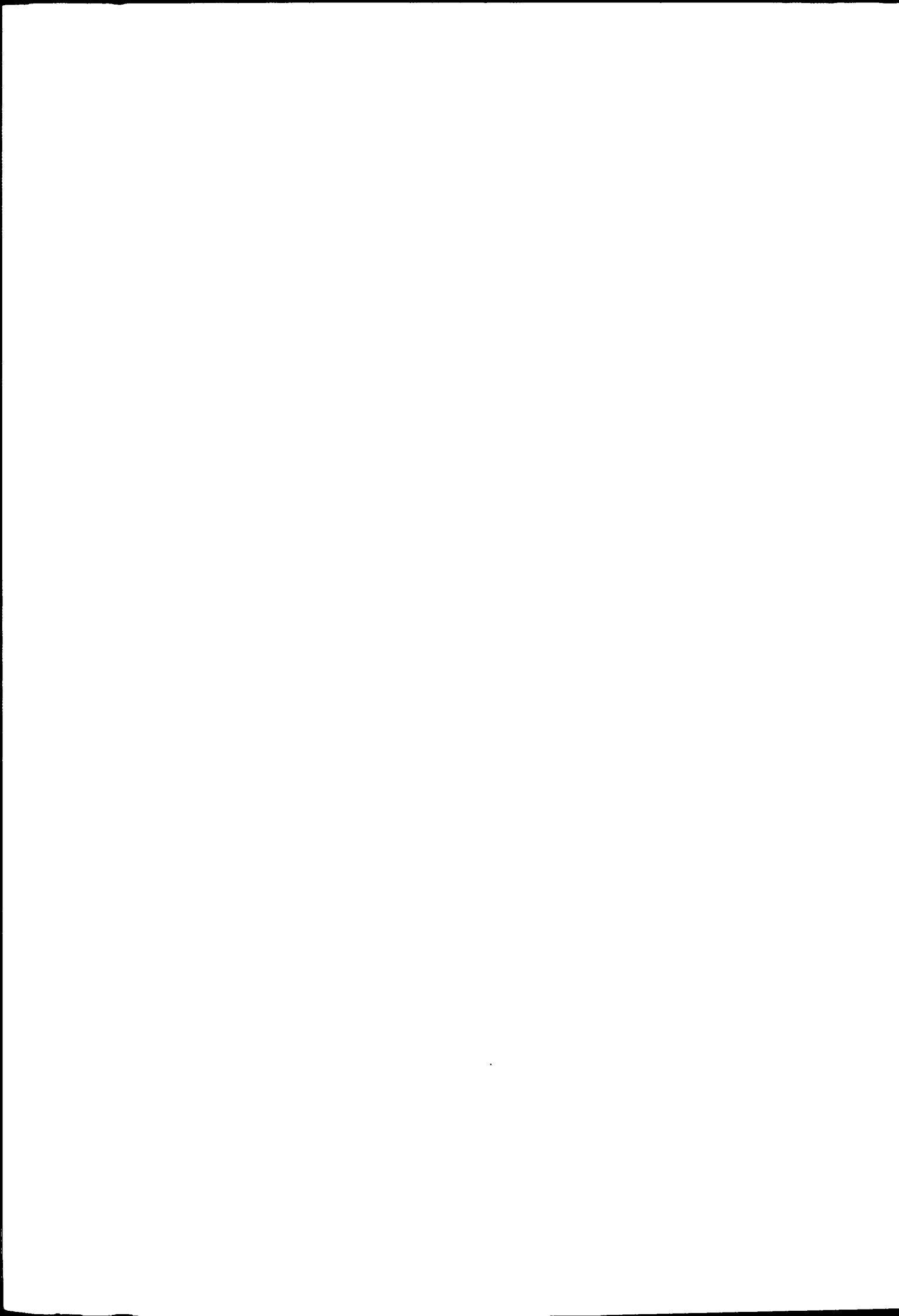
# Review Body on Top Salaries

REPORT NO. 32

## Review of the House of Commons Office Costs Allowance

*Chairman:* Sir David Nickson, KBE, DL

---





# Review Body on Top Salaries

REPORT NO. 32

## Review of the House of Commons Office Costs Allowance

*Chairman:* Sir David Nickson, KBE, DL

Presented to Parliament by the Lord President of the  
Council and Leader of the House of Commons by  
Command of Her Majesty July 1992



## Review Body on Top Salaries

On 24 July 1991 the Review Body on Top Salaries was invited by the Lord President of the Council and Leader of the House of Commons<sup>1</sup> to undertake a review of the operation of the Office Costs Allowance in the House of Commons.

The members of the Review Body are:

Sir David Nickson, KBE, DL, *Chairman*  
Sir Terence Beckett, KBE, DL  
Louise Botting  
Ann Burdus  
Sir Peter Cazalet<sup>2</sup>  
Sir Cecil Clothier, KCB, QC  
Allan Gormly, CBE  
Hugh Pigott  
Jeremy Pope, OBE  
Sir Anthony Wilson

The Secretariat is provided by the Office of Manpower Economics.

---

<sup>1</sup> The Rt Hon John MacGregor, OBE, MP.

<sup>2</sup> Sir Peter Cazalet is also Chairman of the Review Body on Armed Forces Pay.



# Contents

	<i>Paragraph</i>	<i>Page</i>
<i>Chapter</i> 1: <b>Introduction</b>		
Terms of reference .. .. .	1	1
Background .. .. .	2	1
Our inquiries .. .. .	5	2
<i>Chapter</i> 2: <b>General considerations</b> .. .. .	8	3
<i>Chapter</i> 3: <b>Staff</b>		
Numbers .. .. .	16	5
Terms and conditions of employment .. .. .	24	7
<i>Chapter</i> 4: <b>Office equipment and miscellaneous expenses</b>		
Central provision of equipment .. .. .	37	11
Interim arrangements .. .. .	41	11
<i>Chapter</i> 5: <b>Constituency offices</b> .. .. .	46	15
<i>Chapter</i> 6: <b>Conclusions and summary of recommendations</b>		
Conclusions .. .. .	51	17
Timing of changes .. .. .	55	17
Summary of recommendations .. .. .	60	18
<i>Appendix</i> A: <b>Previous Review Body reports on parliamentary matters</b> .. .. .		21
<i>Appendix</i> B: <b>List of those who gave oral evidence</b> .. .. .		22
<i>Appendix</i> C: <b>Office of Manpower Economics questionnaire survey of Members of Parliament</b> .. .. .		23
<i>Appendix</i> D: <b>Review of Office Costs Allowance for Members of Parliament—Hay Management Consultants Limited</b> .. .. .		28
<i>Appendix</i> E: <b>The secretarial, research and office accommodation and expenses of legislators in thirteen countries: a comparative survey, 1991—Dr M Rush, University of Exeter</b> .. .. .		41



# Chapter 1

## Introduction

- Terms of reference** 1. On 24 July 1991 we were asked by the Lord President of the Council to review the Office Costs Allowance (OCA) in the House of Commons. In a letter the Lord President said 'The Government does not consider that a fundamental review of Parliamentary allowances is necessary at present, but would be grateful if the TSRB would conduct a further review of the operation of the Office Costs Allowance in the House of Commons, dealing as before with structure, level and uprating.'
- Background** 2. Our previous reports on parliamentary matters are listed in Appendix A. Our last report on parliamentary allowances (Report No. 24) was published in April 1987. In that report, we recommended that, as from 1 April 1987, the maximum allowance should be £19,500 a year, consisting notionally of £17,000 for staff and £2,500 for office and equipment. We concluded that the most appropriate uprating mechanism was the existing link with the percentage increase in the maximum of the scale for a Senior Personal Secretary (SPS) in the Civil Service plus inner London weighting. Although we acknowledged that the link had broken down in 1986 due to the consolidation exercise on SPSs' salaries and allowances, we noted that these events were unlikely to be repeated in the foreseeable future and therefore the existing mechanism should remain. In view of a Resolution of the House in 1986 that the allowance should be £20,140, we recommended that that total should be retained on a mark time basis until the figure of £19,500 was uprated to a sum higher than £20,140. We further recommended that the next review of the form, level and method of uprating of the allowance should fall due in 1991.
3. The Government accepted our recommendations but the implementing resolution of 21 July 1987 was amended by the House. The effect of the amendment was to set aside the recommended temporary freeze on the level of the OCA and instead apply the uprating formula to the existing level of £20,140. The formula has since been applied each year producing a current maximum allowance for 1991-92 of £28,986 with provision for an additional 10 per cent available for pension contributions for Members' employees. When amending the resolution, the House did not specify whether the notional division of the OCA between staffing and other costs remained valid, and if not what it should be, nor, to the extent that the notional allocation for staffing was increased, whether this was predicated on an assumption of more staff or higher rates. In the absence of clarity on these points we refer, where appropriate, to the notional assumptions and allocations which we made in Report No. 24. As our recommendations in this report will show, we attach importance to the separation of the different elements, and therefore it is relevant to note that if the original notional apportionment were applied to the present level of the OCA, the amount for staff costs would be some £25,250 and for other expenses, £3,750.
4. We also made a number of recommendations intended to improve both employment practice in respect of MPs' staff and accountability for the disbursement of the OCA. We are pleased to note that most of those recommendations have been acted upon. However, these issues remain of concern and we return to them later in this report.

- Our inquiries**
5. We appointed a Sub-Committee, consisting of Jeremy Pope (Chairman), Ann Burdus and Sir Anthony Wilson, to carry out the detailed work on this review. We invited and received written evidence from the Government, political parties in the House, individual MPs and organisations representing the staff employed by MPs. We also took oral evidence from individuals and organisations as listed at Appendix B. Members of the Sub-Committee visited the new Members' and secretaries' accommodation at 1 Parliament Street, the House of Commons Library and the Fees Office. We would like to express our thanks to the House staff who assisted us on this visit, and throughout our review.
  6. We commissioned several studies to help us in gathering evidence for this review. We asked the Office of Manpower Economics (OME) to carry out a questionnaire survey of all MPs in order to obtain factual information about their present use of the OCA and their general views on its adequacy. The results are summarised at Appendix C. We also commissioned a study from Hay Management Consultants (Hay), to obtain in-depth information on MPs' current workload and ways in which their support is organised and on relevant pay rates for MPs' staff. Their report is at Appendix D. Finally, we asked Dr Michael Rush of Exeter University to carry out a comparative study of office support for legislators in other countries. His report is at Appendix E.
  7. Where appropriate, we refer in the report to specific findings from these studies. In addition we should record that the findings in general were most valuable in helping us to form our judgment during the review.

# Chapter 2

## General considerations

8. Our investigations began with an examination of the changes which had occurred since our last report in 1987 in the working of the OCA and the environment in which it operates. It soon became clear from the evidence that a number of significant changes had occurred in that time. Notwithstanding the Government's stated views embodied in the terms of reference we were given, that a fundamental review was not necessary at present, we concluded that these developments were of such importance as to warrant fundamental reforms of the present structure of the OCA and the means by which it is disbursed. Our findings about these changes are reflected in the recommendations made in this report.

9. At present the OCA provides, notionally, for one full-time member of staff and for one half-time assistant at a lower rate of pay, together with a sum to pay for office equipment and other miscellaneous costs. We are satisfied that there have been improvements in the standards of administration and accountability broadly in line with the recommendations in our last report; for instance, most MPs now issue their staff with contracts of employment, many of which are in the form provided by the Fees Office, and most items claimed from the OCA through the Fees Office are certified as being incurred 'wholly, necessarily and exclusively' on Parliamentary business. However, it became clear as we gathered evidence that there remained fundamental problems with the way in which the OCA provides support to MPs.

10. The first general conclusion we drew from the evidence was that whilst the basic elements of an MP's job have changed little, the nature of the pressures and demands upon MPs has altered significantly. This is due to a variety of factors, chief of which is increased awareness on the part of the public of the role of the MP and how the MP may be approached for help or support. TV coverage of Parliament, the impact of local radio and increasingly sophisticated lobbying techniques by interest groups, have all been elements in this development as has the use of diverse forms of media presentation by MPs to publicise their activities or promote causes. At the same time, the trend within Parliament appears to have been towards heavier involvement in Select Committee work, requiring more research and greater commitment of time. In the face of these changes, we believe that the level of resources which was appropriate to provide support to MPs five years ago is no longer adequate. Furthermore, it appears unlikely that the present level of demand upon MPs will diminish in the foreseeable future.

11. Not only do we consider the overall allowance to be insufficient, but we are also concerned that the means by which it is disbursed are unsatisfactory. For instance, whilst we note the improvement in the ways in which staff are employed that have occurred since our last report, there are still major shortcomings in their terms and conditions of employment. The present system of providing office equipment is recognised to be inefficient; the funding of office accommodation at Westminster as compared with the constituency is inconsistent; and there are difficulties, and indeed inequities, which arise from the existence of an aggregated allowance rather than one separated into clearly defined components. These issues are discussed in more detail in Chapters 3, 4 and 5 of this report. We believe that MPs should receive allowances which are sufficient to enable them to fulfil their duties, but that the way in which the allowances are used should meet high standards of accountability and employment practice.

12. Since we last reported there have been important developments in the way in which the House of Commons services are administered. There are two reports in particular which bear upon our review and upon the implementation of our recommendations. The first is the report of the House of Commons Commission on House of Commons Services (the Ibbs report). This reviewed the divided responsibilities for the management of the House of Commons and its facilities and made recommendations on the domestic Committee structure, organisation, financial management and other matters concerned with the administration of the House. The changes which followed these recommendations should assist in achieving a number of the measures we are proposing. Second, we have noted with interest the report of the Computer Sub-Committee of the Commons Select Committee on Services for Members, and welcome its endorsement of the statement in our own 1987 report in which we said 'We remain of the view that there would be considerable advantages in the central provision of equipment by the House'. Unfortunately this has not yet come to fruition, but we have noted the moves that are being made towards this aim; we return to this subject in paragraphs 37-40.

13. In the past we have drawn attention to the excellent facilities available to MPs through the House of Commons Library, and commented that more effective use might be made of this service (Report No. 24, paragraph 53). We have no doubt that the Library continues to offer services of high quality, and the facilities in the new building at 1 Parliament Street enhance these still further. We believe there remains scope for more effective use to be made of the Library, particularly when MPs and their staff are able to gain access to more data electronically, and that to this end MPs themselves should be given the opportunity to receive training on the use of information technology. However, beyond this we are not persuaded that the application of more resources to the Library, as opposed to an adjustment of the OCA, would by itself be an appropriate means of providing extra support for MPs. We understand that the new House of Commons Library and Computers Sub-Committee will be considering access to data held on computer in the Library as part of moves towards the central provision of information technology systems within the House, including appropriate training.

14. As in previous reviews, we commissioned a study from Dr Rush of Exeter University to examine what provision is made in other countries for office and secretarial support for legislators. It was found that, as before, the support provided in the UK is at about the median position among the comparator countries. Precise comparisons are difficult to make because of the different nature of the assistance available, for example through tax-free salaries or pooled facilities. However, in comparison with other countries of a similar size in the EC, the support appears to be appreciably less than that available in France, somewhat less than that in the former Federal Republic of Germany, and more than that in Italy.

15. In this report we examine how best to provide MPs with the support, equipment and facilities they need to perform their job in the light of the considerations outlined above. In the chapters that follow we look specifically at staffing, office equipment and other expenses, and constituency offices.

# Chapter 3

## Staff

**Numbers** 16. At present, the OCA provides notionally for the equivalent of one full-time member of staff, and one half-time member on a lower rate of pay, irrespective of whether they are employed at Westminster or in the constituency. As we explain in paragraph 3 above, in 1987 the House amended the sum from which our notional apportionment was derived. Since any proportion of the OCA can be used for staff salaries, the pattern of employment varies widely between individual MPs; some MPs employ less than the full-time equivalent of 1.5 staff, and some employ more. However Table A demonstrates that over half of MPs who responded to the OME survey were employing more than the full-time equivalent of 1.5 staff in 1990–91.

*Table A: Staff (full-time equivalents) employed by MPs in 1990–91*

Average number per MP:	1.7
	<i>Percentage of MPs</i>
Less than 1.5	38
1.5	8
Over 1.5 and less than 2	25
2 or more	29
	100

Source: OME survey of MPs

17. Rates of pay for all staff paid from the OCA are decided by the individual employer MP. We received evidence that in some cases MPs employ some members of their staff outside the OCA, either at their own expense or at the expense of a third party. The proportion of the OCA which MPs participating in the OME survey chose to devote to salaries is set out in Table B. This shows that 29 per cent of respondents spent at least as much of their OCA on salaries in 1990–91 as the notional proportion implied in our 1987 report (not taking account of any payments from other resources). Comparison between Tables A and B shows that, although there is a relatively high percentage of MPs employing more than the number of staff implied in our 1987 report, the percentage of MPs who are paying more than the 1987 notional proportion of the OCA towards salaries is considerably lower. This lends some weight to suggestions put to us that staff salaries are in many cases being squeezed to allow for other expenditure.

*Table B: Salary expenditure as a percentage of Office Costs Allowance<sup>1</sup>: 1990–91*

	<i>Percentage of MPs</i>
Less than 65 per cent	16
65 and less than 75 per cent	23
75 and less than 87 per cent	32
87 <sup>2</sup> and less than 95 per cent	16
95 per cent or more	13
	100

Source: OME survey of MPs

<sup>1</sup> Salary payments, including employers' National Insurance Contributions (NICs), as percentages of £27,166, the 1990–91 maximum OCA.

<sup>2</sup> In the Review Body's 1987 recommendations, staff salaries (including NICs) were approximately 87 per cent of maximum OCA.

18. The overwhelming weight of the evidence we have received, from MPs, their staff and from Hay, is that the present resources, however apportioned, are no longer adequate. The reason most frequently cited by MPs for wanting the OCA to be increased was the need to employ more staff. We refer in paragraph 10 to the developments which have contributed to increases in workload for MPs. This is manifested most clearly in the amount of correspondence they receive, often averaging 300 letters a week, a considerable increase over past years (a survey in 1986 showed them receiving on average about 200 letters each week). Evidence has also been given to us as to the increasing complexity of individual constituency cases, and at the same time higher expectations on the part of constituents of the help they will receive from their MP. The consequences of this increasing workload are that the existing staff are often working long hours—we received evidence that many who are employed on a part-time basis work close to full-time hours—and that the pay of individual members of staff is squeezed so that more can be employed to deal with the work.

19. Before allocating additional resources for any purpose, it is relevant to examine the need for the extra work. It may therefore be pertinent to ask whether all the work that is being done by MPs is appropriately within their province or whether, for example, more should not be referred to other agencies, such as local authorities. Our investigations did not extend to consideration of this, because we did not regard it as being within our terms of reference to make qualitative evaluations or judgments about the content of MPs' activities; we have confined ourselves to examining the current workload of MPs and based our conclusions upon that evidence.

20. We considered whether greater use of information technology by MPs themselves, or other changes in the way they organise their offices, might help to relieve the burden; whilst undoubtedly this would be of value in some cases, we accept the point that has been made to us that there is no substitute for significant personal involvement in dealing with much of the MPs' work, such as complex constituency cases.

21. Each MP has his or her own individual method of working, and there are some who find the present level of the OCA sufficient to support the range of activity they wish to undertake. The OME survey (Table C) shows that while about one in seven MPs claimed less than 95 per cent of the OCA in 1990–91, over half took up the full amount, and other evidence indicates that many of these were meeting some office costs from other resources.

*Table C: Overall expenditure as a percentage of Office Costs Allowance<sup>1</sup>: 1990–91*

	<i>Percentage of MPs</i>
Less than 85 per cent	7
85 and less than 95 per cent	8
95 and less than 100 per cent	30
100 per cent or more	55
	<hr/> 100

Source: OME survey of MPs

<sup>1</sup> Total expenditure recorded by the Fees Office, as a percentage of £27,166, the 1990–91 maximum OCA.

22. Since there is such diversity in the numbers of staff employed, any conclusion about the appropriate sum of money that should be allocated to pay for staff salaries is essentially a matter of judgment. On the basis of their findings, Hay recommended a sum (at November 1991 levels) slightly in excess of £30,000, not including employers' NICs. On balance, taking all factors into account, we believe that a sum of £32,000 (at April 1991 levels) would be appropriate to cover staff costs, including employers' NICs. This is based broadly upon the notion of two full-time staff, one paid at a higher rate than the other, although we do not expect that this pattern would always be followed.

23. **Recommendation** We recommend that MPs should be able to employ up to the notional full-time equivalent of two staff, at a total cost of £32,000 per MP, including employers' National Insurance Contributions. This sum should be uprated annually, as at present, by the percentage increase in the maximum of the scale for a SPS in the Civil Service plus inner London weighting.

**Terms and conditions of employment**

24. Much of the evidence we received when considering staffing provision under the OCA concerned wider issues of the terms and conditions under which MPs' staff currently work. This is a subject which we have covered in previous reports, in particular in 1987 when we recommended that the Fees Office should be provided with a written statement of the terms and conditions of employment of staff paid from the OCA and that a guide on good employment practice should be produced. Although the latter recommendation was not carried out, we note that the majority of MPs now provide a written contract, and to that extent matters have improved. However, we received evidence of continuing shortcomings in the way in which staff are employed, arising from the informality and unstructured nature of the present system.

25. At present, most MPs directly employ their staff (a few staff are self-employed and some MPs use a secretarial agency). The great majority of full-time staff are paid out of the OCA by the Fees Office, who arrange payment also of NI Contributions. The Fees Office issues a standard contract of employment which MPs may, but are not obliged to, use in respect of the staff they employ. Matters such as levels of pay, leave and hours are negotiated between the MP and his or her individual staff; these vary considerably. Each MP has an entitlement to temporary cover for up to 26 weeks in any 12 months (52 weeks in up to four years) in the event of maternity leave or long-term sickness of a member of staff. In addition, a sum of up to 10 per cent of the annual rate of salary of a member of staff is available, over and above the OCA, and subject to a limit for each MP equivalent to 10 per cent of the maximum of the allowance as a whole, to be paid into a pension fund nominated by the MP for that member of staff.

26. Not all MPs and staff are dissatisfied with the present arrangements, particularly those who have worked together for many years. However, concern is growing, among many MPs as well as among the staff themselves, about the shortcomings of the present system. For example, the salaries paid to the staff are dependent upon what the MP personally negotiates with the staff, and perhaps do not give sufficient weight to objective measures such as level of experience or qualifications. Not infrequently, the sum is determined by what can be spared after payment has been made for expensive office equipment. There are no standard conditions of employment (hours, leave, etc.); the conditions are dependent upon what is agreed between the MP and the individual rather than upon any objective measure of what is appropriate or upon outside 'norms'. The temporary cover arrangements are inadequate in cases where successive members of staff go on maternity leave or suffer long-term illness; the entitlement to cover is tied to the MP, and the year, rather than to the staff member. We heard that one of the most serious deficiencies lies in the arrangements for the payment of staff pension contributions; not all staff know of their entitlement (contributions are not being paid on behalf of one fifth of those entitled to them), and others lose optimum benefits because of delays in payment of premiums.

27. It was put to us by a number of MPs that they themselves are not experts in employment practice, and that the present system can often operate against the interests of their staff. Many of them find the task of negotiating salary rates and other terms of employment burdensome and a distraction from their main work. The Fees Office provides advice but is not intended to be, and cannot act as, a source of expert advice on personnel matters. In addition, as servants of the House, staff of the Fees Office are in a difficult position in mediating between MPs and their employees. Taken with the problems of variable and uncertain pay levels, lack of a structure for pay and conditions, and the increasing workload referred to above, the present system does not provide good value for money in the sense that it does not assist the retention of trained and expert staff, as there are no career or

pay structure incentives to encourage long service. Furthermore, it was put to us in evidence that MPs should as a matter of principle strive to be 'model employers', but that at the moment they do not achieve that objective.

28. In the past we have consistently advocated the separation of staff salaries from the other elements covered by the OCA. It remains our view that this is essential, since its acceptance would be a major step in ensuring greater consistency of payment to staff and protection of their salaries from inroads made by other expenses. However we do not think that this alone will adequately address the problems outlined above, and we have considered two possible solutions in paragraphs 29 to 34 below.

29. The first option we considered was for the MPs' staff to become employees of the House of Commons, employed on salaries related to specific grades, whose job descriptions would reflect the level of skill, experience or qualifications appropriate to the duties they carry out. There would be a ceiling for each MP on the maximum number of staff to be employed in recognition of the limited space at the House. All matters such as pensions, training and sickness cover, would be dealt with centrally by the House, as they would be for secretarial staff in any large organisation. The advantages of this are that all personnel matters would be handled in a consistent and professional manner; MPs would be relieved of the duty of having to attend to these themselves; and staff would have enhanced prospects (if they wished) of being reallocated when their MP left the House, rather than losing their jobs, as commonly happens at present. However, there are certain complexities associated with the model of employment of staff by the House. For example, it is difficult to envisage how staff based in constituencies, particularly those far from London, would be recruited and managed through a central system. Another difficulty would be the arrangements which would need to be made for the redeployment or redundancy of staff whose MPs lost their seats at an election. Under this system, too, MPs would inevitably have less freedom than they do at present to choose the staff who would work for them. Although the MP would, as does a senior manager in a large organisation, have the final choice in selecting candidates, and could personally assess the degree of political commitment or personal loyalty that was required, recruitment of staff would mainly be the responsibility of a personnel function of the House and not of the MPs themselves. In view of the importance MPs place upon their freedom to recruit their own staff, and the other practical problems outlined above, we do not recommend this option, although it would, we believe, have a number of advantages for the staff and for the MPs themselves.

30. We have therefore considered how best to meet the concerns expressed about the present arrangements without introducing unwelcome rigidities or other difficulties, and we believe the following approach would achieve this. Salaries would be paid to MPs' staff directly by the Fees Office. This would differ from the present arrangements in that, although the Fees Office now pays the salaries direct to the staff concerned, they do so out of the MPs' OCA, at whatever rate is determined by the MP. In our view, there should be guidance to MPs on appropriate rates of pay, and upon notification of the commencement of employment from the MP, salary would be paid directly by the Fees Office to the staff concerned. The payment of staff salaries would be from a central fund (up to the limit of £32,000 per MP) and not via the medium of an allowance theoretically payable to the MP; staff salaries would therefore be wholly separate from MPs' office expenses. The staff would nevertheless remain the employees of the MP, who would thus retain control over the recruitment and termination of their employment. The payment of the salary of a member of staff on behalf of an MP should not begin until the production by the MP to the Fees Office of written terms and conditions of employment.

31. It was also considered whether the number of staff employed by any individual MP out of the revised staffing allowance should not exceed a certain number, for example three, at any one time. We note the points made by Hay in their report about the possible advantages of making such a restriction, but we do not pursue this point, since we believe that many MPs find value in the present flexibility, and can make effective use of it.

32. Our recommendations involve considerable change and, to provide advice and guidance on personnel matters to MPs and their staff, a personnel office should be established within the Fees Office or elsewhere in the House's administrative structure. A major function of the personnel office would be to develop guidance on appropriate salary levels for various types of job performed by MPs' staff, drawing on the suggestions for a structure made by Hay in their report. MPs may then regard it as normal practice to settle rates of pay with their staff by reference to this guidance.

33. We refer earlier, in paragraph 26, to deficiencies in the arrangements for the provision of pensions to MPs' staff. We have noted that one in five staff do not benefit from these arrangements and, of those who do, many nevertheless suffer administration charges and financial losses because of late payment of contributions. An early priority therefore of the new personnel office when it is established should be to look at the whole question of the pension contributions of MPs' staff, and to consider how to devise more suitable arrangements. One possible approach which might be pursued is that of a Group Personal Pension Scheme. This might take the form of an arrangement with a particular insurance company to offer its personal pension contracts to MPs' staff. Administration would be simplified and charges reduced, so that better value would be provided for staff. Group death benefit cover could also be arranged.

34. Under the approach we describe, MPs would be relieved of much of the burden of dealing with personnel issues, and both they and their staff would have a source of expert advice in the event of difficulties. We believe too that the personnel office should examine ways to deal with the problems relating to the provision of temporary cover (see paragraph 26), and that it should consider how MPs might be enabled to provide their staff with training. It is a major disadvantage to the staff (and therefore to MPs) that the OCA seldom extends far enough to provide this at present.

35. **Recommendation** We recommend that the salaries of MPs' staff, and employers' National Insurance Contributions, should be paid directly from the Fees Office, up to a total per MP of the recommended annual sum of £32,000. This sum should be separate from all other allowances, so that it may not be disbursed for any other items of expenditure. The payment of salary of a member of staff should not begin until the production by the MP to the Fees Office of written terms and conditions of employment. In addition, provision should continue for a sum of up to 10 per cent of the annual rate of salary of each member of staff so paid to be available for payment into a pension fund, subject to a limit for each MP in respect of their total staff equivalent to 10 per cent of the annual sum of £32,000, as updated.

36. **Recommendation** A personnel office should be established to provide advice and guidance on personnel matters to MPs and their staff, in particular on rates of pay, and to review the pension provisions for MPs' staff. Other matters it should deal with would include the training of MPs' staff and the arrangements for temporary cover for long-term sickness or maternity leave.



# Chapter 4

## Office equipment and miscellaneous expenses

### Central provision of equipment

37. At present, MPs can purchase or rent whatever office equipment they wish. The equipment acquired (including any software) is their own personal property, even though it has been financed wholly or partly by the OCA. It is clear that since our last review the number of MPs making use of some form of information technology equipment has increased; the report of the Computer Sub-Committee of the Commons Select Committee on Services for Members noted that there had been a three-fold increase in the number of MPs using such equipment between 1985 and 1990.

38. The Computer Sub-Committee report endorsed the comments we made in 1987 about the poor value for money and other problems associated with the present arrangements. The main disadvantage continues to be that purchase or rent of equipment by individual MPs gives no opportunity for discounts for bulk acquisition or economies to be gained from a single maintenance contract. In addition, because of the system of individual purchase or rent, there is no way of ensuring compatibility between systems, and in the absence of proper advice, a number of MPs appear to have made expensive purchases of inappropriate equipment, or entered ill-judged rental agreements. Furthermore, since equipment purchased from the OCA becomes the MPs' personal property, and the whole annual entitlement may be spent at any point in the financial year, it is theoretically possible for outgoing MPs to buy a substantial supply of equipment for themselves, through the OCA, shortly before leaving the House. Problems with office equipment formed a significant proportion of MPs' complaints to us about the OCA; a number complained of tax difficulties associated with the acquisition of equipment, and many said they were finding it hard to meet the costs of repair or replacement out of the OCA. As we note earlier in this report (paragraph 26), this can result in arbitrary restrictions on staff salaries.

39. These difficulties would be overcome if MPs' office equipment were provided centrally by the House. We understand that following the recommendations in the report on Computer Services for Members, and the reorganisation of House Committees following the Ibbs report, this matter is now being actively pursued, and we trust that the House will introduce central provision of office equipment for MPs as soon as possible.

40. **Recommendation** We recommend that the House should move as quickly as possible towards a system of central provision of office equipment. Such a system should provide for equipment (including software), at Westminster and/or at an MP's constituency office, for the maintenance of the equipment, and for its recovery, where appropriate, in the event of an MP's death, retirement, or leaving the House for any other reason.

### Interim arrangements

41. It would have been helpful if the initiative to provide equipment centrally through the House of Commons had progressed sufficiently for a new system to be introduced immediately after the forthcoming General Election, when there will be a significant number of new MPs arriving in the House and wishing to establish an office. We understand that unfortunately this will not be possible, and we have therefore had to consider what interim recommendations we should make for the provision of office equipment through the OCA, until such time as the House adopts a centralised and more cost-effective system. In framing the interim

recommendations, our task has been made difficult by uncertainty over the likely speed of progress towards central provision of equipment by the House, the stage this will have reached by the time the House debates this report, and when the General Election will occur within this timescale. In these circumstances our interim recommendations are intended to be both practicable in the short term and to encourage a more rapid progression towards the cost-effectiveness, compatibility and accountability, which will ultimately result from more fundamental changes.

42. We recommend earlier (paragraph 35) that funding for staffing should be separated from MPs' other allowances. We acknowledge that there will be a continuing need for MPs to have a separate fund to cover the maintenance and general upkeep of office equipment, as well as other miscellaneous office expenses. This would cover the same items as the non-salary element of the present OCA, with the exception of constituency office costs, which we deal with in Chapter 5. We recommend therefore that there should be a 'general expenses allowance' of £4,000 per annum. This sum should be uprated by reference to the RPI, which we believe to be the most appropriate index to cover the range of goods which may be paid for from this allowance. We draw attention earlier in this report (paragraph 38) to the problems of accountability associated with the current possibility of drawing the whole of the OCA at any point in the year, so we believe that this sum should be available to be drawn on a quarterly basis, on proof of expenditure. However, we recognise that the costs of establishing an office for an MP upon first entering the House, and afterwards replacing obsolete or damaged equipment periodically, or updating software, are likely to be more than could readily be met from this sum. In order to tackle this problem, which was raised by a number of MPs, and also to encourage moves towards the central provision of equipment and systems by the House, we believe that an 'initial acquisition grant' of up to £5,000 be made available for this purpose, once only, to each MP. As a consequence, the 'general expenses allowance' should be halved in the financial year that this grant is claimed. We also strongly hold the view that, although complete compatibility of systems is unlikely to be realised before the House provides equipment centrally, every effort should be made to ensure that MPs' purchases of hardware and software are mutually compatible, so that the transition to central provision, and to the networking of all MPs' offices with information systems in the House, may be eased. Accordingly the House of Commons Computer Officer should issue a list of recommended items (on the lines of that set out in the Hay report) and compatible systems which MPs should be encouraged to use. This list would need to be updated periodically.

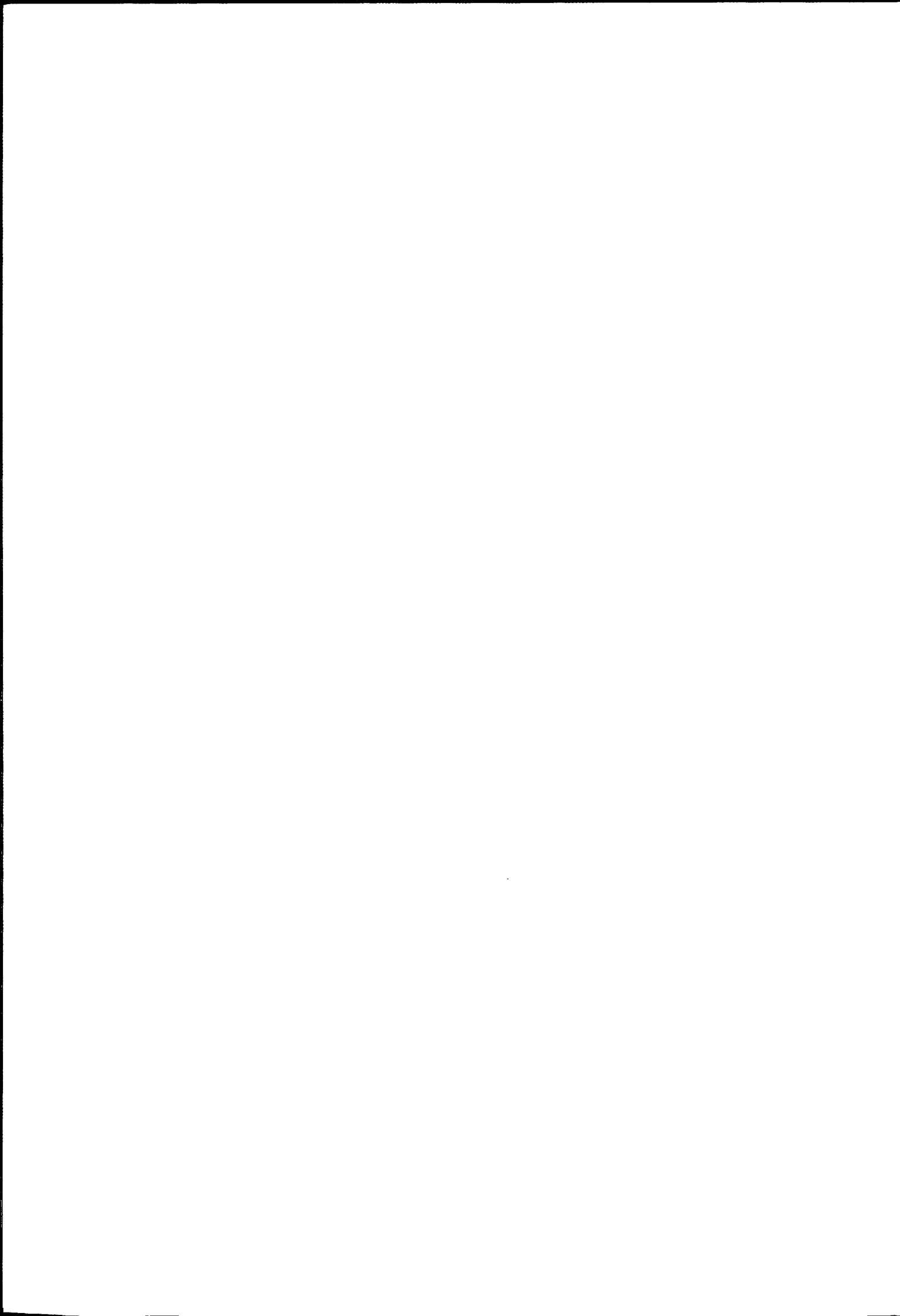
43. At the moment an MP funding the purchase of equipment from the OCA can claim tax allowances based on the cost but the relief is spread over four years. The grant of relief on only 25 per cent of the value of a purchase in the first year is one reason why many MPs rent or lease equipment and receive full relief for the rent each year. However, if central provision of equipment is to be successfully introduced in the foreseeable future, there could be difficulties if large numbers of MPs are tied in to rental agreements which would be expensive to break. Accordingly we advocate purchase rather than rental, provided it is done in accordance with advice on compatibility, thus easing the transition towards central provision of equipment. We recognise that some MPs may still wish to enter into rental agreements, and provided that flexible agreements are negotiated would not recommend that they should cease to do so. Naturally, the sooner central provision is introduced, the sooner both the tax problems over purchase and the complications of various rental agreements will end.

44. When office systems are provided by the House, careful thought will be needed about how the OCA should be revised; it would be our expectation that the 'initial acquisition grant' would cease. At that point we suggest that the House should take on the equipment previously purchased by MPs, provided that all such items are on the approved list of compatible equipment, and become responsible for its maintenance. The 'general expenses allowance' should then be reduced by a half, to reflect that the upkeep of the equipment would be met from central funds; it would then simply meet the continuing need for MPs to have a fund upon which

they can draw to meet miscellaneous office expenses such as small items of equipment, stationery or advertising of surgeries. It should continue to be uprated annually by reference to the RPI and, as it would be a relatively small allowance, should be drawable at any point in the financial year.

45. **Recommendation** Our interim recommendations on office equipment are as follows:

- a) an 'initial acquisition grant' of up to £5,000 should be made available once only to each MP then sitting or subsequently elected or re-elected without having previously drawn an initial acquisition grant, in order to facilitate the purchase of office equipment;
- b) the House of Commons Computer Officer should issue a list of standard, compatible items from which MPs should be encouraged to acquire their systems;
- c) maintenance costs should be met from the 'general expenses allowance', which should be set at £4,000 per annum, available in quarterly instalments, payable on proof of expenditure, and uprated annually by reference to the RPI;
- d) MPs who draw the initial acquisition grant should receive, in that financial year, a halved 'general expenses allowance';
- e) when central provision of systems and equipment is made by the House, the 'initial acquisition grant' should be discontinued, and the 'general expenses allowance' halved to cover miscellaneous costs. The 'general expenses allowance' would be payable by the Fees Office on proof of expenditure at any point in the financial year, and should be uprated annually by reference to the RPI.



# Chapter 5

## Constituency offices

46. At present MPs are given no specific allowance towards the upkeep of an office in their constituency, although they may use any or all of their OCA for that purpose. In theory all MPs are given an office at Westminster, by which we mean the Palace of Westminster itself and outbuildings nearby; however, the quality of their accommodation varies immensely. We were impressed by the new accommodation which we saw in 1 Parliament Street, but the next major development of new offices will not be complete for five or six years, and many MPs and their staff in Westminster continue to be housed in very cramped conditions. The inadequacy of facilities at Westminster is one of the main reasons why, as we found during our review, increasing numbers of MPs are choosing to establish their main office in the constituency (almost a third of MPs responding to the OME Survey reported that at least 70 per cent of their staff and office expenditure was in their constituency). It has been put to us, however, that those who do so are at a relative disadvantage to those who base themselves in Westminster, where floorspace, heating, lighting, and telephones are all provided free, whereas the constituency-based MP must meet all these costs from the OCA. This was the most common cause for complaint about the OCA, after pleas for more staff. Many MPs now prefer to have their main office in the constituency because they can obtain better value for money there, and can give a better service to their constituents, but they have argued forcibly that the present system unfairly penalises them. We accept this argument.

47. In principle we believe that the present inequity should be removed, so that MPs are able to choose more freely whether they wish to locate their principal office at Westminster or in the constituency. Indeed we can see advantages in the moves for more MPs to base their activities in the constituency, particularly in easing the pressure on space in Westminster and in enabling better value for money to be gained from the funds spent on office support. It is a trend which is likely to continue as information technology makes communication between Westminster and the constituency easier. One possible way of making the choice fairer would be to adopt the proposals advocated by Hay for an office for the MP to be provided as of right in the constituency by the Returning Officer. This would have the advantage of ensuring that the MP's office was distinct and separate from any local party premises, and need not be unreasonably expensive if there was a limit on the charge for such an office. On the other hand, we think that this arrangement might not allow MPs sufficient choice as to where they wanted their offices to be situated, and would rely too heavily on co-operation from the local authority, the level of which would be likely to vary in different constituencies. On balance, therefore, we do not favour this option.

48. Another option would be simply to make a sum available to each MP who chooses to have his or her main office in the constituency, to help pay for that office. MPs who base their activities in their constituencies are still likely to need minimal facilities at Westminster (for example a desk, chair and telephone); the House would determine what constituted this minimum, so that any MP with more than these minimal facilities at Westminster could not draw the constituency office allowance. The Fees Office would pay MPs an allowance towards the costs of running an office in the constituency up to the set limit, on proof of expenditure.

49. We prefer the second option, since it would preserve the maximum amount of choice for MPs in the way they organise their office accommodation, whilst reducing the present disadvantage for those who base themselves in their constituencies. We believe that an allowance of £2,000 per annum would be appropriate as the allowance for constituency offices, to be uprated annually by reference to the RPI. It should be allocated specifically for that purpose and should not be capable of virement to any other element of MPs' allowances.

50. **Recommendation** We recommend that:

- a) a sum of up to £2,000 per annum be made available to each MP who chooses to base his or her activities in the constituency and not at Westminster, towards the cost of office accommodation;
- b) entitlement to draw on this sum for a constituency office should extend only to those MPs occupying no more than the basic minimum accommodation at Westminster, as defined by the House;
- c) the Fees Office should reimburse constituency office costs upon proof of expenditure;
- d) the £2,000 sum should be uprated annually by reference to the RPI, and virement from it should not be permitted.

# Chapter 6

## Conclusions and summary of recommendations

**Conclusions** 51. In this report we have recommended increases in the level of staff support, equipment and facilities to be provided for MPs; and also new provision for funds to be available specifically towards the cost of maintaining a constituency office for those MPs who wish to base their activities in the constituency rather than at Westminster. These recommendations arise from our general conclusion from all the available evidence that the pressures and demands on MPs have altered since our last report, and that their workload has increased substantially. Accordingly, we believe that further resources are necessary to enable MPs properly to perform their jobs.

52. We remain concerned about aspects of the employment conditions of MPs' staff and make recommendations with the aim of improving these: the recommendations include the establishment of a personnel office, to provide advice and guidance to MPs and their staff, in particular on rates of pay, and to review provisions on such matters as pensions for MPs' staff, temporary cover for long-term sickness or maternity leave, and training for MPs' staff. Such an office should help MPs to achieve higher standards of employment practice.

53. There is also the issue of accountability and an important feature of our recommendations is the separation of MPs' allowances into distinct components. We believe that this will enable the means by which the allowances are disbursed to be audited more effectively, and to be more visible, than is possible at present. Together our recommendations are consistent with the objective referred to at paragraph 11 that MPs should receive allowances which are sufficient to enable them to fulfil their duties, but that the way in which the allowances are used should meet high standards of public accountability and employment practice.

54. We calculate that the additional full year cost, in current values, of the implementation of our recommendations, would be £4.75 million if all MPs used the maximum sum available to pay for staffing, including the maximum sum available for the employer's contribution to staff pensions, and took up the maximum of the general expenses allowance; and a further £1.3 million if all MPs took up the constituency office allowance. There would be an additional one-off cost of £1.95 million if all MPs took up the initial acquisition grant (and there was no significant additional take-up from subsequent entrants to the House). The annual costs would diminish with the introduction of central provision of equipment, and the consequent reduction in the general expenses allowance, although naturally additional costs would then fall to the House of Commons. The implementation of our recommendations would also require some additional cost for the establishment of the personnel office. A substantial take-up of the constituency office allowance should lead to reduced pressures on space at Westminster with consequent cost saving potential.

**Timing of changes** 55. Some of the changes we propose could be made quickly, whereas others would require more time. In addition, we have had to consider the effects of the forthcoming General Election which is certain to be called within a few months of the completion of this report. We have therefore felt it necessary to make recommendations specifically upon the timing of the changes we have proposed.

56. We do not think it would be either practicable or right to change the OCA in the remaining time before the Election, and so we propose minimal changes to be implemented from 1 April 1992, if the Election has not been called before then. If the Election is called after that date, however, we do not believe that it would be appropriate for MPs to be able to draw the whole OCA for 1992-93 in the few remaining months of the present Parliament, as would be possible under the present system. The Government said to us in its evidence that it is wrong that the system should have the potential (depending on the timing of an election) to benefit outgoing MPs, who could spend heavily from their full year's OCA in the last few months of a parliament. We agree with this view, and therefore believe that only a quarter of the OCA for 1992-93 should be available between 1 April 1992 and the Election. It should, however, be uprated from 1 April 1992, in line with the current uprating formula. The immediate post-Election period, with a significant number of new MPs in the House, will clearly be an opportunity to implement as many changes as can be made quickly, with other more complex issues being resolved afterwards.

57. We have expressed all our recommendations for allowances in cash terms, subject to uprating, but have not specified so far the effective dates from which uprating should take place. The current OCA stands to be uprated on 1 April 1992, and we recommend that the £32,000 we have proposed as the sum for staffing should be uprated, according to the same formula, at that point also. The other figures we have recommended, however, should be regarded as appropriate as at 1 April 1992, introduced at the cash value we have given them, and be first uprated where we have specified an uprating formula, for a full annual increase from 1 April 1993.

58. **Recommendation** We recommend that, until the House decides upon the implementation of our other recommendations, the current OCA should be uprated from 1 April 1992 according to the existing formula. We also recommend that a maximum of a quarter only of the OCA for 1992-93 be available for MPs between 1 April and the Election, if the Election takes place after 1 April 1992. The sum of £32,000 which we have recommended to pay for MPs' staff should also be uprated by the same formula from 1 April 1992.

59. **Recommendation** We recommend that as soon after the Election as possible, the increase in the allowance to meet the cost of the equivalent of two full-time staff, and the separation of staff salaries from the rest of the allowances, should be put into effect. The interim changes to introduce the 'general expenses allowance' and the 'initial acquisition grant' (see paragraph 45) should also be implemented as quickly as possible in the new Parliament. We would expect that the central provision of information technology equipment by the House will be introduced soon thereafter. The arrangements for the funding of offices in the constituency, and the establishment of a personnel unit attached to the Fees Office, probably require more detailed consideration by the House, and are therefore likely to take longer to introduce.

**Summary of  
recommendations**

60. Our recommendations are summarised below.

(i) *Staff: numbers* We recommend that MPs should be able to employ up to the notional full-time equivalent of two staff, at a total cost of £32,000 per MP, including employers' National Insurance Contributions. This sum should be uprated annually, as at present, by the percentage increase in the maximum of the scale for a SPS in the Civil Service plus inner London weighting. (Paragraph 23)

(ii) *Staff: terms and conditions of employment* We recommend that the salaries of MPs' staff, and employers' National Insurance Contributions, should be paid directly from the Fees Office, up to a total per MP of the recommended annual sum of £32,000. This sum should be separate from all other allowances, so that it may not be disbursed for any other items of expenditure. The payment of salary of a member of staff should not begin until the production by the MP to the Fees Office of written terms and conditions of employment. In addition, provision should continue for a sum of up to 10 per cent of the annual rate of salary of each member of staff so paid to be available for payment into a pension fund, subject to a limit for each MP in respect of their total staff equivalent to 10 per cent of the annual sum of £32,000, as uprated. (Paragraph 35)

(iii) A personnel office should be established to provide advice and guidance on personnel matters to MPs and their staff, in particular on rates of pay, and to review the pensions provision for MPs' staff. Other matters it should deal with would include the training of MPs' staff and the arrangements for temporary cover for long-term sickness or maternity leave. (Paragraph 36)

(iv) *Office equipment* We recommend that the House should move as quickly as possible towards a system of central provision of office equipment. Such a system should provide for equipment (including software), at Westminster and/or at an MP's constituency office, for the maintenance of the equipment, and for its recovery, where appropriate, in the event of an MP's death, retirement, or leaving the House for any other reason. (Paragraph 40)

(v) *Office equipment: interim recommendations* Our interim recommendations on office equipment are as follows:

- a) an 'initial acquisition grant' of up to £5,000 should be made available once only to each MP then sitting or subsequently elected or re-elected without having previously drawn an initial acquisition grant, in order to facilitate the purchase of office equipment;
- b) the House of Commons Computer Officer should issue a list of standard, compatible items from which MPs should be encouraged to acquire their systems;
- c) maintenance costs should be met from the 'general expenses allowance', which should be set at £4,000 per annum, available in quarterly instalments, payable on proof of expenditure, and uprated annually by reference to the RPI;
- d) MPs who draw the initial acquisition grant should receive, in that financial year, a halved 'general expenses allowance';
- e) when central provision of systems and equipment is made by the House, the 'initial acquisition grant' should be discontinued, and the 'general expenses allowance' halved to cover miscellaneous costs. The 'general expenses allowance' would be payable by the Fees Office on proof of expenditure at any point in the financial year, and should be uprated annually by reference to the RPI. (Paragraph 45)

(vi) *Constituency offices* We recommend that:

- a) a sum of up to £2,000 per annum be made available to each MP who chooses to base his or her activities in the constituency and not at Westminster, towards the cost of office accommodation;
- b) entitlement to draw on this sum for a constituency office should extend only to those MPs occupying no more than the basic minimum accommodation at Westminster, as defined by the House;
- c) the Fees Office should reimburse constituency office costs upon proof of expenditure;
- d) the £2,000 sum should be uprated annually by reference to the RPI, and virement from it should not be permitted. (Paragraph 50)

(vii) *Pre-Election changes* We recommend that, until the House decides upon the implementation of our other recommendations, the current OCA should be uprated from 1 April 1992 according to the existing formula. We also recommend that a maximum of a quarter only of the OCA for 1992-93 be available for MPs between 1 April and the Election, if the Election takes place after 1 April 1992. The sum of £32,000 which we have recommended to pay for MPs' staff should also be uprated by the same formula from 1 April 1992. (Paragraph 58)

(viii) *Post-Election implementation of change* We recommend that as soon after the Election as possible, the increase in the allowance to meet the cost of the equivalent of two full-time staff, and the separation of staff salaries from the rest

of the allowances, should be put into effect. The interim changes to introduce the 'general expenses allowance' and the 'initial acquisition grant' (see paragraph 45) should also be implemented as quickly as possible in the new Parliament. We would expect that the central provision of information technology equipment by the House will be introduced soon thereafter. The arrangements for the funding of offices in the constituency, and the establishment of a personnel unit attached to the Fees Office, probably require more detailed consideration by the House, and are therefore likely to take longer to introduce. (Paragraph 59)

DAVID NICKSON  
TERENCE BECKETT  
LOUISE BOTTING  
ANN BURDUS  
PETER CAZALET  
CECIL CLOTHIER  
ALLAN GORMLY  
HUGH PIGOTT  
JEREMY POPE  
ANTHONY WILSON

OFFICE OF MANPOWER ECONOMICS  
14 February 1992

## Appendix A

### Previous Review Body reports on parliamentary matters

- First report: Ministers of the Crown and Members of Parliament—Cmnd. 4836, December 1971.
- No. 5: Members of Parliament: Allowances—Cmnd. 5701, July 1974.
- No. 7: Ministers of the Crown and Members of Parliament and the Peers' expenses allowance: Part I—Cmnd. 6136, July 1975.
- No. 8: Ministers of the Crown and Members of Parliament and the Peers' expenses allowance: Part II—Cmnd. 6574, July 1976.
- No. 9: Ministers of the Crown and Members of Parliament and the Peers' expenses allowance: Part III—Cmnd. 6749, March 1977.
- No. 12: Ministers of the Crown and Members of Parliament and the Peers' expenses allowance: Part I—Cmnd. 7598, June 1979.
- No. 13: Ministers of the Crown and Members of Parliament and the Peers' expenses allowance: Part II—Cmnd. 7825, February 1980.
- No. 15: Ministers of the Crown and Members of Parliament and the Peers' expenses allowance—Cmnd. 7953, July 1980.
- No. 17: Ministers of the Crown and Members of Parliament and the Peers' expenses allowance—Cmnd. 8244, May 1981.
- No. 20: Review of Parliamentary Pay and Allowances: Volumes I & II—Cmnd. 8881, May 1983.
- No. 24: Review of Parliamentary Allowances: Volumes I & II—Cm 131, April 1987.
- No. 26: Review of Aspects of the Parliamentary Pension Scheme and Other Matters—Cm 362, May 1988.
- No. 31: Review of the Parliamentary Pension Scheme and of Resettlement Grants for Members of Parliament—Cm 1576, June 1991.

## Appendix B

### List of those who gave oral evidence

<b>The Government</b>	The Rt Hon John MacGregor MP—Lord President of the Council and Leader of the House of Commons
<b>The Parliamentary Labour Party</b>	The Rt Hon Stanley Orme MP Mr Ernest Ross MP Mr Bryan Davies
<b>Other Members of the House of Commons</b>	Mr Graham Allen MP The Rt Hon John Biffen MP Mr David Blunkett MP Mr Dale Campbell-Savours MP Dr John Cunningham MP Miss Emma Nicholson MP Mr Tom Pendry MP
<b>Staff Organisations</b>	The Secretaries' and Assistants' Council of the House of Commons The Transport and General Workers' Union (ACTSS), Branch 1/427

## Appendix C

### Office of Manpower Economics questionnaire survey of Members of Parliament

- Introduction**
1. All 643 sitting Members of Parliament (MPs) elected before April 1991 were sent questionnaires by the Office of Manpower Economics (OME) in October 1991 in order to collect information for the year 1990–91 about the number and type of their staff and about their expenditure on staff and on office and equipment costs. MPs were also asked for any views on the Office Costs Allowance (OCA). To reduce the form-filling burden on MPs, the Fees Office had agreed to supply, direct to the OME, the relevant financial information for any MP who gave authority for this procedure. The three MPs who had been elected after March 1991 were sent shorter questionnaires, covering those points relevant to their experience.
  2. Questionnaires were returned by 413 MPs (64 per cent); most authorised the Fees Office to provide expenditure figures, although a few chose to supply this information themselves. In some cases, including those from MPs elected since April 1990, the returns were incomplete and most of the analyses are based on information from 379 MPs (59 per cent). The response rates in corresponding surveys in 1982 and 1986 were, respectively, 52 and 50 per cent. The Review Body is grateful to those MPs who responded to this survey and to the Fees Office staff for their co-operation and assistance.

- Summary of results**
3. **Number of staff** (Tables 2 to 4). Individual MPs employed secretaries and research staff under various full-time and part-time arrangements. The proportion of MPs with at least one full-time member of staff, either as a secretary or as a research assistant, had risen from 68 per cent in 1981–82 to 82 per cent in 1985–86 and to 87 per cent in 1990–91.
  4. All MPs had secretarial staff: 82 per cent employed full-time secretaries, while the others each had at least one part-time secretary. In contrast, 62 per cent had research assistants some of whom were unpaid or were funded from resources other than the OCA; only 17 per cent of MPs had a full-time research assistant throughout 1990–91.
  5. The numbers of full-time secretaries and research assistants rose slightly between 1985–86 and 1990–91, the combined average per MP increasing from 0.97 to 1.09. Adding the full-time equivalents of MPs' part-time staff, the level of staffing had risen from 1.6 to 1.7. About two-fifths of MPs employed the equivalent of less than 1.5 full-time staff, while the other three-fifths were divided about equally between those with the full-time equivalent of at least 1.5 but less than 2, and those with 2 or more.
  6. **Staff pay** (Table 5). The Fees Office provided most of the staff pay information<sup>a</sup>, which combined salaries with employers' National Insurance Contributions (NIC), as recorded for the purpose of MPs' Office Costs Allowances. Overall, details of individual salaries (including NIC) were received for the staff of 59 per cent of MPs. Annual salaries plus NIC of the full-time secretaries of about half of these MPs averaged between £12,000 and £18,000 in 1990–91; a quarter of MPs paid an average which was less than that and the other quarter more. After adjusting for the fewer hours worked, the average paid to part-time secretaries was generally lower; one quarter of MPs paid (including NIC) no more than the annual equivalent of £9,000 full-time and the top quarter £16,300 or more.

<sup>a</sup> In addition to the OCA, provision is made for employers' pension contributions; these contributions were not included in this or previous surveys.

7. There were relatively few full-time research staff whose salaries were paid from MPs' Office Costs Allowances. The salaries paid by only 38 MPs were covered by returns in this survey, and they paid (including NIC) average salaries ranging from under £5,000 to over £18,000, with a median of about £10,000. Many part-time research staff are not employed on a regular basis with a set salary, although MPs may still be reimbursed from OCA. Of the 130 from whom figures were received, a quarter paid the full-time equivalent of less than £7,000, while a quarter paid the equivalent of £13,000 or more.

8. **MPs' expenditure on salaries** (Table 6). The average expenditure, recorded for OCA purposes, on salaries plus employers' NIC, was approximately £21,700 in 1990-91; this included payments exceeding the maximum OCA by some MPs.

9. In its 1987 report, the Review Body recommended £17,000 for staff costs and £2,500 for other costs: on that basis, staff costs were approximately 87 per cent of the recommended total. In 1990-91, 29 per cent of MPs spent at least 87 per cent (£23,635) of the maximum OCA on salaries and NIC, but 40 per cent spent less than three-quarters (£20,375) of the maximum OCA on these costs.

10. **MPs' expenditure on staff and office costs** (Table 7). Some MPs provided this information themselves, but the information for the majority was provided by the Fees Office; in the latter cases, this generally related only to amounts claimed up to the maximum of the OCA. Over half of all returns showed items totalling either the maximum OCA (£27,166) or a higher amount with balancing credits (usually inward payments by the MP, but temporary secretarial allowances and statutory sick pay in some cases). Another one in ten were no more than £50 under the maximum allowance and only one-seventh of returns were 5 per cent or more below.

11. **Expenditure in the constituencies** (Table 8). Each MP was asked to estimate the proportion of expenditure which was in the constituency. About a quarter said 80 per cent or more, approximately twice as many as in the 1986 survey. At the other extreme, more than two-fifths of MPs estimated only up to 20 per cent of expenditure in the constituency, and this was half as many again as in 1986. The common trend has been for more MPs to concentrate their spending either in Westminster or in the constituencies.

12. **MPs' views on the Office Costs Allowance.** The survey form asked MPs for their views on the level, coverage and operation of the OCA, and for any other general comments about the OCA. Just over half of all MPs filled in this part of the form and, of these, 88 per cent said that the current level of the OCA was inadequate, compared with 12 per cent who said that it was sufficient. The reason most commonly given by MPs for wanting the OCA to be increased was to be able to employ more staff; the second most common complaint was that the OCA was insufficient to meet the costs of running an office in the constituency.

*Table 1* Response to the questionnaire

	Usable replies	Total in the House	Response rate
	No.	No.	%
<b>Total</b>	379	646	59
Ministers and other paid office holders <sup>a</sup>	47	90	53
Opposition spokesmen and other unpaid office holders <sup>b</sup>	21	40	52
Other MPs	311	516	60
<b>Party</b>			
Conservative	221	368	60
Labour	133	220	60
Other	25	58	43

<sup>a</sup> Including Mr Speaker, the Chairman and Deputy Chairmen of Ways and Means, the Leader of the Opposition, Government and paid Opposition Whips.

<sup>b</sup> Opposition Front Bench spokesmen and spokesmen for the other opposition parties.

*Table 2* Average number of staff used by MPs: 1990-91

	All MPs	Paid office holders	Unpaid office holders	Other MPs
	Average no. per MP			
<b>Secretaries</b>				
Full-time	0.90	0.98	0.95	0.88
Part-time	1.04	1.13	1.00	1.07
<b>Research assistants</b>				
Full-time	0.19	0.09	0.67	0.18
Part-time	0.73	0.45	1.14	0.77
<b>Full-time equivalents</b>				
Secretaries	1.31	1.31	1.48	1.31
Research assistants	0.42	0.22	1.17	0.41
<b>Total</b>	1.73	1.53	2.65	1.72

*Table 3* Staff employed by MPs: 1990-91

Number of full-time equivalents	Secretaries	Research assistants	All staff
	% of MPs		
Nil	—	38	—
less than $\frac{1}{2}$	1	26	—
$\frac{1}{2}$ but less than 1	6	17	1
1	29	8	7
Over 1 but less than $1\frac{1}{2}$	32	5	30
$1\frac{1}{2}$	7	1	8
Over $1\frac{1}{2}$ but less than 2	15	2	25
2 but less than $2\frac{1}{2}$	9	2	16
$2\frac{1}{2}$ but less than 3	1	1	7
3 and over	0	0	6
<b>Total</b>	100	100	100

0 = less than 0.5 per cent

**Table 4 Combination of staff used by MPs: 1990-91**

Secretaries	Research assistants	Percentage of MPs
1 ft	0	7
2 ft, 1 ft with 1 pt	0	18
1 ft with 2 to 4 pt	0	7
1 to 5 pt	0	5
		37
1 or 2 ft	1 to 3 ft with 0 to 4 pt	6
1 or 2 ft with 1 or more pt	1 or 2 ft with 0 to 3 pt	6
1 or 2 ft	1 or more pt	17
1 to 3 ft with 1 or more pt	1 or more pt	21
		50
1 or more pt	1 or 2 ft with 0 to 3 pt	5
1 or more pt	1 to 3 pt	8
		13

ft = full-time pt = part-time

**Table 5 Annual salaries of paid staff (including employers' NIC): 1990-91**

Average salary of staff members of each MP <sup>a</sup> : £ per annum	Full-time staff		Part-time staff Full-time equivalents	
	Secretaries	Research assistants	Secretaries	Research assistants
				% of MPs
Less than 6,000	2	13	10	19
6,000 -	3	13	8	16
8,000 -	6	26	14	12
10,000 -	12	16	11	18
12,000 -	14	16	16	14
14,000 -	18	5	15	6
16,000 -	21	5	13	8
18,000 -	14	5	6	3
20,000 -	7	—	4	2
22,000 -	3	—	3	3
	100	100	100	100
Mean	£15,100	£10,400	£12,700	£10,500
Number of MPs	319	38	238	130

<sup>a</sup> Salaries and employer's NIC (National Insurance Contributions) paid by each MP, divided by the number of full-time staff; or by the full-time equivalent for part-time staff.

**Table 6 Annual salary bills (including employers' NIC): 1990-91**

Total salaries and NIC	Percentage of MPs
Less than £14,000	3
£14,000 -	7
£16,000 -	9
£18,000 -	17
£20,000 -	21
£22,000 -	16
£24,000 -	15
£26,000 -	7
£28,000 -	5
	100
Mean salary bill £21,700	

*Table 7* Recorded expenditure on staff and office costs: 1990-91

Total expenditure	Percentage of MPs
Less than £20,000	2
£20,000-	3
£22,000-	5
£24,000-	7
£26,000-	11
£27,000-	17
£27,166 <sup>a</sup>	44
£27,167-	11
	100
Mean expenditure £26,900	

<sup>a</sup>Maximum Office Costs Allowance in 1990-91.

*Table 8* MPs' expenditure in their constituencies: 1990-91

Percentage of MPs' total expenditure <sup>a</sup>	Percentage of MPs
0-10	30
11-20	15
21-30	9
31-69	16
70-79	4
80-89	5
90-100	21

<sup>a</sup>Estimates by 364 MPs of the proportion of their total staff and office expenditure which was in their constituencies.

## **Appendix D**

### **Review of Office Costs Allowance for Members of Parliament**

Prepared by:

Heather Bell  
Gareth Bennett-Coles  
Philip Cohen  
Anna Marshall  
Peter Melrose

December 1991

© Hay Management Consultants Limited  
52 Grosvenor Gardens  
London SW1W 0AU

## Table of Contents

<i>Section</i>		<i>Page</i>
I	Introduction	30
II	Our Interview Programme	30
III	How the Work was Developed	31
IV	Members' Current Support Arrangements	32
V	The Weaknesses in the Current System	34
VI	Future Provision: Key Principles	35
VII	How Much Support do MPs Need?	36
VIII	How Should the Allowance be Paid?	39

## Introduction

In September 1991, the Office of Manpower Economics (OME), on behalf of the Top Salaries Review Body (TSRB), commissioned Hay Management Consultants to assist in their review of the Office Costs Allowance.

This is the second occasion on which Hay have conducted a review of this kind. In 1986, we submitted an extensive report which went back to 'first principles' and sought, in particular, to define the job of an MP, what constituted 'satisfactory performance' and what support he/she would need to achieve this performance. This report does not examine the issues in such depth. Although circumstances have changed since 1986, and we note some of these developments in the body of this report, the MP's job remains fundamentally the same. As a result, this report is sharply focused on the results of our investigation into the structure, size and administration of the allowance.

We are grateful to all those Members of Parliament, secretaries, assistants and servants of the House of Commons who have given generously of their time in helping us to prepare this report. The conclusions are, obviously, our own but we are confident that they reflect a wide body of opinion.

The needs of Members of Parliament for high quality, efficient and cost effective support in the discharge of their parliamentary and constituency duties are not in many cases being met. Most MPs would prefer not to handle many issues in the employment field which could appropriately be managed elsewhere. The interest of staff in 'good employment practice' and, to some extent, equity is not satisfied. Just as important, accountability for the proper use of public funds is not achieved by the present system.

We believe very strongly that all these issues need to be tackled. We believe this will be achieved only by radical reform which makes more public money available for supporting Members while at the same time putting into practice entirely new arrangements to ensure that these funds are duly and properly spent.

## II

## Our Interview Programme

We approached forty-five Members of Parliament, chosen to give a representative cross section of party, constituency location, experience, and size of majority. We excluded Ministers. Thirty of those approached agreed to be interviewed; additionally, we saw seven Members who had expressed an interest to the OME in seeing us. Fifteen Members refused to be interviewed. Seven gave us no answer whatsoever (despite in all such cases a lot of 'chasing'); four simply said they were 'too busy'; and four gave other reasons of which much the most interesting was that the exercise was a waste of time in the light of the 'meagre' progress made through previous examinations.

At the request of the MPs concerned, we paid three visits to constituencies to understand better the support available there.

We interviewed thirty-two secretaries, researchers or assistants. Of these, eighteen worked for Members whom we also saw. As in the past, the officers of the Secretaries' and Assistants' Council and of ACTSS provided us with a valuable overall perspective on the work, conditions, and employment situation of the generality of their members supporting MPs.

As in 1986, both the Fees Office and the Library of the House gave us extremely useful information about workload, systems and 'demand' on their services from Members. Additionally, we obtained factual information on matters such as passes, accommodation and correspondence from the Serjeant at Arms and the Postmaster.

## How the Work was Developed

We described an MP's role and workload in detail in 1986. As then, every MP interprets the 'job' differently and some of the pressures on them are different in different cases. The major differentiators are:

1. The size of the majority which undoubtedly has a major effect on the Member's attitude towards publicity and the media and, generally although perhaps not always, produces highly responsive if not proactive attitudes towards meeting local 'demand' for assistance.
2. The nature and/or the size of the constituency. MPs representing urban constituencies will typically get large numbers of requests for assistance on issues such as immigration. On the other hand, geographically large rural constituencies require much more 'organisation' in terms of surgeries and in responding to what may be the different views, interests and perceptions of different communities. By contrast, with the partial exception of Northern Ireland, *location* does not appear to be a significant differentiating factor.
3. The extent of the individuals' involvement in Select Committee work, party political activity, and what we would call 'championing causes'. It is obviously in this area that individuals' style, ambition and interests cause MPs to behave very differently from each other and this undoubtedly produces different perceptions of the need for support.

On the other hand, there is broad agreement that the MP's job has two core elements—participation in Parliament and assisting constituents in difficulty. It is evident that, in both these areas, pressures have increased over the last five years—and in our 1986 report we suggested that the level of correspondence and so on had risen in the years preceding that. Constituents write to their MPs more often and have become more demanding. In part, this may be because televising the House and the spread of local radio has made the individual MP more 'visible'. (Mail increased by 10 per cent overnight when TV was introduced.) Beyond that, however, there seems some consensus that a modern constituent who takes the trouble to approach an MP will generally have gone through other procedures available and will have a strong expectation of a positive response. As we found in 1986, MPs are quite unanimous that they must respond to what they see as legitimate expectations. While exact figures vary considerably, on average MPs appear to receive approximately 300 items of post per week which require some action.

Additionally, the amount of targeted and unsolicited 'lobby' mail continues to grow. Members seem to measure this in inches rather than items. But much is never read and is regarded as a nuisance by both Member and secretary alike.

It is also clear that telephone contact with MPs (or at least their staff) has increased in a similar fashion.

In order to make rational recommendations about the level of support required it is, of course, necessary to disentangle some of the various strands of an MP's 'job'. It would be equally wrong to recommend a level of support pitched to satisfy the 'needs' of the least active MP as it would be to meet the most ambitious estimates. Neither do we think it realistic to suppose that the party political aspects can somehow be separated from all the others. Nevertheless, we think it reasonable in practice to pitch the public provision for support at such a level as to meet the requirements of the bulk of MPs for assistance in discharging their parliamentary and constituency accountabilities.

This leaves open the requirements of those opposition front benchers who do not receive 'Short money' and the needs of members of Select Committees where we accept that special requirements for support could be justified. In our view, these issues, which affect only a minority of Members, should be handled separately.

## Members' Current Support Arrangements

We understand from the Fees Office that between 1,300 and 1,400 employees are now paid under the Office Costs Allowance. This number varies from time to time—for example with periods of the year. By contrast, around 1,100 passes have been issued, some of which are however used by people who are not actually employed (or at least paid) by MPs. Although precise figures are elusive, it appears that around 75 per cent of Members' paid employees are secretaries.

441 secretarial desks are allocated at Westminster, while approximately 200 MPs have their mail redirected on a permanent basis to addresses in their constituencies.

The general, although imprecise, picture which emerges is therefore:

\*Members employ on average two people each.

\*The vast majority of employees are primarily secretaries, although many will help with 'research' and 'casework'. There are clearly different levels of responsibilities among this group.

\*About one-third of MPs appear to have their main base in the constituency, although many others, even if 'based' at Westminster, also have local support (see below). Eighty per cent of our interviewees have 'something' in the constituency.

\*As in 1986, the precise arrangements are very diverse, as are the skills and competencies of many of those employed. These range from highly qualified and knowledgeable experts in a specific area (although these are few) to virtual filing clerks.

We were told much about the employment of spouses. Currently thirty-four hold secretarial/research assistant passes. It is evident that many provide local constituency-based support of one sort or another. The Fees Office believe that the number of spouses on the total payroll has declined to perhaps 10–15 per cent of the total. But our own small sample of interviewees suggests that the figure may be higher. Slightly more than half the MPs whom we interviewed employed their spouses in some way. We have interviewed a number of MPs' wives who clearly act in the fullest possible sense as executive secretary. But this is a subject which nevertheless raises feelings and leads to allegations of abuse, although we believe that in principle an MP should be allowed to employ his or her spouse under the Office Costs Allowance provided they receive fair payment for the work done.

### Contracts of employment

It is now the general rule that contracts of employment must be lodged with the Fees Office before payment can be made to MPs' employees. This measure was, of course, designed to protect the interests of all parties. We are told, however, that 159 staff still have no formal contract and there are a number of cases where these are so inadequately drafted as to be rendered meaningless. It is the general view, moreover, that many MPs regard contracts, however drafted, as a formality and little more than lip service is actually paid to them. We have heard, for example, that MPs commonly forget pay review dates; staff have been dismissed because the allowance has been mismanaged; and, regrettably, there are allegations that some secretaries have been fired in favour of the employment of wives.

### Employment practices

It is clear from the preceding paragraph that staff find MPs' employment practices at best variable and at worst unacceptable. Many of the MPs themselves would in fact agree. They simply find the problems of trying to manage a busy and varied life split almost equally between constituency and Westminster extremely taxing. Most MPs admit to being reluctant and/or inexperienced managers. In many cases, the 'management burden' falls on the secretarial support staff, some of whom lack the skills and experience to be able to cope with these dimensions of the job. Some of the commonest difficulties are in the following areas:

\*Staff are managed from a distance. Even where all activity and support is concentrated at Westminster, we are struck by how little many MPs see of their secretaries. This naturally leads to heavy reliance on the initiative and organisational ability of the staff.

\*Many MPs rely on the goodwill of their own staff. Those who work from home, in particular, are sometimes expected to perform the job of 'ombudsman', perhaps at all hours of the day or night. Similarly, many staff have to rely on out-of-date equipment. The use of word processors, for example, is far from universal despite the fact that much of the post-bag is suitable for at least 'semi-standard' replies.

\*MPs receive no guidance on and are therefore out of touch with market salaries for the staff they employ. There is certainly a significant degree of mismatch between job size and remuneration, taking MPs' staff as a whole, and this appears to be increasingly recognised by the individuals involved.

\*While pay levels for spouses vary (from nothing to a great deal), there is a general feeling that many MPs 'spend up' their remaining allowance (if any) at the end of the year in the form of bonuses, a disproportionate amount of which are alleged to go to their wives. Some MPs would say this is because they cannot pay their wives a base salary commensurate with the responsibilities they give them.

**Equipment** Equipment is a major source of comment and concern amongst MPs and staff alike. As we have indicated, the equipment available varies from manual typewriters through to sophisticated (in some cases over-sophisticated) computers. In some cases, secretaries still prefer to use a typewriter and are intimidated by the prospect of being required to use a word processor without any training or assistance being available. (In fact, we understand some training is available through certain agencies such as HMSO, but this is not widely appreciated.)

In many cases it appears the problems are caused by the fact that equipment needs to be financed from the same lump sum allowance as staff costs. The result is either that staff salaries are sacrificed to enable sophisticated equipment to be purchased, or that outdated and inefficient equipment is retained in order to be able to pay staff reasonable salaries. The situation is unsatisfactory since the use of modern equipment universally would greatly improve efficiency in a high volume/output environment.

**Constituency offices** We have indicated that some two hundred MPs appear to have their main base in the constituency and a majority now have some form of representation there. There are clear grounds for concern about the detailed arrangements. The offices themselves may be in the MPs' or secretaries' houses; or they may be in the local party headquarters; or in a number of cases, they may be shared among several MPs. We believe that the current arrangements unfortunately lend some plausibility to allegations that sums from the OCA are used to fund political activity, and that it is used, at least in part, as a subsidy to local party associations. Eighty-nine MPs have standing orders on the OCA to their associations and many others arrange *ad hoc* reimbursements. We would accept that some payments would be justifiable to the extent that they represent payment for secretarial and other services provided in support of the constituency/parliamentary activity. But the safeguards against abuse are currently very weak indeed.

**Research assistants** Amongst the various categories of support staff none provoke more comment, debate or concern than research assistants. There is generally a lack of correlation between job title, job content and salary among all staff, but this is especially true with research assistants. We have been able to locate and speak to a handful of people who do provide valuable briefing and research support to MPs. They all work for more than one MP and are able to write speeches and articles for them as well as framing parliamentary questions and undertaking research of a political nature which the Library (although universally acknowledged as providing an excellent service) is unable to do. However, the majority of 'research assistants' operate at a very much lower level, frequently providing no more than a press cutting, photocopying and general office support service to MPs. Some of them

have university degrees and are capable of operating at a higher level. Many more are either students who lack the experience to be able to identify and prioritise their own work or enthusiastic but ill-qualified individuals who do little more than could be achieved by a competent secretary.

## V

### The Weaknesses in the Current System

The current 'system' of allotting MPs a lump sum Office Costs Allowance and providing, for some of them, a limited amount of space and facilities at Westminster is profoundly unsatisfactory. A number of MPs told us that they had cooperated with our enquiries only in the hope that radical reform would be the effect of our work. This section describes the current weaknesses as we see them. They cover the level, structure and use of the allowance.

There is an overwhelming but not unanimous view that the current allowance is insufficient to cover salaries, equipment, and other costs particularly if these include the provision of a constituency office. We have touched on some of the consequences already but they are manifested in either inadequate equipment or relatively low and poorly administered salaries, and not infrequently in unsatisfactory working conditions, especially for people such as secretaries who have to work from home. The allowance also tends to be badly managed. A few MPs fail to make it last through the year particularly if there are unexpected calls on their money from, for example, maternity allowances; others retain a proportion 'in the back pocket' for contingencies such as the need to replace equipment. When this does not materialise, they then pay arbitrary bonuses. Among other things, the system makes it easy for the *maximum* allowance to be treated by the big majority of MPs as the *minimum* as well.

Although it would not be right to dictate to individual MPs about the precise pattern of staff which they should employ, the variety of current practices in this respect also gives cause for concern. We have already alluded to the very different levels of support which MPs buy themselves, in terms of quality. 'Researchers' are very variable. So are secretaries. At the top, there are people clearly equivalent to the personal assistants to the chief executives of major companies, while others reflect the range of 'secretarial' job descriptions down to copy typist. The increasingly employed 'constituency assistants' can mean a wide variety of things to different people, although many are essentially caseworkers.

There are also a variety of approaches to the number of staff employed by an individual MP. The minimum is one full-time person (virtually invariably a secretary) supported by part-time help (wherever located), but other MPs employ far more individuals on a part-time basis, the maximum we have been able to track down being eight. We share the widespread view that, except in special temporary circumstances, undue fragmentation leads to a loss of efficiency and effectiveness, and we strongly support the principle of concentrated and dedicated support.

Under the current system there is next to no correlation between job title, job content and salaries paid. We accept that things have been so for many years, but we detect increasing disquiet amongst the staff themselves at the current disparities. Feelings about equity and the idea that there should be some 'rate for the job' have clearly gained ground over the last five years.

There is also a consensus that the current system favours MPs who base themselves at Westminster. This is essentially because of the free accommodation, telephones and other services provided in the House of Commons and its precincts, however inadequate these may be for the efficient discharge of business. This arrangement is increasingly open to challenge. A growing body of MPs—in addition to those who already do so—would prefer to base their support in the constituency. An office there should give constituents easier access to them or their staff; they believe, probably rightly, that the quality of staff they could employ would be

higher; employment costs would be lower; and the standard of accommodation would be far better than it is at Westminster, where space is cramped and secretaries are generally separated from their employers.

There is waste in other ways. Partly because the social and work profile of MPs has changed substantially over the years, they accept more than their predecessors did that they should rely less on informal sources of support (such as the local party or constituency association) and behave rather more like senior employees in a commercial company. This leads to solid support for the idea that equipment should be provided centrally, provided some element of flexibility and choice was left to the individual MP. Members are more aware than in the past of the potential savings and greater efficiency that could be achieved through this route.

We now turn to accountability. A strong body of opinion, to which many Members belong, is that the present system of ensuring probity and value for money is inadequate. The Fees Office and other servants of the House are in a somewhat invidious position. They are, in many circumstances, obliged by custom to accept the word of 'honourable Members' and it appears that a lot is in fact taken on trust. For example, receipts are not always required for the reimbursement of expenditure on equipment and the Fees Office are in no position to refuse payment in certain cases.

The current system also blurs more than is necessary the admittedly grey boundary between constituency and party political work, so that equipment and staff can be devoted to both at the expense of public funds. Indeed, the present system would theoretically allow expenditure on purely party political matters to be provided for from the OCA. There are widespread allegations that this in fact happens, no doubt fuelled by the payments to local associations which we have noted.

Lastly, particularly since substantial amounts of public money are involved, we are concerned by the value implications of the mismatch between salaries and job content. In the same building, two secretaries doing the same job can be paid up to £7,000 differently from each other. We have no doubt that some research assistants, at least, are paid substantial sums for distinctly limited services. The payment of bonuses has become widespread, but we believe that the linkage to real performance is very weak.

## VI

### **Future Provision: Key Principles**

We have noted that the current arrangements fall far short of achieving value for money in terms of effective support, and leave open a number of questions about probity and accountability. Encouragingly, however, many if not most of our interviewees also recognise these weaknesses, and there is a strong desire for change among the majority of Members and virtually all their staff. In our view, now is the time for serious change in this area, and we believe it should be based on the following key principles:

1. A level of support should be identified which will facilitate satisfactory levels of performance by the generality of MPs in the discharge of their constituency and parliamentary jobs. We have discussed what this means earlier in the report and, at greater length, during our 1986 exercise.
2. There is a need for much stronger focus on obtaining value for money from expenditure currently covered by the Office Costs Allowance. To improve accountability, the allowance should be disaggregated and payments should be subject to much tighter central control.
3. Employment practices should be improved for the benefit of MPs' staff—and to some extent, for the good of Members themselves.
4. The changing emphasis of MPs' work, and in particular the growth of the 'constituency' role, should be recognised.
5. The constraints of accommodation at Westminster are a reality which has to be recognised.

## VII

### How Much Support do MPs Need?

It remains clear to us that MPs should be free to choose the precise mix of support which is suitable for their own interests and needs. It is also vital that they should be responsible for hiring their own people. It would not be appropriate, therefore, to dictate one pattern of 'support team' and, as before, we have developed a number of models (see below) as a reference point in calculating an appropriate level for the allowance. It is clear, however, that if value for money is to be obtained from this public expenditure, the following are to be avoided:

- Fragmented staffing arrangements which produce inefficiency and lack of communication in a number of ways.
- The employment of staff without the necessary skills and competencies. These include initiative, self-sufficiency, organisational skills and the ability to use modern office equipment.

Support is seen to be required in the following areas:

- Responding to problems whether they arise by post or telephone, in such a way that the MP is relieved of much of the routine.
- Keeping an increasingly complex diary and providing an effective point of contact for all those interested in the MP's programme (as well as his/her views).
- Increasingly, helping with constituency casework, although this may not always or even usually need to be a discrete job.
- Monitoring of the media and, as appropriate, the issuing and distributing of press releases.
- Information, research and briefing, so that the Member can make speeches, write articles and pursue any special interest in some depth.

The first two of these needs are, as far as we can tell, common to every MP. The third and fourth are not, perhaps, quite so universally required, but the majority of Members would interpret their role as requiring serious support on casework and media relations. We would agree that this is now a legitimate part of the 'parliamentary' and 'constituency' function. The requirement for support in the information/briefing/research area is the one which is most variable between MPs, and to some degree, the one which is the most controversial. In 1986, we in effect suggested that, where Members' interests led them to pay for research assistants, this ought to be 'traded off' against other potential support, and we remain of this view.

We have therefore concluded:

- \*All MPs need an experienced executive secretary and many could justify a 'bigger' role covering personal assistant duties. These latter would involve, *inter alia*, a good deal of research and/or 'casework'.
- \*It is evident, however, that a single secretary, however competent and experienced, is quite insufficient to provide the full range of support needed by the modern MP. We therefore believe that the allowance should provide for *either* a constituency assistant/caseworker *or* an additional secretary who would not, however, play the same in-depth role as the other one.
- \*MPs should have the option to employ 'research assistants' to give a 'political dimension' to their work; to draft speeches and articles; and to enable them to pursue special interests.

It is clear to us that the existing assumption of one and a half people is the bare minimum acceptable in today's circumstances. This model now seems to depend on support from a wealthy local party organisation, what we would call a relatively light workload, and/or a very highly qualified personal assistant. On the other

hand, many MPs have put forward a case for three full-time staff, comprising for example the secretary/PA, a constituency worker, and a researcher. We have already indicated that if MPs wish to employ researchers we see a case for a 'trade-off' against other support. In any case, none of these categories is water-tight. Either researchers or constituency workers would often, in practice, 'double up' as secretaries.

It is therefore our view that it would be appropriate for MPs to be entitled to an allowance which covers the costs of two full-time members of staff, one of whom should be a senior level, experienced secretary/PA.

**Costing** In our previous report, we developed a number of job descriptions, which we believe remain generally applicable and which would cover the types of jobs most commonly found supporting MPs. We have evaluated them according to our methodology and, through that, we have drawn on Hay surveys to determine market rates. Table 1 below describes the results. It shows median salaries (excluding National Insurance Contributions) in London and in a 'composite' of Northern England and the South West as revealed by our local surveys for these regions. We suggest that the latter data can be taken as a reasonable proxy for the national office pay market outside the London area.

*Table 1: Jobs and Salaries*

Job Title	Job Units	Salary (November 91 est*)	
		London	North of England/ South West composite
Parliamentary Asst	342	£20,500	£18,000
Executive Sec/PA	282	£19,900	£17,500
Constituency Asst	252	£19,000	£14,300
Executive Sec	220	£17,000	£12,900
Secretary	182	£15,300	£11,500
Copy/Audio Typist	109	£11,300	£8,400

\*These figures are updated estimates from surveys which are a few months old. The lack of differentials between parliamentary assistants and executive secretary/PA jobs reflects continued market demand for the latter.

In 1986 we defined a number of 'staffing options' which seemed to us to be reasonable for costing purposes. We have developed these slightly for current purposes and suggest the following models:

- \*Full-time constituency assistant plus full-time secretary also in the constituency. The current cost would be around £26,000.
- \*Full-time executive secretary/PA in London, plus a copy/audio typist also in London. Approximate cost £31,000.
- \*A full-time constituency assistant and a full-time executive secretary in London. Approximate cost £31,500.
- \*A full-time constituency assistant, plus a part-time parliamentary assistant, plus a part-time copy/audio typist in the constituency. Approximate cost £30,000.
- \*A full-time parliamentary assistant plus an executive secretary in the constituency (a model appropriate essentially for the MP who has a major national profile on specific issues). Approximate cost £33,000.

It is a little outside our terms of reference to indicate a precise figure which should be used as the basis for staff costs under a reformed Office Costs Allowance. But on the basis of these figures a sum slightly in excess of £30,000 would be appropriate.

**Issues of Location** Eighty per cent of the MPs in our survey sample have some sort of support in the constituency and many tell us that they would like to reinforce this. The amount of time which MPs are spending at their 'base' is increasing and this trend seems set to continue should the House cease to sit on Fridays. But the present system provides a far from level playing field because of the subsidies effectively available at Westminster. We recommended in 1986 that arrangements be changed fundamentally; our interviews on this occasion have served only to reinforce this opinion.

The advantages of a properly organised constituency base are clear cut. Core support would be focused where it is generally most needed; working conditions and access would be much improved; constituents would have a local point of contact; the existing disparities in support levels caused partly by differing local party attitudes would be evened out; and, as our table shows clearly, employment costs would be lower.

The disadvantages are obviously that some additional cost would be incurred (although we believe that in many cases space is effectively paid for already through the OCA). There may be some risk of formalising the situation whereby MPs provide some 'duplicate' facilities in addition to those already the responsibility of bodies such as the Citizens' Advice Bureaux. Thirdly, the boundary between parliamentary and party political work needs to be kept as clear as possible.

We continue to believe that the possible disadvantages of the constituency office approach can largely be overcome by control mechanisms. It is clear to us that the OCA should in future provide MPs with office facilities in their constituencies. In order to separate parliamentary and party political work as much as possible we believe that the constituency office should be located away from local party/association offices. Arrangements for providing the allowance need to be carefully considered and there are several possible options. Our overriding concern, however, is to ensure that the arrangements contain effective controls to ensure that value for money is obtained from the increase in expenditure that will necessarily result. It is important to try to create a 'level playing field' for all MPs whether they choose to base their support staff at Westminster or in the constituency. As we have already indicated the current system does not achieve this.

One option would be to set up an allowance dedicated solely to the provision of office accommodation. Notional rents for space at Westminster could then be introduced and MPs given the option either of 'renting' space at Westminster or of renting accommodation in the constituency. Rent for accommodation at Westminster would be 'charged' against the OCA and rent for constituency offices would be paid out of the OCA directly by the Fees Office. The level of the allowance could be based on the notional rents for space at Westminster, on a rental figure representing the national average for office rents or could be determined on a regional basis to take account of variations in levels of rent across the country.

Another option which we outlined in our previous report on this subject, would be for the Returning Officer in each constituency to provide the MP with office accommodation, preferably in a public building. All rent and running costs would be paid direct by the Fees Office. We raise this option again as it remains a possibility, although it was not favoured by the Review Body in 1987 and therefore may still not be considered appropriate.

**Equipment Issues** We would wish MPs to avoid acquiring over-sophisticated equipment, or entering into leasing agreements without a full awareness of the financial consequences. Some MPs have fallen into one or other of these traps. There are also well-known anomalies concerning MPs who are elected to Parliament during the course of a session (who receive a full annual allowance which seems quite often to be spent on somewhat extravagant equipment) or who retire, when there is a tendency to

buy a lot of machinery with an eye to the future. Clearly, however, MPs' offices should be equipped in line with good modern practice and in particular, should have:

- \*A portable PC and word processor
- \*A low volume laser printer
- \*A fax machine (perhaps one between two at Westminster) and an answering machine
- \*A low volume (16 copies per minute) photocopier in the constituency
- \*Dictating equipment
- \*Modem

This equipment might have a retail cost of £8,000, but we are confident that appropriate central arrangements (see next chapter) could reduce this very considerably and a figure of £6,000, which would be written down over three years might well be a more accurate guide to the costs involved.

## VIII

### How Should the Allowance be Paid?

It follows from the argument in preceding chapters that we believe expenditure should be increased, but we are confident that better value can be obtained from it and believe that more stringent accountability should be attached to it.

More specifically, we believe that there are strong arguments for the following arrangements:

1. The allowance should be disaggregated between staff costs, office space costs, equipment, and what we would term 'sundry office expenses'. This last item, which is designed to cover mostly consumables, would be very small and repayments could be made under it virtually on a 'petty cash' basis.
2. The allowance should provide for an office for the use of the Member of Parliament with the costs paid directly by the Fees Office. No doubt guidelines will have to be issued in respect of space and location, but we do not see this to be a major issue. The MP should not, of course, be *obliged* to use the 'constituency office', but we suspect that once these became part of the accepted scheme of things, very few would wish to abandon the arrangement.
3. Equipment should be provided centrally on a sub-contract basis, with competitive suppliers. This would lead to economies through bulk purchasing; compatibility, particularly if networks are to be developed; and maintenance and training should be available. The 'problem' of incoming and outgoing MPs would be largely resolved and, indeed, once the equipment had been written down it could perhaps be made over to the individual, either free or at a discount. Above all, staff salaries would not be affected by equipment purchasing decisions, and MPs would not have to continue to make the current trade-offs.
4. Staff salary scales should be developed, administered and reviewed centrally. We have been both impressed and surprised by the degree to which MPs are themselves keen on more central control of salary policies, and the degree to which the Fees Office want to improve consistency between title, content and salary. The MP individually would remain free to recruit his/her own staff (and this is an essential safeguard), but contracts of employment would be held by the House of Commons. Staff would be paid on agreed salary scales, related to market surveys (rather than any Civil Service grade which we do not think entirely appropriate). The contracts would have to contain some rather unusual elements, particularly relating to elections and consequent changes in Members, but we believe that this arrangement would be of great assistance, both to staff and Members, as far as pay negotiations themselves are concerned and in respect of issues such as redundancy, termination and death.

5. The allowance against which MPs could employ staff would be fixed initially at around £31,000. MPs would not, under this arrangement, handle the money at all.

The effect of these arrangements would be to change the pattern of employment from one in which there are 650 tiny 'businesses' much more towards a company model. We are perhaps a little surprised to find this, but many MPs would welcome such a move as relieving them from 'managerial' tasks which they dislike and for which they are inadequately trained. In particular, the 'new generation' of MPs favour the broad thrust of these ideas; and many of those more attached to 'traditional' ways of doing things will retire at the forthcoming General Election.

## Appendix E

### The secretarial, research and office accommodation and expenses of legislators in thirteen countries: a comparative survey, 1991<sup>1</sup>

by

Michael Rush  
(University of Exeter)

#### Introduction

1. In 1982 a comparative survey of the pay, allowances, services and facilities of legislators in fourteen countries was conducted on behalf of the Top Salaries Review Body preparatory to its 1983 Report.<sup>2</sup> The exercise was repeated on a more limited scale in 1986 for the Review Body's 1987 Report.<sup>3</sup> The present survey is an updating of the 1986 survey. Although the Review Body's current referral relates to the House of Commons Office Costs Allowance, data on pay and the full range of allowances provides a clearer picture of the comparative position than a limited analysis.

2. The original survey covered the UK and the other nine members of the EC, Australia, Canada, New Zealand and the United States. The European Parliament was also covered in the first two surveys, but not in the latest. Comparisons between the EC countries make good sense given the close political and economic ties between them, although disparities in size, especially of population, should be borne constantly in mind. With the important exception of the United States, the countries involved in the survey have similar political systems in that all have parliamentary government, although France combines a parliamentary system with features of the American-style presidential system. Comparisons with the US Congress are inevitable, however, and the American data provides a useful basis for comparison.

3. The 1986 survey was intended to cover Portugal and Spain, which had joined the EC since the first survey. Unfortunately, no data was available on the Spanish Cortes and, although considerable efforts were made for the present survey, they were again unsuccessful. The timetable to which the Review Body was working also meant that up-to-date information on the Netherlands and the Republic of Ireland is not included in the present survey.

#### Secretarial, research and office accommodation and expenses—the 1982 and 1986 survey results

4. The 1982 survey found that, in respect of services and facilities generally 'legislators in Australia, Canada, the Federal German Republic, France and the European Parliament were clearly better off than British Members, whereas Italian, Irish and, possibly, New Zealand MPs were worse off'.<sup>4</sup> The 1986 survey found 'the position in respect of allowances, services and facilities does not appear to have changed markedly'.<sup>5</sup>

5. However, the 1986 survey also noted that there had been a very substantial increase in the Secretarial Allowance (now the Office Costs Allowance)—130 per cent between 1982 and 1986 and 52 per cent between 1985 and 1986. The survey therefore concluded that, although the relative ranking of British MPs had remained largely unchanged, they had 'moved much closer to their better-off colleagues . . . [and] . . . the gap between British MPs and legislators in countries below them had widened . . .'.<sup>6</sup>

#### The 1991 Survey<sup>7</sup>

6. The provision of services and facilities for legislators is, of course, subject to change and, as the 1986 survey found, most legislators were better-off in some respect, notably in the form of increased allowances, since these are invariably subject to review and some form of index-linking. This was true in 1991, although the increases in Germany and France were modest and not accompanied by significant changes in any other provisions. In Belgium and Italy, however, there were significant improvements in office accommodation for Senators and in New Zealand for Members' staff. The position of Canadian MPs was considerably

enhanced by a change in the support system from a specific staff allowance to a more flexible and substantially larger 'Operating Budget' which covers staff and other related costs in Ottawa and in Members' constituencies, although some small earmarked allowances for constituency expenditure remain.

7. British MPs continued to benefit from the linking of the Office Costs Allowance with the salary of a senior personal secretary in the Home Civil Service. The allowance has consequently increased 35 per cent since 1986, an increase which compares favourably with legislators in other countries where similar allowances are paid, although remaining far behind members of the Canadian House of Commons and even more of the US Congress.

8. Comparisons of the pay, allowances, services and facilities of legislators are inevitably difficult<sup>8</sup>, but even comparisons of particular provisions are by no means easy. The cost of staff may be met directly from public funds, particularly with secretarial assistance—this is the case in Australia, the Belgian Senate and New Zealand; in other cases staffing costs are met by a specific allowance—as is the case in the UK, France, Italy and the United States; in yet other instances the cost is met by a general allowance—as in Canada and Germany. The situation may be further complicated by the practice in countries like Belgium, France, Greece and Luxembourg of designating a proportion of the Member's salary as a tax-free allowance. It is also a common practice in several EC countries—Belgium, Denmark and Portugal—for staff to be employed by party groups rather than individual Members, while French Deputies may choose to transfer their staff allowances to their party groups. Similar complexities apply to the provision of telephone and postal facilities, although comparisons here are less difficult to make.

9. Nonetheless, these difficulties do not obviate viable comparison, but they do need to be borne in mind. A reasonable assessment of variations in the provision of staffing and office accommodation can therefore be made.

10. The present Office Costs Allowance is intended primarily to meet the cost of a Member's secretarial and research staff. It is entirely up to the individual Member to decide whether to employ secretarial or research staff, or some combination of the two. Notwithstanding that the Allowance is also intended to cover various non-staffing costs, such as various types of office equipment, it is sufficient to employ at least one full-time secretary or research assistant. Depending on salary levels, it is possible to employ more than one person if the second is employed on a part-time basis. In terms of staffing this places British MPs somewhat below the half-way point in comparison with the other twelve countries covered in the summary. US Senators and Congressmen are vastly better-off than legislators in all other countries—some Senators having as many as forty or fifty staff. Other legislators in a superior position to British Members are likely to have between two and five full-time staff, some of whom are invariably based in the constituency rather than the legislature itself. British MPs are certainly worse off in staffing provision (whether paid for directly from public funds or by an allowance) than their counterparts in Canada, Australia, France, Greece (perhaps surprisingly given the salary level and other provisions), New Zealand and the Belgian Senate, but not the Chamber of Deputies. The position is complicated in a number of countries by the practice of sharing research assistants or having research assistants employed by party groups; in neither case is it clear how much the individual legislator benefits from such provisions.

11. The position on office accommodation is similar—below half-way in the comparative league. In the United States, Canada, Australia and Germany legislators have suites of offices and British Members have been overtaken since the 1986 survey by Belgian Senators and Deputies, all of whom have single rooms. That, of course, remains the target at Westminster, but it will not be realised for some time yet. Apart from the cases where suites of rooms are provided, there is insufficient information available to comment on the quality of the accommodation provided, whether in terms of space, equipment, as a working environment, or ease of access to the main legislative complex.

12. Although the provision of telephone calls on legislative business within the national jurisdiction is widespread, it is by no means universal. On the other hand, there are cases where the provision extends to international calls. A similar situation prevails on postage, though it is perhaps worth noting that not only do Canadian MPs have four free mailings a year to their constituents, but mail *addressed* to MPs is free of charge. What British MPs lack in particular is free telephone and postal services to fellow-members of the EC, but they are far from alone in this and it may be that the impact of the Single European Act will place member-states under pressure to address the question.

13. The unlimited supply of envelopes and headed notepaper is also widespread, but the position on the provision of other stationery is less clear. Certainly, for British MPs the unlimited provision applies only to envelopes and headed notepaper. On the other hand, the Office Costs Allowance is intended to cover the costs of other stationery and legislators in many other countries are similarly provided. British Members do not therefore appear to be markedly out of line.

14. The 1986 survey report commented 'the area of services and facilities in which British Members are most commonly lacking compared with more favoured legislators is specific provision for assistance at constituency level', adding that it was 'one area in which New Zealand MPs are better off than their British counterparts'.<sup>9</sup> This remains true, but British MPs are, of course, perfectly entitled to use the Office Costs Allowance to employ staff in the constituency rather than or as well as at Westminster. This raises the question of whether specific provision for assistance at the constituency level should be made or whether it is preferable that such a need is met through a general allowance or a staffing allowance (such as the Office Costs Allowance). A number of political systems have a strong tradition of constituency representation and Britain is firmly in that tradition, particularly with the widely-acknowledged 'welfare officer' role that British MPs perform on behalf of their constituents. However, there is also a strongly individualistic tradition among British MPs, leading many of them to prefer making their own arrangements in performing the 'welfare officer' role. If that is an accurate perception, then there is a good case for ensuring that the Office Costs Allowance gives the Member a genuine choice.

#### Conclusion

15. This report is concerned specifically with staffing and office accommodation and related expenses. However, whether comparisons are made in terms of salaries, allowances, and services and facilities generally, or specifically in the area of staffing and office accommodation, British MPs occupy a place not better than half-way up the comparative scale, usually just below the half-way point. This is not to say that they are particularly badly off, relatively or absolutely—any MP who was a Member of the House before the late '60s will testify that since then the position of the British MP has been transformed. Nonetheless, the important fact remains that British Members are not as well provided for as their counterparts in two of the three EC countries to which Britain could be said to be closest in terms of population and size of economy: French Deputies and German MPs are clearly better-off than British Members, who in turn are better-off than Italian MPs.

16. The support provided to Members of the US Congress is clearly so much greater than that in any of the other legislatures covered in the survey, that the American case is properly described as deviant—the product of a different political system and tradition. Provision in Australia and Canada is also superior, but that is in part explained by the sheer size of both countries which inevitably increases the costs involved. That leaves Europe and there is a strong case for arguing that the appropriate comparators for British Members are the larger rather than the smaller fellow-members of the EC—France, Germany and Italy.

October 1991

## NOTES

<sup>1</sup> The author is grateful to the staffs of the embassies, high commissions and legislatures of the countries concerned and of a number of British embassies, and to Mr Tony Lewis, Accountant of the House of Commons for providing the data on which this survey is based. The interpretation of the data is, of course, entirely the author's responsibility.

<sup>2</sup> See Top Salaries Review Body (TSRB) Report No. 20, Cmnd. 8881-II, May 1983, Sections 5a and 5b, pp 98-144.

<sup>3</sup> See TSRB Report No. 24, Cm 131-II, April 1987, Appendix F, pp 89-100.

<sup>4</sup> TSRB Report No. 20, para 68.

<sup>5</sup> TSRB Report No. 24, Appendix F, para 5.

<sup>6</sup> Ibid, para 6.

<sup>7</sup> See Appendix for full details.

<sup>8</sup> For a brief discussion of problems of comparison see TSRB Report No. 20, Section 5a, paras 3-5 and 7-13.

<sup>9</sup> TSRB Report No. 24, Appendix F, para 8.

### The provision of pay, services and facilities in thirteen countries

Note: Throughout this table the figures in £s given in brackets are converted from local currencies at the rates of exchange prevailing on 15 April 1991

Country	Salary	Review of salaries and allowances	Allowances	Secretarial and research staff	Office accommodation	Telephone, postal services and stationery	Travel	Subsistence	Constituency expenses
UNITED KINGDOM House of Commons (NB Figures are for 1990-91)	Basic salary of £28,970. Maximum salary of £30,192 for those who draw the London supplement of £1,222, which is taxable. Whole of salary taxable.	Reviewed by the Top Salaries Review Body. However, since 1983 the salary has, by resolution of the House of Commons, been related to the Civil Service grade of Senior Principal. The office, secretarial and research allowance is related to the salary of Senior Personal Secretaries in the Home Civil Service; the subsistence allowance is linked to appropriate Civil Service rates; and the car allowance is linked to schedules of running costs produced by the Royal Automobile Club.	£27,166 Office Costs Allowance; £2,717 to meet cost of secretarial pension scheme; £10,070 to employ temporary assistance in the event of illness of secretary; all <i>maxima</i> . £10,786 subsistence allowance. £200 allowance to assist in drafting Private Member's Bill. £4,527 to assist in clearing up the affairs of a deceased, retired or defeated MP.	Maximum of £27,166 Office Costs Allowance plus £2,717 pension contribution for staff: £10,070 for temporary assistance if any of staff ill. The Office Costs Allowance may be used to employ a research assistant and staff may be employed in London or the Member's constituency.	Single or shared office accommodation for MPs in or near Palace of Westminster. Shared accommodation for staff. Basic office equipment, excluding a typewriter, provided. General office expenses covered by the Office Costs Allowance.	Calls on parliamentary business made from the Palace of Westminster free within the UK. Other calls covered by office allowance. Free postage on parliamentary business within the UK. Unlimited supply of envelopes (official paid) and headed paper. 12 photocopies of any relevant document.	Vouchers for 1st class travel by rail, sea or air on journeys between London and constituency, London and home, and home and constituency, within the constituency and, subject to prior authorisation, elsewhere in the UK on parliamentary/constituency business. Reimbursement of cost of public road transport and allowance for car travel on above journeys at rates based on schedules of running costs produced by the Royal Automobile Club related to engine size and mileage ranging from 13.8 to 61.9 pence per mile.	Reimbursement of up to £10,786 per annum, based on number of sitting days × Civil Service rates.	No specific provision but may draw upon Office Costs Allowance.
AUSTRALIA Senate	A\$61,798 (from 1.1.91) (£27,837) All taxable.	Annual review by Remuneration Tribunal. Salary automatically adjusted for National Wage Case decisions. Allowances also reviewed annually by Tribunal. Reviews subject to parliamentary disallowance/amendment.	Electorate allowance of A\$22,685 (£10,218) Effectively a general allowance; all taxable.	Free secretarial and research assistance for each Senator, plus typing pool facilities. May appoint a secretary in constituency office, and two others: one in either Canberra or the constituency; the other in the constituency.	Excellent accommodation provided in Parliament House. Separate electoral office for Senator and staff. Office furnishings and equipment are provided.	Charge cards are provided free for calls within Australia. Allowance of 900 free letters per quarter, plus 4,500 letters per quarter, through electoral office franking machine. Unlimited supply of stationery.	Free travel within Australia by scheduled services on constituency or parliamentary business (but not party business). Free use of official transport in Canberra and state capitals. Can use a self-drive car, but A\$6,000 (£2,703) deducted from electorate allowance. After three years' service, allowed the equivalent of a first class air-fare around the world for study purposes—allowed once in each Parliament. Free travel within Australia on retirement if served 20 years or seven Parliaments and free travel for spouse if accompanies Senator.	Allowance of A\$140 (£63) per day in Canberra. A\$190 (£86) per day in state capitals except Sydney (A\$230—£104) and A\$145 (£65) per day elsewhere. Allowance payable when Parliament is sitting, or to attend meetings of parliamentary committees or parliamentary political party, or official government or parliamentary functions.	Covered by electorate allowance and free secretarial assistance

Continued

Country	Salary	Review of salaries and allowances	Allowances	Secretarial and research staff	Office accommodation	Telephone, postal services and stationery	Travel	Subsistence	Constituency expenses
AUSTRALIA House of Representatives	Same as Senator	Same as Senator	Electorate allowance of A\$22,685 (£10,218) for constituency of less than 2,000 sq km. A\$26,975 (£12,151) for constituency of 2,000 sq km and less than 5,000 sq km, and A\$32,895 (£14,818) for constituency of 5,000 sq km or more. All taxable.	Same as Senator	Same as Senator	Same as Senator	Same as Senator	Same as Senator	Same as Senator
BELGIUM Senate	BF 2,116,421 (£35,274) half of which is tax free allowance for expenses.	Basic salary dates from 1974 and is based on public service salaries. Increases automatically in line with the Belgian wage index scheme.	Half the gross salary (BF1,058,210—£17,637) is tax free and regarded as an allowance for expenses. Subsistence allowance of BF5,500 (£92) per day when Senate is sitting.	Allowed to employ one full-time or two part-time secretaries paid for by the Senate budget. Typing pool facilities also available. Research assistants paid for by the Senate budget are employed by the parties.	All members have an office in a building adjacent to the Senate	Free calls from Parliament. Other calls paid for out of expense allowance. Free postage for correspondence with public authorities plus 1,500 franked envelopes per annum. 500 sheets of paper and 500 envelopes per month.	Free fares (first class) on all public transport. Petrol allowance for journeys between the Senate and home on basis of 120 sitting days a year at rate of BF35 (58p) per km. No concessions for family.	Allowance of BF 5,500 (£90) per day when Senators are attending parliamentary meetings abroad.	No provision other than from general expense allowance.
Chamber of Representatives	BF2,116,404 (£35,273), half of which is a tax free allowance for expenses.	As for Senator	Half the gross salary (BF1,058,202—£17,637) is tax free, and regarded as an allowance for expenses.	The Chamber of Representatives allocates a fixed sum to each party represented in the House and secretaries are employed by the parties, their services being shared by Deputies. Typing pool facilities are also available. Research assistants paid for by the Chamber budget are employed by the parties.	Same as Senator	Office holders are allowed to make BF6,300 (£105) worth of calls within Belgium every two months from the parliament building, paid for by the Chamber budget. Free postage for correspondence with public authorities plus 1,500 franked envelopes per annum. Each Deputy received a ration of official headed notepaper and 150 envelopes per month.	Free pass (first class) on all public transport within Belgium. For late sittings, official cars are provided for Deputies to return to their constituencies. No concessions for family.	In exceptional cases reimbursement is made for overnight stays in Brussels.	No provision, other than general allowance.

Continued

Country	Salary	Review of salaries and allowances	Allowances	Secretarial and research staff	Office accommodation	Telephone, postal services and stationery	Travel	Subsistence	Constituency expenses
CANADA House of Commons	C\$64,400 (£32,000) all taxable.	Salary increases automatically by 1 per cent less than the lesser of the percentage increase in Industrial Composite Index and the Consumer Price Index, but subject to government intervention. Allowances are revised by the Commissioners of Internal Economy.	Allowance of between C\$21,300 (£10,584) and C\$28,200 (£14,012) varying by size and distance of constituency from Ottawa. Plus Operating Budget of between C\$164,000 (£81,491) and C\$170,400 (£84,671) (depending on type of constituency) to cover staff in Ottawa and staff, rents and equipment in the constituency. MPs with over 70,000 electors and/or constituencies of over 8,000 sq km entitled to budget supplements for constituency expenses. Re-elected MPs entitled to constituency furniture and equipment allowance C\$3,000 (£1,491) per Parliament; newly elected MPs to an allowance of C\$5,000 (£2,484) per Parliament.	Covered by Operating Budget. Maximum individual staff salary currently C\$58,700 (£29,168).	Offices for MP and staff provided in the legislative complex plus extensive office equipment (including personal computer—wordprocessor and laser printer).	MPs may use the government telephone network to call anywhere in Canada and most of the USA. Free postage within Canada, (including mail addressed to MP), plus four mailings per annum to all constituents. Unlimited supply of standard office stationery.	64 first class return air fares between Ottawa or the constituency and any destination in Canada allocated on a points basis, some of which may be used for designated family members or staff. Travel within the MP's province or territory covered by the Operating Budget.	Meals, accommodation and incidental expenses while travelling in Canada up to a maximum of C\$6,000 (£2,981).	Covered by Operating Budget.
DENMARK Folketing	327,994kr (£29,155) all taxable.	Determined by salaries of public servants which in turn are adjusted according to average changes in pay that occur in the private sector.	Allowances as follows based on location of main residence: (i) within radius of 45km from Copenhagen: 3,188.77kr (£283); (ii) rest of Sjælland: 43,144.38kr (£3,835); (iii) rest of Denmark: 80,018.81kr (£7,113).	Secretarial help shared with other MPs and paid for by party group budget allocated by the Folketing. Research assistants shared with other MPs and paid for by party group budgets.	Office accommodation available to all MPs. MPs who share a secretary usually opt to share rooms with each other in order to give the secretary an office of his/her own. Situation will ease in 1992 when 100 new offices will become available.	Free calls worldwide on parliamentary business from Parliament building. Postage paid from party group budget. Stationery provided free from Parliament.	Free travel on domestic bus, rail, air and sea services (including car ferries). No concessions for family.	No provision other than general allowance.	No provision other than general allowance.
FEDERAL GERMAN REPUBLIC Bundestag	DM115,968 (£39,715)	No regular review machinery but an approximate linkage with under secretary level in the civil service.	General allowance of DM65,316 (£22,368) tax free. Allowance covers secretarial and research staff, subsistence and constituency expenses.	Secretarial help met from general allowance. Shared research assistants provided free. Typing pool facilities also available.	Single room for MP and separate room for staff in legislative complex. Basic office equipment provided.	Free calls from Parliament building within FGR. Postal costs covered by secretarial allowance. Unlimited supply of stationery.	Free travel on domestic railways. Air fares within the FGR reimbursed. No concession for family.	Covered by general allowance.	Covered by general allowance.

Continued

Country	Salary	Review of salaries and allowances	Allowances	Secretarial and research staff	Office accommodation	Telephone, postal services and stationery	Travel	Subsistence	Constituency expenses
FRANCE National Assembly	442,411Fr (£44,824), of which 9/20ths—199,085Fr (£20,171)—is regarded as an expense allowance free of tax.	Salary is linked to an average of higher civil servants, plus an occupational allowance. Allowances are reviewed by a National Assembly committee and linked to civil service allowances.	9/20ths of salary 199,085Fr (£20,171) is regarded as expense allowance free of tax. Staff allowance of 290,376Fr (£29,420) plus allowance of 276,336Fr (£27,998) for research assistants. National insurance etc for staff paid by Assembly.	Staff allowance of 290,376Fr (£29,420) which may be used by Deputy or transferred to parliamentary group. Allowance of 276,336Fr (£27,998) for research assistants. Typing pool facilities available.	Single room for Deputy but no room provided for staff. Basic office equipment provided.	Free calls from Paris to departement in which constituency is situated. Single charge (depending on distance) for calls from the constituency to Paris. Free telephone rental within constituency. Free postage from Palais Bourbon. Headed paper and envelopes provided. 50 photocopies of any document provided.	Free first class rail pass, half price rail travel for spouses. Reduced priced Metro tickets. 60 return flights to constituency. Taxi fares in Paris and suburbs and to airport reimbursed. Use of National Assembly car pool for journeys within Paris. Family concessions on rail and air fares.	Salary includes a housing allowance of 10,309Fr (£1,044).	Salary includes a functional or a representational allowance of 88,482Fr (£8,965). Free telephone rental in constituency.
ITALY Senate	L. 120,178,000 (£54,256) all taxable.	Salary equal to and linked to that of senior judicial appointment, although this is under parliamentary discussion and may change. No machinery for reviewing allowances.	Subsistence allowance of L. 39,013,000 (£17,613) but deduction made for absences from Parliament. Office expense allowance of L. 6,000,000 (£2,709) for those Senators without rooms in legislative complex. Travel allowance for journeys to constituency ranging from L. 8,500,000 (£3,837) to L. 12,533,000 (£5,658) according to distance from Rome. Research and secretarial allowance of L. 42,533,000 (£19,202).	Research and secretarial allowance of L. 42,533,000 (£19,202). Previously typing pool facilities only. Parliamentary parties have research staff paid for from public funds.	Shared rooms for some Senators in legislative complex. Other Members receive office allowance of L. 6,000,000 (£2,709). No accommodation for staff. Basic office equipment provided.	Free calls from the Senate building. Outside calls reimbursed up to limit of 10,000 units (local calls). Allocation of 3,600 national letter stamps pa (suspended in January 1990). Unlimited supply of stationery.	Free rail travel. Free air journeys between Rome and constituency. 2 free air journeys pa between Italy and EC capitals. Plus travel allowance for journeys to constituency ranging from L. 8,500,000 (£3,837) to L. 12,533,000 (£5,658), according to distance from Rome. Free motorway travel. No concessions for family.	Subsistence allowance of L. 39,013,000 (£17,613) but deductions made for absences from Parliament.	No provision.
Chamber of Deputies	Same as Senator	Same as Senator	Same as Senator	Same as Senator, except that a contract must be produced as evidence.	Same as Senator.	Same as Senator.	Same as Senator.	Same as Senator.	Same as Senator.
GREECE Chamber of Deputies	4,892,664drs (£15,682), half of which (2,446,332drs—£7,841), is tax free, plus family allowance of 56,000drs (£179) for wife and 28,000drs (£90) for child.	Salary normally increased every 4 months in accordance with cost of living index, but will be increased only twice in 1991. Basic salary linked to that of President of Supreme Court. Allowances decided by Parliament.	The tax free half of the salary is regarded as an expense allowance. In addition MPs receive 629,057drs (£2,016) for Members in Athens and Piraeus and 838,742drs (£2,688) for other Members to pay for office rental and a postal allowance of 600,000drs (£1,923).	Each MP has two secretaries or research assistants paid from public funds.	Office rental allowance 629,057drs (£2,016) for MPs in Athens and Piraeus and 838,742drs (£2,688) for other MPs. No provision in the Parliament building.	Limited exemption on charges for calls between Athens and constituency. Postal allowance of 600,000drs (£1,923). No stationery is provided.	Free use of public road, rail and sea transport, plus 104 journeys by air between Athens and constituency. No concessions for family.	No provision.	No provision.

Continued

Country	Salary	Review of salaries and allowances	Allowances	Secretarial and research staff	Office accommodation	Telephone, postal services and stationery	Travel	Subsistence	Constituency expenses
LUXEMBOURG Chamber of Deputies	LF1,591,608 (£26,505) half of which is tax free (LF795,804—£13,252).	Salary linked to that of counsellor in government service. Automatic increase whenever cost of living index rises by 2.5 per cent; no machinery for review of allowances.	Half the salary is tax free (LF795,804) (£13,252) and is regarded as an allowance for expenses. Maximum of LF1,500 (£25) a month office expenses. Allowance of LF24,000 (£393) towards the cost of car insurance premium.	None provided.	Pending the provision of offices Deputies may claim up to LF1,500 (£25) a month office expenses. Fax machine supplied to those Deputies who request one.	Free internal and foreign calls from Chamber of Deputies. No provision for postal costs. Unlimited supply of headed paper and envelopes.	Travel between home and Chamber of Deputies reimbursed at rate of LF12 (20p) per km. No concession for family.	No provision.	No provision.
NEW ZEALAND	NZ\$69,600 (£23,434)	Salaries and allowances determined by Higher Salaries Commission. Services by Members reviewed by the Parliamentary Service Commission.	Basic expenses allowance of NZ\$6,200 (£2,087) intended to cover <i>inter alia</i> entertainment, costs of maintaining expected standard of dress, subscriptions and fees, donations, journals. Electorate allowance varying from NZ\$7,600 (£2,559) to NZ\$18,600 (£6,263) according to type of constituency. Subsistence allowance of NZ\$52 (£17) per day for sittings etc and night allowance up to NZ\$118 (£40) per night away from home (subject to annual maximum total for accommodation in the Wellington area).	Secretary per Member at Parliament House paid for from public funds. Research staff attached to party groups. Secretary in the constituency paid for by public funds up to a full-time basis (40 hours per week) as required by Member.	Single room for MPs. Single accommodation for staff. Basic office equipment provided.	Rental and all domestic toll charges for three telephone lines (whether used for telephone, fax etc). Free overseas calls on official business. Free postage from Parliament House plus stamp allowance of NZ\$960 (£323). Unlimited supply of parliamentary stationery.	Free air transport on all scheduled domestic air services for Member and spouse. Reimbursement of equivalent air fare for travel by surface transport on parliamentary business plus cost of transport to and from airport. Free transport between Wellington airport and Parliament. Refund of between 25 per cent for MP who has served 1 term to 90 per cent for MP who has served 4 terms of some overseas air fares. Concessions for spouses. Half fares for children between Wellington and constituency.	Allowance of NZ\$52 (£17) per day for sittings of Parliament, select committees, caucus committees or official functions in Wellington, and NZ\$118 (£40) (subject to annual maximum total for accommodation in Wellington area) per night away from home.	Basic expenses allowance of NZ\$6,200 (£2,087) intended to cover <i>inter alia</i> entertainment, costs of maintaining expected standard of dress, subscriptions and fees, donations, journals. Electorate allowance varying from NZ\$7,600 (£2,559) to NZ\$18,600 (£6,263) according to type of constituency. Up to NZ\$7,500 (£2,525) of rental cost of electorate office reimbursed. Stationery and certain office equipment provided.
PORTUGAL Assembly of the Republic	5,473,200esc (£21,148) all taxable.	Salary subject to regular review by the government.	Monthly allowance equivalent to 10 per cent of salary—547,320esc (£2,115). Daily subsistence allowance ranging from 2,650esc (£10) to 7,900esc (£30) for attendance at plenary sessions, not committee meetings.	Secretarial and research staff provided at public expense for parliamentary groups only.	No office accommodation for individual Members, only for parliamentary groups.	Free telephone calls available to parliamentary groups. Postal services and stationery available to individual Members via parliamentary group.	MPs living outside Lisbon entitled to 7,900esc (£30) per day for two days for each week of the parliamentary session.	Allowance ranging from 2,650esc (£10) to 7,900esc (£30) per day according to place of residence.	No provision.

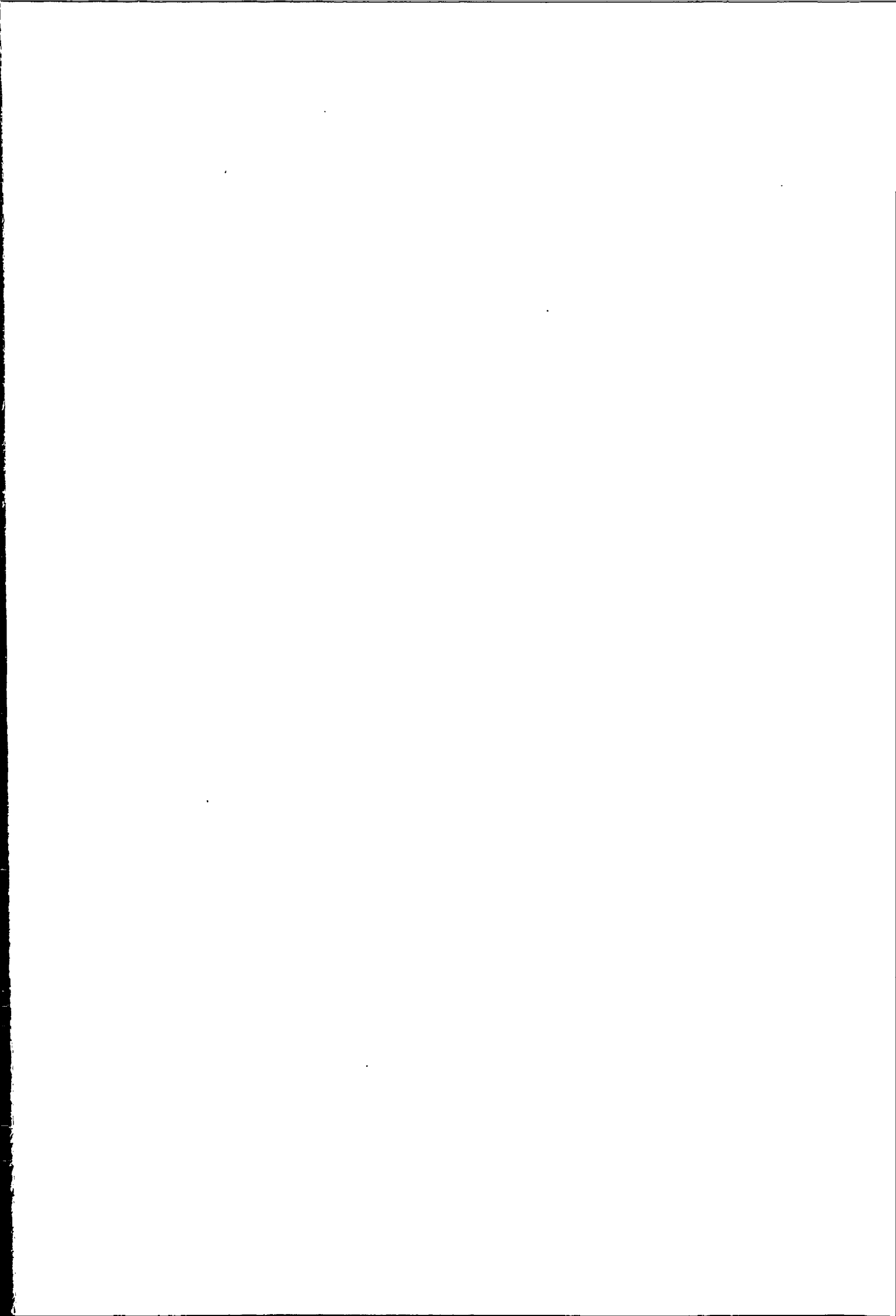
Continued

9 780101194327



ISBN 0-10-119432-3

Country	Salary	Review of salaries and allowances	Allowances	Secretarial and research staff	Office accommodation	Telephone, postal services and stationery	Travel	Subsistence	Constituency expenses
UNITED STATES Senate	US\$125,100 (£70,104) Honoraria are banned. In 1977 a limit on outside earnings equivalent to 15 per cent of the Member's salary was imposed, but this was subsequently increased and is currently 40 per cent. Compared with Senators Members of the House of Representatives do not add substantially to their income by means of outside earnings.	Salaries reviewed by commission which deals with executive, legislative and judicial salaries at 4 yearly intervals. Recommendation voted on by Congress plus automatic cost of living increases. Congress may veto these increases and did so between 1980 and December 1982, when the House of Representatives voted in favour of increased salaries and allowances, whilst the Senate decided against an increase in salary, but approved increases in allowances.	General allowance ranging from US\$47,000 (£26,338) to US\$200,000 (£112,076) to cover travel, telephone costs, stationery, postage, constituent mailings and computer services. Varies according to population of state and distance from Washington. Staff allowance, varying according to population of state, ranging from US\$847,410 (£474,872) to US\$1,836,990 (£1,029,414).	Staff allowance varying according to population of state ranging from US\$847,410 (£474,872) to US\$1,836,990 (£1,029,414).	Suite of 5-8 rooms in legislative complex. Basic office equipment provided.	Use of government telephone network plus element in general allowance. Postal costs covered by general allowance. Free allocation of large envelopes according to population of state. Other stationery covered by general allowance.	Covered by general allowance, plus 1 free trip per year between Washington and home. No travel concessions for family.	Tax deductible expenses up to stipulated maximum.	Free office accommodation in home state; other expenses covered by general allowance.
House of Representatives	Same as Senator	Same as Senator	General allowance to cover same expenses as for Senator, ranging from US\$112,000 (£62,763) to US\$350,000 (£196,133)—average US\$176,500 (£98,908). Varies according to population of district and distance from Washington. Staff allowance of US\$515,760 (£289,022) same for all Members.	Staff allowance of US\$515,760 (£289,022) same for all Members	Suite of 2-3 rooms in legislative complex. Basic office equipment provided.	As for Senators, except that allocation of large envelopes is 40,000 per month.	As for Senators except no free air trip	As for Senators.	Covered by general allowance, but no free office accommodation as for Senators.





HMSO publications are available from:

**HMSO Publications Centre**

(Mail, fax and telephone orders only)

PO Box 276, London SW8 5DT

Telephone orders 071-873 9090

General enquiries 071-873 0011

(queuing system in operation for both numbers)

Fax orders 071-873 8200

**HMSO Bookshops**

49 High Holborn, London, WC1V 6HB

071-873 0011 Fax 071-873 8200 (counter service only)

258 Broad Street, Birmingham, B1 2HE

021-643 3740 Fax 021-643 6510

Southey House, 33 Wine Street, Bristol, BS1 2BQ

0272 264306 Fax 0272 294515

9-21 Princess Street, Manchester, M60 8AS

061-834 7201 Fax 061-833 0634

16 Arthur Street, Belfast, BT1 4GD

0232 238451 Fax 0232 235401

71 Lothian Road, Edinburgh, EH3 9AZ

031-228 4181 Fax 031-229 2734

**HMSO's Accredited Agents**

(see Yellow Pages)

*and through good booksellers*

ISBN 0 10 119432 3