



The Scottish Parliament  
Pàrlamaid na h-Alba

# **Review of the Reimbursement of Members' Expenses Scheme**

Financial Resources  
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### **1.EXECUTIVE SUMMARY**

1. Following the commissioning of a review of the Reimbursement of Members' Expenses Scheme by the SPCB feedback and data was gathered on how the Scheme was supporting Members to carry out their duties to help inform the recommendations for the review.
2. The SPCB undertakes such reviews each session to ensure that the Expenses Scheme continues to support Members in carrying out their roles and to identify where there are any beneficial improvements to the Scheme which could assist Members whilst continuing to maintain the principles and transparency associated with the Scheme.
3. As part of the research and analysis undertaken 39 Members and their staff were consulted on how the Scheme was supporting Members in their role. This along with data on how Members use the current Scheme was gathered to help identify any barriers and inform recommendations for change to the Scheme.
4. This report contains the themes and specific findings that came from the review on each of the current provisions and contains 32 recommendations in

relation to those findings. The following details the more significant changes to the Scheme:-

- The introduction of a start-up provision to cover all one-off office start-up costs.
- Increased flexibility with the creation of two provisions, an Office Property Cost Provision and an Engagement Provision (replacing Office cost, Surgery Advertising, Telecommunications and Stationary/Postage) which Members can flex within set parameters to suit their costs and ways of working.
- The creation of one travel provision covering parliamentary travel for both Members and their staff (removing the 74-journey limit).
- The introduction of more flexible and cost-efficient corporate payment cards for Members and their staff, reflecting many providers and suppliers shifts towards cashless payments, to better meet low cost items and streamline the processing of claims for Members.
- A commitment to review the staff cost provision, once the SPCB can assess the operational impact of increased devolution powers on workloads.
- Improved provision for disabled Members, and those with caring responsibilities for dependents, who fall into Group 2 eligibility under the Edinburgh Accommodation Provision to have the choice of a flat or hotel to meet their specific needs.
- Additional temporary resources to support Members' offices in circumstances where the Member is experiencing long-term absence.
- Additional support under the Winding Up Provision to support Members when their status changes following an election, or a change in political affiliation, which necessitates a new local office to be set up.

## **2. PURPOSE AND REMIT**

5. In October 2018 the SPCB instructed an internal operational review of the Reimbursement of Members' Expenses Scheme to ensure the Scheme remained effective and efficient in supporting Members to carry out their role. The remit was to also consider expenses provided directly by the SPCB's budgets and the arrangements for party leaders' allowances.
6. The aim of the review is to provide a scheme which is straightforward and as simplified as possible for Members to understand and use whilst continuing the transparent reporting of Members' expenditure to maintain public confidence in the arrangements.
7. The review has been undertaken on the basis of it being broadly cost neutral, wherever possible, where any changes to the Scheme are considered.

### 3. RESEARCH AND ANALYSIS METHODOLOGY

8. The research and analysis phase of the review was undertaken internally by officials between January and October 2019. Feedback and input to the review has been sought from a representative selection of Members and their staff as well as other offices involved in managing different elements of the Scheme within the organisation. The engagement undertaken with Members and their staff on the Scheme review is the most extensive direct engagement taken in relation to reviews of the Scheme.
9. Feedback from Members and their staff has been used to help us understand how the Scheme as it currently stands, is working for them and what could be changed to ensure the Scheme remains fit for purpose in supporting Members to carry out their parliamentary duties.
10. SPCB Members were invited to provide a list of Members and Members' staff to provide representative feedback from each of the parties. A questionnaire was prepared and issued to this group with 39 individuals asked to complete the questionnaire, 62% of whom responded. The responses were collated, and the overarching themes highlighted from the data.
11. Whilst the views of Members and their staff were vital it was also important to gather feedback from those offices managing elements of the Scheme. Meetings were held with those other offices across the organisation to discuss their role in supporting Members and managing and processing items under the Expenses Scheme. For example, discussions were held with Facilities Management to discuss the current Stationery and Postage provision and the HR Office to discuss the Staff Cost Provision and Incidental and Ancillary Employment Provision.
12. Feedback was also sought from the Internal Auditor given his work on internally auditing claims made under the Scheme and reviewing Members offices in relation to the use of parliamentary resources each session. A number of audit recommendations have been considered and will be built into the Scheme guidance.
13. Work was also taken forward to consider whether there were any diversity and inclusion considerations that have not already been built into the Scheme and to ensure that the Scheme and its provisions were not causing any barriers for Members in relation to their protected characteristics.
14. Information was gathered from other legislatures on what they are doing in their Schemes more generally as well as looking more specifically at some of the themes emerging from the feedback. For example, how other legislatures manage the setting up of local offices and the processes around providing Members and their staff with corporate payment cards.

15. Various pieces of data analysis have been undertaken based on internal information and the data on previous claims met from the Scheme. The analysis helped us consider in more detail where issues had been raised through the feedback received as well as through the experiences of Allowances staff as well as other offices.
16. The analysis undertaken provided data to allow us to consider whether the feedback received was an isolated case or whether the issues raised were wider spread and affecting more Members. It also enabled us to consider the viability of each of the emerging themes and possible changes to the Scheme.
17. Based on this review we make the following recommendations.

## **4. THEMES AND RECOMMENDATIONS**

### **OFFICE COST PROVISION**

18. In considering and analysing the current office cost position and the feedback received from Members and their staff the following themes emerged: -

#### **Theme 1: Provide a start up provision in the first year of a new session to enable Members to establish their offices and meet any one-off costs associated with the setup of a local office.**

- Research showed that both Westminster and Northern Ireland Assembly provide a start up provision for their Members separate to their respective office cost provisions (£2k for Northern Ireland and £6k for Westminster). This is for use in the first year following any general election or by-election. Westminster also allow this fund to be carried over into the next financial year when the allowance is provided within 3 months of the end of the financial year in which it is allocated.
- Feedback from Members and their staff suggested that the additional one-off costs of setting up an office can impact heavily on Members in the first year and can limit what else they can do in terms of engaging with constituents. This often results in Members either applying for exceptional expenses from the SPCB or feeling they are not being able to fully engage with constituents in the first year.
- On occasion taking on a new office can mean some remedial works will be needed and these add to the additional one-off costs of setting up a local office. There are a range of reasons for remedial work from ensuring that the premises are suitable as an office when they may previously have had another use such as a shop, that they are accessible and safe for both staff and constituents and to make the space more suited for the needs of the

Member in carrying out their duties such as installing internal partitioning to create a private meeting space.

- Currently, capital works are not permitted under the Scheme and this needs to be more clearly defined within the Scheme and its supporting guidance to ensure Members understand this better. Capital works are considered as major renovations or long-term improvements that the landlord would benefit from at the end of the lease.
- Members are permitted to undertake such works only if a reciprocal agreement is made in terms of reduced rent liability over a period within the lease or as an overall reduction in the cost of the full lease to take account of any such works. This needs to be within reason, as determined by the SPCB.

**Recommendation 1:** To implement a start-up provision to cover one-off items associated with setting up an office such as solicitors fees, signage costs, property surveys and any reasonable and agreed remedial works to make the space suitable and accessible. Such a provision would also be available following any by-election. An initial provision level of £5k is proposed.

**Recommendation 2:** To pro-rata the relevant office cost elements to the period starting with the date a Member enters the new local office to the end of the financial year for the first financial year. Thereafter, Members would be eligible for the full annual provision (subject to regional MSP calculations). This would also apply following any by-election.

**Theme 2: Split the actual costs of having a local office from the more discretionary costs of engaging with constituents and carrying out parliamentary duties.**

- There are currently four provisions totalling £28k (2018-19) the Office Cost Provision, Telecommunications Provision, Surgery Advertising Provision and Members Stationery and Postage Provision.
- Feedback has highlighted that the current set up causes difficulty where some costs can be met from various provisions and that consideration should be given to changing the current provisions by merging the four provisions above into two provisions and simplifying the processes and rules to support Members.
- The two new provisions would cover:

**Office Property Costs**

The actual costs of having a local office such as rent, utilities, insurance, factoring charges, telecoms and trade waste; and

## Engagement Costs

The costs of engaging with constituents and the more discretionary costs such as business meeting expenses, postage costs, all advertising costs, hiring of surgery spaces and printing and distribution of publications such as newsletters and annual reports etc.

- In order to provide flexibility for Members to be able to work how they prefer and take account of the different office set ups we would propose that the SPCB set a budget for each provision as follows: £13k for the Engagement Provision and £15k for Office Property costs, with the ability to vary either budget up or down up to a £5k maximum, subject to a combined capped limit of £28k (2018/19). Upon implementation in Session 6 this amount should be increased to take account of all annual increases between the 2018/19 level and the implementation date. We would propose that the new limits are set for the first year within the resolution before Parliament and thereafter increased as per current arrangements.
- The Winding up provision is currently based on one third of the office cost provision. To maintain the current level of this provision and not disadvantage Members we would recommend that the Winding Up provision be set at one third of the maximum level available under the Office Property costs.
- Adopting this approach will enable Members to decide at the start of each Session what their preferred budget split will be and, subject to the upper limits of each provision, Members could transfer budget between the two provisions at agreed set points in any financial year as determined by the SPCB.
- This flexibility will address the feedback that the current surgery advertising provision is insufficient to meet increasing advertising costs by enabling those Members who use the full provision as well as part of the office cost provision to be able to set their budget accordingly.
- The telecommunications provision is used by Members for both their office telecoms requirements as well as providing mobiles to staff members and meeting the costs of those mobiles. Some of these costs have been absorbed centrally by SPCB due to the reduced costs of the new contract with EE. Findings have shown that for 76% of Members the telecommunications provision level is sufficient to meet their requirements.
- Whilst the majority of costs for the EE contracts for Members and staff are now met by the SPCB some costs are met through the Expenses Scheme. This is only where costs are over the standard tariff met centrally or where the Member buys additional devices for staff use beyond the current provision by the SPCB. The cost of purchasing the additional device(s) and the monthly charges for these devices are met from the current telecommunications provision.

- Given that the majority of costs for all devices and contracts within the current policy are currently met centrally then we would recommend that the SPCB should provide for all Members mobile costs which fall within the current policy to be met centrally rather than being split between the central budget and the Scheme given the low level of the cost being met from the Scheme currently.

**Recommendation 3:** To replace the four existing provisions detailed above (Office Cost Provision, Telecommunications Provision, Surgery Advertising Provision and Postage and Stationery Provision) with two separate provisions for Office Property costs and Engagement costs.

**Recommendation 4:** To set the Winding up provision at one third of the maximum level of the office property cost

**Recommendation 5:** To meet centrally all Members' mobile related costs which fall within the current provision policy.

**Theme 3: Consider whether the current office cost provision arrangements of not differentiating between electoral areas remains appropriate.**

- The Scheme currently does not differentiate between the various regions and constituencies in terms of the maximum level of the office cost provision provided to Members.
- The highest 10 office rents are in geographical locations across Scotland. This includes one office in each of Aberdeen, Dumfries, Edinburgh, Galashiels, East Kilbride, Lockerbie, Renfrewshire and Greenock and two offices located in Glasgow. This shows that it is not always necessarily just the large towns or cities where more expensive offices have been taken on. This could simply be down to the Members' choice of office. A further contributing factor is whether the office is in a high street location or not.
- Analysis undertaken does not show that any specific area is currently much higher in terms of rent than others.
- The proposed changes in recommendation 3 give Members flexibility in their office and engagement costs and should address any areas where rent could be higher.

**Recommendation 6:** To retain the current arrangements.

#### **Theme 4: Adjusting the current provision in the Scheme to apply for additional office costs.**

- The current Scheme enables Members to apply for an additional 10% in relation to office costs should they find themselves unable to establish an office within the set limits.
- If the SPCB agrees the recommendations in Theme 2 above (to split the four existing provisions into two new provisions (Office Property Costs and Engagement Costs) a percentage figure would not be equitable given the flexibility this new arrangement gives to Members to set their own limits for each provision within the overall limit. We recommend therefore that it will be more appropriate to set a maximum amount. We would propose £2.5k as a maximum amount rather than a percentage.
- The feedback also highlighted that the availability of this provision was not well known. We would therefore propose that this is included in recommendation 32 of building knowledge on the Scheme

**Recommendation 7:** To amend the current provision within the Scheme to apply for additional monies in relation to office rent be set at a maximum of £2.5k.

#### **Theme 5: Consider whether the current arrangements in relation to the number of offices regional Members may have remains appropriate.**

- The SPCB has already considered requests to make this policy change during session 5. At that time it was decided to maintain the current arrangements whereby an exception to the rule of having one office was put in place for the largest geographical regions taking account of size as well as ease of travel around the regions. Any applications considered by the SPCB must show that there is a significant geographical distance between the existing and proposed additional office before it would be granted.
- Analysis shows that enabling applications for additional offices in all regions would mean an increase in the level of provision given to those regional Members annually who successfully applied for an additional office. For example, at present if 2 Members are elected to a region for a party share one regional office they are entitled to 60% of OCP to meet the shared office costs. This is to recognise that they will have less office costs to pay out given they will be paying only 50% of the costs. If they were permitted to have an additional office then under the current Scheme arrangements they would both receive 100% of OCP.

**Recommendation 8:** To retain the current arrangements.

## **Theme 6: Providing legal support and advice through the Scottish Parliament's Solicitors Office to Members when securing office accommodation.**

- Feedback highlighted that many Members are entering into an office lease for the first time when elected and don't have any experience or knowledge on what a reasonable standard of office is or what a lease should say but feel they should find a suitable office and be available for constituents quickly following an election.
- It is important when entering into a lease that Members take a longer term view about the dilapidation implications there could be in signing up to the terms of a lease.
- The cost of solicitor's fees can vary greatly across Scotland as can the level of understanding about the requirements and limitations of the Scheme. The question was raised on whether it would be possible to look at possible frameworks for Solicitors fees given the variance of spend by Members in this area.
- It is thought that to support Members and their personal Solicitor in understanding what is allowed under the Scheme and what the implications are for them personally if they go beyond what is allowed would be beneficial as well as potentially saving some money and time. However, it would be a conflict of interest for the Scottish Parliament's Solicitors Office to support Members' directly as the Solicitor's office is there to provide advice to the organisation.
- It is also important to remember that Members are signing up to leases on a personal basis and therefore should take legal advice to protect their own interests and it is felt this is best done outside of the Parliament. As this is a personal matter for the Member it would not be feasible to have a framework of Solicitors contracted to the Parliament.
- How to support Members as much as possible without crossing the line of liability has been considered. We would propose that a checklist for what a Member should be looking at in terms of a reasonable standard of office is created along with some generic clauses that should be included in any lease given that they can vary greatly in content and length. A letter for Members to pass to their own solicitors explaining the limitations and requirements to make a lease valid under the Scheme would also help with the understanding of the Scheme.

**Recommendation 9:** To create a checklist and generic paragraphs for office leases and provide a note of the Scheme dos and don'ts in terms of leasing an office for Members and their solicitors.

**Theme 7: To consider whether the current arrangement in relation to the central security office improvement budget remains effective.**

- As part of the feedback it was suggested that as a centrally held budget the availability of this arrangement was less well known. It was felt that it could be better promoted and utilised if it was within the Scheme as a specific provision.
- Although most Members have had a report provided by Police Scotland on security improvements some have still to take the improvements forward. The SPCB delegated authority for approving security improvement costs of up to £4k to the Security office in late 2019.
- The annual ongoing security related costs which are currently met from the OCP equates to a combined total for all Members who have claimed of about £16k. This is separate to the costs met from the local office improvement budget. This would continue to be included in the new office cost element of the new provisions.

**Recommendation 10:** To retain the current arrangements but to highlight the availability of the central provision to Members.

**Edinburgh Accommodation Provision**

**Theme 8: Consider whether the current level of provision remains appropriate.**

**Theme 9: Consider whether to extend the choice between a flat or a hotel to all Group 2 Members.**

**Theme 10: Consider enabling Members with disabilities or caring responsibilities for dependants to apply to have a flat if they fall into Group 2.**

- We received some feedback on the Edinburgh Accommodation provision which suggested increasing the level of the provision as some Members felt it was insufficient to meet all the costs of an Edinburgh flat. Feedback also showed that some Members felt that Group 2 Members should be given the option of having a flat or a hotel and not just access to hotel accommodation.
- Analysis showed that in 2018/19 only 2 Members out of the 49 using flats have spent the full allocation with 18% of those Members using flats spending between 90% and 100% of their allocation. 45% of Members spent less than 70% of the provision.
- Should all 42 Members who currently use a hotel be allowed (and took up) a flat the current group 2 costs could increase by approx £250k based on the median costs for current Group 3 Members with flats. The increase

would rise to approx. £432k should all 42 Members use the full provision limit of £15,200 (as at 2018/19).

- As part of the support to Members with disabilities or with caring responsibilities the Scheme does not currently provide those that fall into Group 2 to have a flat instead of using a hotel. Feedback has been received that this type of adjustment would make it easier for the Member to carry out their duties. As the Scheme does not currently allow this a change would be required to the Scheme.

**Recommendation 11:** Given the costs of making changes and that most Members spend within the current limit, we recommend maintaining the level of the Edinburgh Accommodation as it is and provide ongoing guidance to Members on the level of rent that can be paid to allow the additional costs of council tax, utilities etc to be met within the provision limits.

**Recommendation 12:** To maintain the Group 1, 2 and 3 arrangements with the exception of also introducing recommendation 13 below.

**Recommendation 13:** To amend the Scheme to enable disabled Members and those with caring responsibilities for dependents to apply for a flat under Group 2. This would be as an adjustment by exception and considered on application for that Member only.

## **Staff Cost Provision**

### **Theme 11: Consider the effectiveness of the current staff cost provision.**

- The SPCB last reviewed the SCP in 2014/15 with a new increased SCP amount, salary bands, high-level job descriptions and job titles implemented alongside frameworks of employment for each parliamentary group.
- The review increased the staff cost provision with effect from May 2016 to enable Members to employ the equivalent of 3 full time staff. The increase was implemented to take account of the potential for additional levels of work anticipated for Members with changes to the Scotland Act. The current arrangements provide Members flexibility in employing staff in a range of ways to suit their needs whilst maintaining equality within the Scheme for all Members.
- Feedback has highlighted that some Members consider that the SCP is insufficient compared to other legislatures and that with changes in the level of casework etc being brought forward the current level is insufficient to offer staff members a reasonable salary. Members therefore feel it impedes their ability to employ and retain suitably qualified staff or to employ sufficient staff to support them in their role.

- Having looked at the levels of SCP remaining for 2018/19, analysis shows that 33% of Members spent between 99% and 100% of their total SCP, with only 5% of Members spending less than 80% of their SCP.
- Given the feedback received the SPCB may wish to consider whether to undertake a future review of staff cost provision levels. This will enable the SPCB to determine whether the current perceived increase in caseload and the impact of the increase in powers such as welfare has materialised and fully assess the staff required to support Members in their roles. Carrying out a future review will allow a full assessment of the impact based on firm evidence.

**Recommendation 14:** - To retain the current arrangements at present and review the staff cost provision when more data on the impact of the increase in powers is available with the aim of implementing the outcome in the next session of Parliament.

**Theme 12: Consider whether to permit exceptional contribution awards to MSP staff.**

- In the last review of the Scheme the SPCB removed the ability to pay bonuses from the Scheme given the perception of using public monies to pay staff bonuses.
- Feedback has been received that some Members would like to be able to introduce an exceptional contribution award for staff similar to the SPCB's own exceptional contribution processes.
- However, it is accepted that the current arrangements already provide considerable flexibility for Members to set the appropriate pay level for their staff and to recompense them for any additional time worked beyond contractual hours.

**Recommendation 15:** In light of the flexibility already provided within the arrangements for employment of Members' staff, we recommend retaining the current arrangements to maintain public confidence in the Scheme.

**Theme 13: Current temporary staff provision only provides cover for permanent staff. Given employment relationships vary, this should also be able to cover fixed term appointments.**

- The current Scheme only provides temporary staff cover for permanent staff. The feedback suggests employment relationships can vary and if someone is brought in on a fixed term appointment to cover for an absence and then subsequently also becomes absent there is no current provision for the Member to get further cover for that absence.

- Any costs for the original fixed term appointment and the additional temporary cover would then both need to be met from the temporary staff provision.

**Recommendation 16:** To amend the Scheme to allow for this cover in line with best practice.

**Theme 14: At present there is no provision to provide additional resources should a Member be on long term absence either due to ill health or maternity, extended paternity, adoption or shared parental leave.**

- Feedback on this has shown that when a Member is unable to carry out their duties due to long term ill health or being on maternity, extended paternity, adoption or shared parental leave this can have an impact of the ability of staff to continue to provide some level of support to constituents and to run the office appropriately.
- There is a line here that we need to be careful not to cross as Members are elected to the region or constituency they represent, and their staff are not. That being said staff do represent the Member on occasion, even when they are able to carry out their duties, and do undertake research and caseworker roles for their Member.
- The feedback is that there is a requirement for additional temporary resources during such a long-term absence to ensure that casework and other duties can continue in the absence of the Member.
- This theme will be partly addressed by agreement to recommendation 18 whereby the limit to staff travel is removed.

**Recommendation 17:** To add provision for the Member or their nominated representative to make a case for additional temporary resources to support the office in their absence within the Scheme.

**Theme 15: Consider the effectiveness of the current arrangements whereby viring from office cost provision (OCP) to the staff cost provision (SCP) and vice versa is not permitted.**

- The viring of monies between the SCP and OCP has previously been ruled out by the SPCB with the ability to vire between these provisions removed from the Scheme during the last Scheme review with effect from May 2016. This decision was taken with a view to protecting and maintaining the level of the staff cost provision.
- The current feedback raised the point that some Members feel they have insufficient SCP to employ staff and that is why they want to be able to vire. On reviewing the levels of SCP spend it shows that 32% of Members had

over £5k left in their SCP last financial year and 68% had less than £5k left or were fully spent.

- The SCP is set at a level to enable all members to employ three full time equivalent staff. If this level is not sufficient, the proper means of addressing this is to re-examine the staffing requirement as set out in recommendation 13.

**Recommendation 18:** Given Members work within the existing provisions we recommend retaining the current arrangements. This continues the protection to the staff cost element and maintains an equal staff cost provision for all Members, irrespective of other circumstances.

## **Staff Travel Provision**

**Theme 16: Consider whether the cap on the number of staff journeys remains appropriate.**

**Theme 17: Providing additional support to those staff covering Members' absences on long term sick or maternity, paternity, adoption and shared parental leave.**

- Feedback highlighted the need to consider the implications on staff journeys and other provisions when a Member is on long term sick or maternity, paternity, adoption or shared parental leave. The feedback raised the issue that staff travel costs can go up during this time as the staff member is travelling more than when the Member is available in order to represent them at meetings or meet with constituents on the Members' behalf.
- If the SPCB were to remove the cap on staff journeys we believe this would enable more flexibility for Members and their staff and would answer the increased costs issue when Members are absent long term without the need to increase the staff journeys. Given that 74% of Members used less than half their staff journeys we do not see removing the staff journeys and having an uncapped provision as a risk.

**Recommendation 19:** Remove the cap on staff journeys

## **Member Travel Provision**

**Theme 18: Consider creating one travel provision for both Members and Staff.**

- Having one travel provision for both Members and their staff and making it unlimited for all would be in line with the current Members travel provision. Given all travel is only permitted in relation to parliamentary business,

changing the Members and staff travel provisions into one travel provision will not impact on Members' travel. Furthermore, the costs will continue to be fully reported in the publication of Members' Expenses, providing full transparency.

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**Recommendation 20:** Members travel provision and staff travel provision to become one provision with unlimited travel for all in relation to parliamentary business.

## **Incidental and Ancillary Employment Provision**

### **Theme 19: Review training element of provision to provide in-house MSP staff training.**

- Findings showed that Members were not fully utilising the provision as it was currently being managed and that ideally they would want a suite of training readily available for their staff in-house with the option to also attend conferences or seminars relevant to their roles.
- The SPCB agreed to the changes to the training provision in 2019. The development of an in-house suite of training with ongoing access to funds to attend other conferences and seminars for Members staff is underway.

**Recommendation 21:** The proposed changes to training provision have already been agreed therefore no further agreement is required on this point.

## **Disability Provision**

**Theme 20: Review process for disability applications to ensure dignity is maintained for individuals. Consider increasing delegations to Allowances Office to limit the need for SPCB to consider small cost items and to ensure the delegation is more in line with current costs.**

**Theme 21: Review the Scheme wording in relation to the accessibility of Members local offices.**

- On considering the disability provision it was felt that the level of detail that is sometimes required for a decision to be made does not help maintain individual dignity through the process. Consideration should be given to whether some of these decisions could be delegated to the Allowances Office with expert input from the Diversity and Inclusion Team.

- Analysis of the cost of some smaller items to provide reasonable adjustments is now no longer under the low-level delegated authority held by the Allowances Office on these matters. By increasing the delegated authority on these smaller items this would ensure the current process of smaller items being able to be approved by the Allowances Office could continue without the need to bring these to the SPCB. We would propose the delegated authority be increased to £500 in relation to this.
- At present the Scheme says that “in selecting premises for a local parliamentary office a member should have regard to the accessibility of the premises and in particular to the special needs of any person.” Feedback and experience has highlighted that not all Members offices are fully accessible and that some Members rely on hiring alternative meeting spaces rather than having a fully accessible office. We would recommend that the wording is changed in the Scheme so that it is incumbent on Members to ensure their local office is accessible.

**Recommendation 22:** Increase the delegation to the Allowances Office to include a higher level of delegations which takes into account some of the disability applications where personal information is being shared. This delegation would allow fewer applications to come to the SPCB and then only high level or high cost applications would need to be considered by the SPCB.

**Recommendation 23:** Change the wording of the Scheme to ensure a requirement that all local offices are accessible.

## **Winding up Provision**

**Theme 22: Consider what additional support is required when a Member changes from regional to constituency or vice versa or where a member leaves a party and subsequently has to move office and wind up their previous office whilst starting up a new office.**

**Theme 23: Consider setting a limit for remedial/dilapidation works after which the Member is required to engage a chartered surveyor.**

- A number of applications for exceptional expenses were received during the first year of this session that related to a Member having to move office because they had changed from a regional MSP to a constituency MSP or vice versa. Such a change to status is not covered in any other way but if Members were permitted to access the winding up provision for such a change in status it would make the process smoother for Members and require the SPCB to consider less exceptional expenses.
- Feedback on remedial works or dilapidations and setting a limit was highlighted as part of internal audit recommendations to look at ways to ensure value for money is being received and in particular in relation to dilapidations that the costs are genuine and reasonable.

- Setting a level where costs above that level would require employing a surveyor to ensure the costs were reasonable would add spend to the Scheme but would provide reassurance the works being undertaken are necessary and reasonable.

**Recommendation 24:** Amend the winding up provision to take account of circumstances where a Member leaves a party or changes status to enable them to wind up their previous office and start a new office as necessary.

**Recommendation 25:** Add a requirement for a survey for any remedial/dilapidation works above £5k.

## **Party Leaders Allowance**

**Theme 24: Consider the arrangements for support to party leaders.**

- Feedback has been received that the current party leaders' allowance scheme does not provide effective support to opposition party leaders.

**Recommendation 26:** This is a wider issue than the Members' Expenses Scheme and we recommend that the SPCB considers this separately from this review.

## **Stationery and Postage Provision**

**Theme 25: Consider the level of provision for stationery and postage or create a new Engaging with Constituents provision.**

**Theme 26: Review the practice of bulk purchasing stamps.**

**Theme 27: Review the rules around publication distribution.**

- The Members Stationery and Postage Provision is not currently within the Expenses Scheme but a centrally held fund and therefore is not increased in line with other provisions annually.
- Feedback has highlighted that Members feel the fund is insufficient for the costs of publications and data has shown that often Members are required to split the costs of publications between the MSAPP and OCP.
- To address this the above proposed merging of the 4 current provisions into 2 provisions, one of which would be an engagement provision, and providing Members with the flexibility to flex set their budgets within the

overall limit to suit their needs would address the issue of the MSAPP level.

- A recent internal audit review recommended including consideration of the bulk buying of postage stamps taking account of issues such as the use of those stamps as well as the secure storage of the stamps. It is proposed that whilst we do not limit the purchase of stamps we continue to seek justification from Members on large purchases. It is felt that the flexibility in the new provisions may also enable Members to use their provisions more effectively during the year. We would propose providing more guidance to Members on purchasing, using and storing large numbers of stamps in the Expenses Scheme Guidance.
- Over the session the SPCB has considered some complaints where publications have been issued by a Member where due to a postcode carrying over between two electoral areas, they have been incorrectly issued outside the Members electoral area. Many times this has been outwith the Members control due the way in which distribution companies such as Royal Mail carry out the distribution. It is proposed that some leeway is given to Members in these circumstances and that this is included in the supporting Scheme guidance for Members and the Members publication policy.

**Recommendation 27:** Introduce the new provisions to include the current MSAPP. (See recommendation 3 for more details).

**Recommendation 28:** Add additional information to the guidance in relation to stamp purchases.

**Recommendation 29:** Add additional information to the guidance in relation to publications going beyond electoral boundaries and amend the Members' publication policy to provide some leeway in these circumstances.

## **Systems and processes**

**Theme 28: Providing Members and selected staff with corporate payment cards**

**Theme 29: Improved access to spend and budgeting information for Members and online submission of claims for reimbursement.**

- Feedback has highlighted that issuing Members and their staff with corporate payment cards could be simpler for Members and reduce the number of reimbursement claims required by being able to use the card to pay for items. Whilst Members would need to still provide receipts to back up the spend it is hoped that the reconciling of the items will form part of

the new on-line service to Members. It is recognised that most transactions by anyone nowadays is done electronically.

- Information has been gathered from Westminster and the New Zealand Parliament who have both implemented payment cards to Members on how they achieved this, how it worked along with the lessons learned. Given this shared experience and knowledge we would propose that providing cards to Members and their staff would be a pro-active and efficient step.
- We are taking a number of measures to improve the spend and budgeting information for Members and looking to make the processes as simple as possible, for example we are increasing the availability of direct debits and the number of companies we have arrangements in place with in relation to utility bills.
- The new travel and expenses system is currently being procured and we have built reporting requirements into this so that Members are able to see when they last claimed, what they have claimed, when things will be paid and have spend information per provision easily to hand.

**Recommendation 20:** Provide corporate payment cards to Members from the new session with a pilot in the current session for a small sample of Members.

**Recommendation 31:** To include easy access to spend information in the new travel and expenses system specification

## **Knowledge, clarity and understanding**

**Theme 30: A number of smaller points were raised as requiring some clarification or further information in guidance.**

- Improving knowledge of Scheme and guidance amongst Members
- Making guidance more user friendly and more specific in some areas
- Promotion of things such as parliamentary contracts and their benefit
- Ensure Members are seeking value for money at all times and getting quotes for expenditure over £2k
- Ensuring that items are not pre-paid for more than 12 months in advance or beyond end of session.
- Hospitality could be clarified, and more detail provided on what is considered reasonable when providing hospitality for constituents

**Recommendation 32:** To address these points by amending the Expenses Scheme Guidance to provide more detail and guidance to Members.

## **Annex A - Summary of Recommendations**

**Recommendation 1:** To implement a start-up provision to cover one-off items associated with setting up an office such as solicitors fees, signage costs, property surveys and any reasonable and agreed remedial works to make the space suitable and accessible. Such a provision would also be available following any by-election. An initial provision level of £5k is proposed.

**Recommendation 2:** To pro-rata the relevant office cost elements to the period starting with the date a Member enters the new local office to the end of the financial year for the first financial year. Thereafter, Members would be eligible for the full annual provision (subject to regional MSP calculations). This would also apply following any by-election.

**Recommendation 3:** To replace the four existing provisions detailed above (Office Cost Provision, Telecommunications Provision, Surgery Advertising Provision and Postage and Stationery Provision) with two separate provisions for Office Property costs and Engagement costs.

**Recommendation 4:** To set the Winding up provision at one third of the maximum level of the office property cost

**Recommendation 5:** To meet centrally all Members' mobile related costs which fall within the current provision policy.

**Recommendation 6:** To retain the current arrangements.

**Recommendation 7:** To amend the current provision within the Scheme to apply for additional monies in relation to office rent be set at a maximum of £2.5k.

**Recommendation 8:** To retain the current arrangements.

**Recommendation 9:** To create a checklist and generic paragraphs for office leases and provide a note of the Scheme dos and don'ts in terms of leasing an office for Members and their solicitors.

**Recommendation 10:** To retain the current arrangements but to highlight the availability of the central provision to Members.

**Recommendation 11:** Given the costs of making changes and that most Members spend within the current limit, we recommend maintaining the level of the Edinburgh Accommodation as it is and provide ongoing guidance to Members on the level of rent that can be paid to allow the additional costs of council tax, utilities etc to be met within the provision limits.

**Recommendation 12:** To maintain the Group 1, 2 and 3 arrangements with the exception of also introducing recommendation 13 below.

**Recommendation 13:** To amend the Scheme to enable disabled Members and those with caring responsibilities for dependents to apply for a flat under Group 2.

This would be as an adjustment by exception and considered on application for that Member only.

**Recommendation 14:** - To retain the current arrangements at present and review the staff cost provision when more data on the impact of the increase in powers is available with the aim of implementing the outcome in the next session of Parliament.

**Recommendation 15:** In light of the flexibility already provided within the arrangements for employment of Members' staff, we recommend retaining the current arrangements to maintain public confidence in the Scheme.

**Recommendation 16:** To amend the Scheme to allow for this cover in line with best practice.

**Recommendation 17:** To add provision for the Member or their nominated representative to make a case for additional temporary resources to support the office in their absence within the Scheme.

**Recommendation 18:** Given Members work within the existing provisions, we recommend retaining the current arrangements. This continues the protection to the staff cost element and maintains an equal staff cost provision for all Members, irrespective of other circumstances.

**Recommendation 19:** Remove the cap on staff journeys

**Recommendation 20:** Members travel provision and staff travel provision to become one provision with unlimited travel for all in relation to parliamentary business

**Recommendation 21:** The proposed changes to training provision have already been agreed therefore no further agreement is required on this point.

**Recommendation 22:** Increase the delegation to the Allowances Office to include a higher level of delegations which takes into account some of the disability applications where personal information is being shared. This delegation would allow fewer applications to come to the SPCB and then only high level or high cost applications would need to be considered by the SPCB.

**Recommendation 23:** Change the wording of the Scheme to ensure a requirement that all local offices are accessible.

**Recommendation 24:** Amend the winding up provision to take account of circumstances where a Member leaves a party or changes status to enable them to wind up their previous office and start a new office as necessary.

**Recommendation 25:** Add a requirement for a survey for any remedial/dilapidation works above £5k.

**Recommendation 26:** This is a wider issue than the Members' Expenses Scheme and we recommend that the SPCB considers this separately from this review.

**Recommendation 27:** Introduce the new provisions to include the current MSAPP. (See recommendation 3 for more details).

**Recommendation 28:** Add additional information to the guidance in relation to stamp purchases.

**Recommendation 29:** Add additional information to the guidance in relation to publications going beyond electoral boundaries and amend the Members' publication policy to provide some leeway in these circumstances.

**Recommendation 30:** Provide corporate payment cards to Members from the new session with a pilot in the current session for a small sample of Members.

**Recommendation 31:** To include easy access to spend information in the new travel and expenses system specification

**Recommendation 32:** To address these points by amending the Expenses Scheme Guidance to provide more detail and guidance to Members.