



The Scottish Parliament  
Pàrlamaid na h-Alba

**The Presiding Officer**  
**Rt Hon Ken Macintosh MSP**

Simon Thomas AC  
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National Assembly for Wales  
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*Dear Simon,*

National Assembly for Wales's Remuneration Board's Determination Underspend

I am writing in response to your request for information on how the Scottish Parliamentary Corporate Body budgets for expenditure related to Members' pay and allowances.

The arrangements for Members' salaries and for the reimbursement of expenses are set out in separate schemes, both of which were established by resolutions of the Parliament. These resolutions authorise the Scottish Parliamentary Corporate Body (SPCB) to administer certain aspects of the schemes, but any change to the schemes themselves require the approval of Parliament.

Salaries

The current Salaries Scheme has effectively been in place since 2002 and originally set Members' and ministerial salaries at 87.5% of the equivalent salaries for members of the House of Commons. The Salaries Scheme was amended with effect from April 2015 to replace the link to MP's salaries with a link to Scottish public sector earnings, as measured by the Annual Survey of Hours and Earnings (ASHE).

The budgeting for Members' salaries is relatively straightforward, as the number of Members is fixed and the ASHE index used to uprate the salaries is published in October, in advance of the SPCB finalising its budget submission. Accordingly, the actual figures for Members' salaries match very closely to the approved budget.

Reimbursement of Expenses

The current Reimbursement of Expenses Scheme has largely been in place since 2008. This implemented a series of recommendations from an independent review panel (the Langlands Report), which had been commissioned by the SPCB in 2007.

The Scheme provides for the reimbursement of various categories of costs which are incurred by Members in undertaking their parliamentary duties. Some of these categories, principally the Staff Cost Provision and the Office Cost Provision, are subject to a capped annual limit in each financial year. Other costs, such as travel, are reimbursed according to the rules of the Scheme and are therefore not subject to a capped annual limit.

Our experience of the Scheme's operation over many years is that, in practice, many Members do not claim the maximum potential entitlement that the capped provisions would theoretically allow. Accordingly, we make an estimate of that percentage 'underspend' in setting the SPCB's budget for Members' Expenses. This varies across the different categories of expenditure provision.

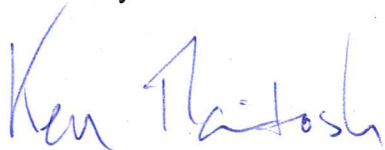
The outturn for Members' Expenses is less predictable than for Salaries, so a greater degree of tolerance needs to be built in to the annual budget to allow for different expenditure patterns.

#### Overall Budget

The budget for Members' salaries and expenses forms part of the SPCB's overall budget submission. To the extent that there is an overspend or underspend in Members' costs, it needs to be managed at a corporate level by compensating adjustments, either to the SPCB's central contingency or to the amount budgeted for other expenditure.

I hope that this response will be of assistance to your inquiry.

Yours sincerely



**Rt Hon Ken Macintosh MSP**  
**Presiding Officer**