

To: All MSPs

25 September 2008

Dear Member,

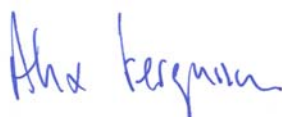
REIMBURSEMENT OF MEMBERS' EXPENSES SCHEME

As you know, the new Reimbursement of Members' Expenses Scheme which has been agreed by Parliament will come into effect on 1 October. The new scheme has the benefits of being less bureaucratic and more transparent, reflecting the public's continuing support for a system based on openness and accountability for which this Parliament has an excellent reputation.

Guidance on the new scheme will be made available to Members early next week. A separate letter from the Director of Resources & Governance informing you of your entitlement to staff and office costs together with information about the submission of travel claims will also follow during the course of next week. In the meantime however I enclose a brief note summarising the main aspects of the new scheme which I hope Members will find helpful.

Questions regarding the new scheme should in the first instance be directed to Allowances Office staff who will be pleased to assist.

Yours sincerely



ALEX FERGUSSON

KEY ASPECTS OF THE NEW SCHEME AND HOW THEY RELATE TO THE PREVIOUS SCHEME

Edinburgh Accommodation

1. With effect from 1st October 2008:-
 - Members will no longer be able to enter into new mortgage arrangements;
 - Those Members who claimed mortgage interest prior to 1st October 2008 can continue to do so until the end of the current Parliamentary session (March 2011);
 - Members can continue to rent residential property, provided that they do not lease property from a close family member, another Member or connected person.
 - The SPCB has agreed transitional arrangements to allow the following costs to be claimed by qualifying Members who claim for mortgage interest costs or lease costs provided that costs do not exceed the maximum annual accommodation entitlement: council tax and water charges; utility and telecommunication costs; contents insurance; TV licence; security costs; removal costs; and factoring charges .

2. Those Members who have a main residence in Edinburgh (Group1 constituencies) are not entitled to claim the cost of staying overnight in Edinburgh, however, Group 2 and 3 Members (Annex attached) who have their main residence in the constituency and also have a residence in Edinburgh can apply to the SPCB to have their overnight costs reimbursed provided it is not reasonable to expect the Member to use the residence in Edinburgh in connection with the performance of parliamentary duties.

Overnight Accommodation outside Edinburgh

3. Provision is now made for the following under the new Scheme:-
 - Overnight accommodation costs incurred outside Edinburgh, but within the UK, when it has not been possible for the Member to use his/her main or other residence. With the exception of those Members who previously qualified for the Exceptional Needs Allowance, this provision does not extend to overnight accommodation within a Member's constituency/region;
 - Those constituencies and regions that previously qualified for the Exceptional Needs Allowance have been extended to include the West of

Scotland Region, but only in relation to overnight accommodation on an island in the Cunninghame North constituency.

- Overnight accommodation in Brussels or Strasbourg when meeting with Members or representatives of the European Parliament or representatives of the European Commission;
- For overnight accommodation other than in Brussels or Strasbourg, Members are still required to apply to the SPCB for approval of costs associated with overnight accommodation abroad to be met.

Staff Costs

4. Separate provision is now made for:

- Staff salary costs (up to a capped limit)
- Employer's National Insurance and Pension contributions (from a central fund and charged against the Member)
- Temporary staff costs (on application to the SPCB and met from a central fund and charged against the Member)
- Incidental and ancillary costs (on application to the SPCB and met from a central fund and charged against the Member)
- Redundancy costs (met from the capped limit for staff salary costs, and if that capped limit has been exceeded in any financial year, then on application to the SPCB and met from a central fund and charged against the Member)

Party Group Pools

5. The resources to fund incidental costs incurred by the party group pools will come from the Staff Cost Provision. This will include mobile phone, blackberries, travel claims etc.

Incidental and Ancillary Employment Costs

6. This is a central provision and covers the following costs on the basis of making an application to the SPCB:-

- Staff recruitment advertising;
- Seminar/conference fees of support staff, volunteer's and interns (and associated travel and accommodation costs);

- Fees and other charges incurred in providing appropriate training for a member of support staff (and associated travel and accommodation costs);
- Costs which the SPCB consider reflect good employment practices and facilities.

Office Cost Provision

7. Separate provision is now made for the following:-
- (a) The cost of establishing and running a local parliamentary office, such as leasing and utility costs;
 - (b) The purchase or lease of office furniture or equipment (including IT or photocopying equipment) or the purchase of stationery;
 - (c) The cost of telecommunications, in so far as such costs exceed the limit on entitlement to reimbursement under the separate telecommunications provision;
 - (d) The cost of the publication and distribution of newsletters, annual reports and surveys;
 - (e) The cost of advertising and the cost of surgery advertising, in so far as the cost of surgery advertising exceeds the limit on entitlement to reimbursement under the separate surgery advertising provision;
 - (f) The cost of overnight accommodation for a member of staff, a volunteer or intern when the member of staff, volunteer or intern is required to accompany a member for the purpose of assisting the member in the performance of parliamentary duties;
 - (g) The hire of premises for surgeries, public meetings and other meetings with constituents;
 - (h) The fees for a member attending a seminar or conference; and
 - (i) Any other costs which are ancillary to those specified in sub-paragraphs (a) to (h) above.

Office Costs Entitlement

8. The basis for calculating a regional Member's entitlement has changed. It will be now based on a % of the full annual entitlement. The % to be applied is dependent on the number of Members returned for each party and the number of office established in each region.

9. Where a Member does not establish a local office his/her Office Costs entitlement will be abated by 50%.

Leasing From/Sub Letting to a Party Political Organisation

10. The new scheme makes specific reference to the need to have an independent valuation of a fair rent carried out and provided before entering into such a lease. Costs reimbursed will be based on the valuation. Costs will not be met if no such valuation has been carried out. This requirement will not be applied retrospectively and the SPCB has agreed that current contractual leases may continue until the end of this Parliamentary session.

Shared Offices

11. The new scheme now makes specific requirement, rather than an administrative requirement, for there to be a written agreement where a Member shares an office with an MP/MSP detailing the sharing arrangements such as apportioning of costs etc.

Office Leases with Close Family Members or Connected Persons

12. A Member is not entitled to the reimbursement of costs in respect of a local office he/she leases from or sub-lets to a close family member or connected person. Again, this requirement will not be applied retrospectively and the SPCB has agreed that current contractual leases may continue until the end of this Parliamentary session.

Telecommunications Provision

13. The separate provision to meet telephone costs has been extended to meet all telecommunication costs, including all home/office telephone costs, mobile and blackberry costs relating to parliamentary duties. Once the maximum entitlement has been reached any additional costs may be met from the Office Costs provision.

Surgery Advertising Provision

14. No change is made to the reimbursement of costs for surgery advertising.

Travel Provision

15. This provision has been extended to include:-

- Travel to and from Brussels and Strasbourg when meeting with Members or representatives of the European Parliament or representatives of the European Commission;

16. Mileage rates in relation to travel incurred on or after 1st October 2008 will be paid at the rates prescribed in the Income Tax (Earnings and Pensions) Act 2003 or any subsequent amendments to this Act.

17. At present these rates are:

- Motor vehicles 40p per mile for the first 10,000 miles in a tax year
25p per mile for each additional mile over 10,000 miles
- Motor cycles 24p per mile
- Bicycles 20p per mile

Disability Provision

18. Sign language interpretation costs previously met from the Disability provision are now met from the Additional Expenses provision.

Interpretation, Translation and Similar Costs

19. The new scheme makes provision to meet the following costs:-

- Engaging a language or sign language interpreter for a meeting with members of the public;
- Translation service for correspondence with members of the public; and
- Other services to allow equal access to a Member for disabled members of the public.

Exceptional Expenses

20. Provision is made under this heading to allow for Members to apply to the SPCB for reimbursement of exceptional expenses.

Office Winding Up Provision

21. The provision made to meet costs associated with a Member winding up his/her parliamentary business has not changed.

22. The administrative procedures for charging Winding Up costs has changed as follows:-

- All costs incurred before the date the individual ceased to be a Member will be charged against the expenses provision available to the Member at the time the cost was incurred subject to resources being available.

- All costs incurred after the date the former Member ceases to be a member will be met from the Winding Up provision subject to funds being available. All such claims will require to be submitted within 6 months of the former Member ceasing to be a member and if this is not possible within a time period as the SPCB allows.

GROUPS OF CONSTITUENCIES FOR ENTITLEMENT TO ACCOMMODATION IN EDINBURGH

Group One	Group Two	Group Three
Edinburgh Central	Airdrie and Shotts	Aberdeen Central
Edinburgh East and Musselburgh	Central Fife	Aberdeen North
Edinburgh North and Leith	Coatbridge and Chryston	Aberdeen South
Edinburgh Pentlands	Cumbernauld and Kilsyth	Angus
Edinburgh South	Dundee East	Argyll and Bute
Edinburgh West	Dundee West	Ayr
Linlithgow	Dunfermline East	Banff and Buchan
Livingston	Dunfermline West	Caithness, Sutherland and Easter Ross
Midlothian	East Lothian	Carrick, Cumnock and Doon Valley
	Falkirk East	Clydebank & Milngavie
	Falkirk West	Clydesdale
	Glasgow Anniesland	Cunninghame North
	Glasgow Baillieston	Cunninghame South
	Glasgow Cathcart	Dumbarton
	Glasgow Govan	Dumfries
	Glasgow Kelvin	East Kilbride
	Glasgow Maryhill	Eastwood
	Glasgow Pollok	Galloway and Upper Nithsdale
	Glasgow Rutherglen	Gordon
	Glasgow Shettleston	Greenock and Inverclyde
	Glasgow Springburn	Inverness East, Nairn and Lochaber
	Hamilton North and Bellshill	Kilmarnock and Loudoun
	Hamilton South	Moray
	Kirkcaldy	North Tayside
	Motherwell and Wishaw	Orkney
	North East Fife	Ross, Skye and Inverness West
	Ochil	Roxburgh and Berwickshire
	Paisley North	Shetland
	Paisley South	West Aberdeenshire and Kincardine
	Perth	West Renfrewshire
	Stirling	Western Isles
	Strathkelvin and Bearsden	
	Tweeddale, Ettrick and Lauderdale	