



HOUSE OF COMMONS

The Green Book

A guide to Members' allowances

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Foreword by Mr Speaker

This new edition of the Green Book is the result of decisions taken by the House over the last year. Its text has been agreed by the House. The principles and rules the Green Book contains, together with the Practice Notes agreed by the Committee on Members' Allowances, should guide Members in all the claims which they make. The Department of Resources has the task of administering the rules, of ensuring compliance with them and of giving help and advice to Members. I urge Members to make use of that advice in any case of doubt or difficulty.

Speaker

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The background of the slide is split into two vertical sections. The left section shows a close-up of a fabric with a green and white floral pattern, next to a piece of dark wood. The right section is a solid yellow color.

1

Principles
governing
Members'
allowances



1.1 Members of Parliament are provided with financial support in the form of allowances to enable them to work effectively in Parliament and in their constituencies.

Parliamentary allowances are designed to ensure that Members are reimbursed for costs properly incurred in the performance of their duties. They provide support for:

- employing staff (Staffing Expenditure)
- provision of facilities, equipment and supplies for themselves and their staff (Administrative and Office Expenditure)
- overnight stays away from home whilst on parliamentary duties (Personal Additional Accommodation Expenditure)
- communicating with constituents (Communications Expenditure)
- House stationery and postage (Stationery and Postage)
- travel – between Westminster, the constituency and main home (Travel expenditure)



As a general principle, major changes impacting upon any issue which might require Members to enter into any long-term arrangements or materially affecting the guidance or rulings contained in this document, should be designed to last for the lifetime of a Parliament and not changed mid-term.

1.2 Governance of the allowances

A series of resolutions approved by the House over many years set out the purpose of each allowance and contain criteria for judging the appropriateness of a claim. The Members Estimate Committee, having been advised by the Committee on Members' Allowances, has the power to modify the provisions of the resolutions in the interests of clarity, consistency, accountability and effective administration and conformity with current circumstances. However, the Committee may not create a new charge or increase any rate of charge or payment. The Committee on Members' Allowances has the continuing duty of keeping the Green Book under review.

Members who are contemplating incurring an expense which is large or unusual, or who are uncertain about any allowance, should contact the Department beforehand for advice. Not all circumstances are covered in the Green Book, and the Department may be able to assist Members whose circumstances are unusual.

The Members Estimate Committee has confirmed the Department's authority to administer the rules set out in the Green Book. The Department is expected to bring to the attention of individual Members instances where they may appear to be vulnerable to criticism or accusations of impropriety.



Where any claim appears not to conform to these principles, or to more detailed rules which apply to particular allowances, Department staff will contact the Member to discuss the claim. If the issue is not resolved, the Member may ask the Committee on Members' Allowances to rule. If the Member wishes, he or she may ask the Members Estimate Committee to make a final determination on the ruling made by the Committee on Members' Allowances.

The Committee on Members' Allowances will agree Practice Notes which will be used by the Department in administering the rules. These may be on general matters, or on matters arising from particular cases. Practice Notes will be published.

Serious cases of breaches of the rules, or of problems in implementing them, may be referred by the Department to the Members Estimate Committee.

1.3 Fundamental principles

In July 1995, the House agreed to adopt the *Code of Conduct for Members of Parliament* – this can be found on the internet at <http://www.publications.parliament.uk/pa/cm/cmcode.htm> – which includes a number of general principles of personal conduct. These are based on concepts of selflessness, integrity, objectivity, accountability, openness, honesty and leadership. The broad principles set out below are derived from the Code



of Conduct and underpin the allowance regime. When making claims against parliamentary allowances, Members must adhere to these principles.

The principles are:

- Claims should be above reproach and must reflect actual usage of the resources being claimed.
- Claims must only be made for expenditure that it was necessary for a Member to incur to ensure that he or she could properly perform his or her parliamentary duties.
- Allowances are reimbursed only for the purpose of a Member carrying out his or her parliamentary duties. Claims cannot relate to party political activity of any sort, nor must any claim provide a benefit to a party political organisation.
- It is not permissible for a Member to claim under any parliamentary allowance for anything that the Member is claiming from any other source.
- Members must ensure that claims do not give rise to, or give the appearance of giving rise to, an improper personal financial benefit to themselves or anyone else.
- Members are committed to openness about what expenditure has been incurred and for what purposes.
- Individual Members take personal responsibility for all expenses incurred, for making claims and for keeping records, even if the administration of claims is delegated by them to others.

- The requirement of ensuring value for money is central in claiming for accommodation, goods or services – Members should avoid purchases which could be seen as extravagant or luxurious.
- Claims must be supported by documentary evidence, except where the House has agreed that such evidence is not necessary.

These principles recognise that, in the nature of our democratic system, Members will wish to explain their views about policies. However, public money must not be used to give unfair political advantage to one political party, and for this reason there are specific controls on particular allowances.

1.4 Applying the principles

In the majority of cases, the application of these principles will be straightforward. But the role of Members is constantly evolving and different Members have different needs, priorities and ways of performing their duties. Therefore there will always be areas of uncertainty and the need to exercise individual judgement.

The following questions are designed to assist Members in coming to a decision about whether or not costs incurred are appropriate to be met from the allowances:

- Is this expense genuinely incurred by me in my role as a *Member of Parliament* as opposed to my personal capacity?
- Is this purchase supporting me in carrying out my *parliamentary* duties? Defining parliamentary duties is difficult but Members may wish to consider (i) the generally accepted parliamentary functions: the legislative role; the oversight

and accountability role; and the representative role, including dealing with constituents' problems and (ii) obligations they may have, for example as a small employer. Anything which is done for personal benefit or for electioneering or for the direct support of a political party will not be part of a Member's parliamentary duties.

- Does the claim match the *purpose* of the allowance in question as set out later in the Green Book?
- Could the claim in any way damage the reputation of Parliament or its Members?
- How comfortable do I feel with the knowledge that my claim will be available to the public under Freedom of Information?







2

The allowances

The allowances

A decorative metalwork piece, possibly a chair backrest or a wall ornament, featuring a central circular base with a fan-like, leaf-like structure extending upwards and outwards. The metal has a dark, possibly bronze or black, finish with some highlights.

2.1 **Personal Additional Accommodation Expenditure (PAAE)**

2.1.1 Purpose of the allowance

PAAE is available to reimburse Members for the additional expenses necessarily incurred in staying overnight away from their main home for the purpose of performing their parliamentary duties. It may only be used to meet the following costs:

- Rent or mortgage interest
- Hotel expenses
- Utilities and telecommunications charges
- Furnishings
- Maintenance, service agreements, cleaning and insurance
- Subsistence

2.1.2 Eligibility

PAAE can be claimed if the principles set out in Part I have been complied with, and



- If your main home is in the constituency, for overnight stays in London
- If your main home is in London, for overnight stays in the constituency
- If your main home is neither in London nor the constituency, you can choose in respect of which of these areas to claim PAAE

For these purposes, “constituency” is regarded as any point within 20 miles of the constituency boundary.

PAAE may also be claimed if a Member performs parliamentary duties in an area of his or her constituency where a stay overnight is reasonably necessary in view of the distance from his or her main home.

Members representing inner London constituencies are not eligible to claim this allowance. Instead, there is an automatic London Costs Allowance (LCA) that is paid with salary.

Members representing constituencies outside inner London can choose between receiving the LCA and PAAE. A choice may be altered no more than once a year.

2.1.3 Examples of appropriate expenditure

The following provides examples of expenditure which are appropriate under various categories mentioned above.

Whilst these examples are not exhaustive, they are designed to indicate the types of costs that are appropriate and so guide Members for other expenditure they wish to incur which is not on this list.

2.1.3.1 Rent or mortgage interest

In respect of one additional home in either London or the constituency:

Either

- Rent
- The cost of a deposit (although this must be repaid when the deposit, or a proportion thereof, is returned)

Or

- Mortgage interest
- Increase to mortgage costs (interest only) to pay for refurbishments; to extend the lease; or to purchase the freehold

And

- Legal and other costs associated with obtaining (and selling) (for example, stamp duty, removal expenses, valuation fees)

2.1.3.2 Hotel Expenses

- Cost of overnight accommodation

2.1.3.3 Utilities and telecommunications charges

- Electricity, gas
- Water service charges
- Council tax
- Telephone, television and communications charges (mobile phone charges should be claimed from AOE)





2.1.3.4 Furnishings

- White goods (for example, refrigerator, washing machine or cooker)
- Electrical equipment
- General household furniture (for example, sofa, chairs, table or bed)
- General household items (for example, cutlery or crockery)

2.1.3.5 Maintenance, service agreements, cleaning and insurance

- Necessary repairs to make good dilapidations
- Decoration
- Cleaning (services or equipment)
- Service charge/ground rent
- Insurance services and maintenance contracts
- Basic security measures

2.1.3.6 Subsistence

- A flat-rate sum of £25 may be claimed for any night which a Member spends away from his or her main home on parliamentary business. No other payment in respect of subsistence may be claimed



2.1.4 Issues needing particular attention

2.1.4.1 Furnishings

The total costs claimed in respect of furnishings in any allowance year (except the first year after a Member is newly elected) are limited to 10 per cent of the PAAE for that year.

2.1.4.2 Mortgage and rental arrangements

PAAE must not be used to meet the costs of renting a property from yourself; a partner or family member (including a spouse or civil partner); a close business associate; or an organisation or company in which you or a family member have an interest (other than as an ordinary investor).

PAAE must only be used for mortgages taken out with a company subject to regulation by the Financial Services Authority.

Members are not prevented from taking out a joint mortgage but only joint mortgages with a Member's spouse/civil partner/partner will be fully covered by PAAE. In all other circumstances Members must contact the Department.

Members are also strongly encouraged to keep mortgage arrangements as straightforward as possible. Complicated financial products, which may make it difficult for the Department to advise Members as to their validity, should be avoided.

2.1.4.3 Re-mortgaging

The Department must be consulted in advance before any change to mortgage provider or to the terms of a loan.

2.1.4.4 Property used as an office

The Department must be informed if PAAE is being claimed on a property and you wish to claim against AOE for any of the costs associated with an office on those premises (for example, heating, lighting, decoration, furniture). You must ensure that you do not claim twice for any element of these costs.

2.1.5 Documentation required

Members are required to provide the Department with the address of their main home when they enter Parliament by completing form PAAE1. Members must inform the Department if the address of their main home changes. This information is essential to ensure the proper assessment of a Member's PAAE and travel entitlements. Save in exceptional circumstances (on which the Committee on Members' Allowances will adjudicate), Members may only change the respective designations of main home and additional home once in any year.

If you have a mortgage, a copy of your annual statement of interest must be provided each year to the Department. If it is not clear from this documentation what the amount of interest payable is on the property, further evidence may be required. You must also inform the Department of any alterations to the terms of your mortgage.

If you rent a property, a copy of the lease agreement must be provided to the Department. Relevant documentation must be submitted when any of the terms and conditions are revised (for example, a change in rent charges). Evidence in the form of invoices or receipts must be

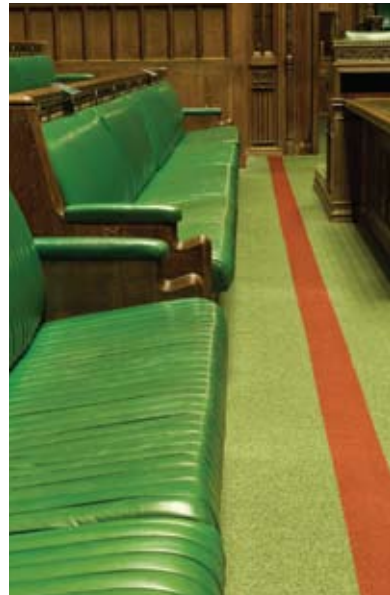


provided for all items of expenditure of £25 or more. No receipt is necessary in respect of the flat-rate payment for subsistence.

If a copy of annual agreements (for example, council tax statement, service charge) is deposited with the Department, you will not need to submit invoices when claiming for relevant costs.

2.1.6 How PAAE works in practice

PAAE is a reimbursement allowance. The Department cannot pay any bill directly. You must pay bills yourself and claim relevant sums back using a PAAE2 form.



2.2 **Administrative and Office Expenditure (AOE)**

2.2.1 Purpose of the allowance

The AOE is an allowance designed to provide for facilities, equipment, supplies and services for Members and their staff. It may only be used to meet the following costs:

- Accommodation for office or surgery use or for occasional meetings
- Equipment and supplies for the office or surgery
- Work commissioned and other services
- Certain travel costs not met out of travel expenditure

2.2.2 Eligibility

All Members can claim for this allowance when their claim complies with the principles set out in Part I.

2.2.3 Examples of appropriate expenditure

The following provides examples of expenditure which are appropriate under the various categories shown under “purpose” above.

Whilst these are not exhaustive, they are designed to indicate the types of costs that are appropriate and so guide Members for other expenditure they wish to incur which is not on the list.

2.2.3.1 Accommodation

- Office rent
- Hiring facilities for surgeries or meetings
- Payments to utilities: rates, water, gas, electricity
- Repairs and alterations if required when first occupying a property or by your lease, provided that these do not go beyond making good dilapidations and thus enhance the value of the property
- Measures to ensure office security, better health and safety or accessibility for the disabled
- Additional costs of using part of your home as an office – provided this is set aside as an office. If you claim PAAE for this home you must take particular care to ensure that you do not claim twice for the same expenses
- Insurance for office premises

2.2.3.2 Equipment and supplies

- Purchase or lease of photocopiers, faxes, scanners, phones and other office equipment, including computers and printers
- Purchase of office furniture
- Purchase of stationery and office consumables
- Purchase of hardware and software
- Insurance for office contents other than centrally provided computers and legal costs insurance
- Telephone costs

- Postage over and above that provided by the House
- Annual data protection registration subscription

2.2.3.3 Work commissioned and other services

- Maintenance services for hardware, software and equipment
- Interpreting and translation services
- Training for Members or staff
- Recruitment services
- Work that you would reasonably expect a member of your staff to undertake, for example, a piece of research

2.2.3.4 Certain travel costs not met out of the travel expenditure

Certain travel incurred over and above that provided from your travel expenditure: this may be related to staff travel or taxis and private hire cars for permitted UK travel. Receipts and journey details must be provided in full.

2.2.4 Issues needing particular attention

2.2.4.1 Arrangements for Members' constituency offices

If the accommodation is leased from a political party or a constituency association, you must ask an independent valuer to assess the property in order to ensure that it is being rented at no more than the market rate. See also the following heading on agreements for accommodation and services in combination. You must seek advice from the Registrar of Members' Financial Interests if the premises are provided rent free or at a rental below market rates.



2.2.4.2 Contracts for staff, services etc in combination with accommodation

You must have documented contractual arrangements which distinguish between accommodation and services (eg: staffing, telephony, use of photocopiers etc). Charges must be for actual, not notional, services, and the service charges must accurately reflect the levels of service provided. You must lodge a copy of the agreement with the Department and ensure that any subsequent changes are notified in writing immediately to the Department.

2.2.4.3 Sharing arrangements

When a Member shares his or her office with another Member or with a member of a devolved legislature or of the European Parliament, separate billing arrangements are desirable. But where that is not feasible he or she must lodge with the Department a copy of the agreement setting out how the costs will be divided. If one Member agrees to meet the costs in full initially, and to recover from the other parties to the arrangements, he or she must lodge with the Department the agreement to do this. The sums recovered must be remitted to the Department for credit to the AOE.

2.2.4.4 Sublets

You must not sublet accommodation which you lease and pay for out of the allowances. Exceptions may be allowed for sublets existing in January 2002 when this restriction was introduced.

2.2.4.5 Homes used as offices

You may use as an office for your parliamentary duties any part of your home, or of any other building which you personally lease or own. You may claim for any **additional** costs incurred (eg: extra telephone lines, heat, light) but not leasing or mortgage costs.

2.2.4.6 Occasional use of office premises by others

You must charge for occasional use of your premises by others. This must not exceed 20 days per year. The charge must be set at a level which reflects a proportion of the leasing costs and the cost of any services used. You must ensure that full and proper accounts are kept of all relevant transactions. All income received must be credited back to your AOE.

2.2.4.7 Petty Cash

Members may be reimbursed for petty cash, the limit being £50 per month. Any claims for items costing £25 or more will need to be accompanied by relevant receipts. You must keep a petty cash book recording what items petty cash is spent on.



2.2.5 Documentation required

Proof of payment must be provided for all items of expenditure of £25 or more.

In addition, the following documentation must be lodged with the Department:

- A copy of your lease and any sublease
- A copy of a recent independent valuation (required only if you lease from a political organisation or if you sublet part of the premises). This must be updated if and when rental costs differ from figures shown in independent valuations
- A copy of any agreement for cost sharing (required only if you share with another Member, with a member of a devolved legislature or an MEP)
- A copy of any agreement for services with your constituency association or other party political organisation

You must also inform the Department of any alterations to the terms of these.



2.2.6 How AOE works in practice

There are three payment options available from the Department:

- You can meet the bill yourself and claim the sum back. Use a Members' Reimbursement form (C1). (You can also use a Direct Payment to Staff form (SA3) to reimburse a member of staff who has purchased supplies for you.)
- The Department can pay the supplier direct. Use a Direct Payment to Third Parties form (C2) and attach a copy of the invoice.
- You can set up a regular payment arrangement. Use a Periodic Payments form (B1) and attach a copy of your contract with the supplier.

2.3 Staffing Expenditure

2.3.1 Purpose of the allowance

Staffing Expenditure is available to meet the costs incurred in the provision of staff to help you perform your parliamentary duties. It may be used to meet the following costs:

- Staff salaries and Employer's National Insurance Contributions
- Bonuses and overtime payments
- Payments for bought-in services
- Additional staff costs
- Redundancy payments
- Settlements made at tribunals and court hearings



2.3.2 Eligibility

All Members are eligible for this allowance when their claim complies with the principles set out in Part I. Members must ensure their staff are:

- employed to meet a genuine need in supporting the Member in performing his or her parliamentary duties;
- able and (if necessary) qualified to do the job; and
- actually doing the job

and that the resulting costs, in so far as they are charged to this allowance, are reasonable and entirely attributable to the Member's parliamentary duties.

2.3.3 Examples of appropriate expenditure

The following provides examples of expenditure which are appropriate under certain of the categories mentioned above.

Whilst these examples are not exhaustive, they are designed to indicate the types of costs that are appropriate and so guide Members for other expenditure they wish to incur which is not on the list.

2.3.3.1 Staff payments

- Salaries and other payments to staff, all of which are paid directly to the member of staff by the Department





2.3.3.2 Payments for bought-in services

- Professional advice, for example from accountants or solicitors
- Cleaning, janitorial or reception services
- Maintenance services for hardware and software and equipment
- Interpreting and translation services
- Recruitment services
- Training for Members and their staff
- Research and consultancy services
- Secretarial services

2.3.3.3 Additional staffing costs

- Meals and subsistence for interns, volunteers or permanent employees who are working away from their main place of employment
- Travel to and from a permanent or temporary workplace
- Additional pension contributions
- Contributions to private healthcare scheme

2.3.4 Issues needing particular attention

2.3.4.1 Rates of pay and contracts

Staff must be paid in accordance with the pay ranges linked to the job descriptions and standard contracts prepared by the Department and approved by the Committee on Members' Allowances. These are available on the parliamentary intranet at: <http://dfaweb.parliament.uk/members/pas/jobpayguidance2.htm>.

The Department provides standard employment contracts which you must use when taking on new staff. However, you, not the Department, have the responsibilities as employer towards staff paid from the allowance. It is your responsibility to ensure that you comply with employment law. The contract must be provided to your staff within eight weeks of them starting work, and a copy must be deposited with the Department (see below).

Exceptions for both contract terms and pay ranges may be made for staff who were employed before 5 July 2001 and therefore have pre-existing employment rights; self-employed contractors (who are recognised as such by HMRC); and certain staff approved by the Department who are employed on non-standard jobs.

2.3.4.2 Advice

A Personnel Advice Service is available to Members and is staffed by professional HR practitioners. They are able to provide advice on issues that concern your role as employer. A link to their services is available at:

<http://dfaweb.parliament.uk/members/pas/pasmain.htm>.

2.3.4.3 Bonus payments

To help you get the job done, you may wish to give incentives to staff or to reward them by giving them one-off bonuses. Such payments are limited to 15 per cent of the gross annual salary received by that member of staff in the allowance year in question.

2.3.4.4 Record keeping

As part of its payroll service, the Department keeps records of payments made. However, you are responsible for all other procedures connected with staff employment, for example contractual changes (of which the Department must also be informed), holidays taken and sickness absence.

2.3.4.5 Absence from office

If a member of staff is absent because of sickness, you must inform the Department in order that pay can be adjusted. This will also assist Members in managing long-term sick absences. Any relevant certificates must also be forwarded.

If the absence is for more than two weeks (and is caused by sickness, adoption leave, maternity leave or disability within the meaning of the Disability Discrimination Act 1995), you may be able to claim “temporary staffing expenditure” to meet the cost of a substitute member of staff or contractor, or of additional hours for existing staff. Documentary evidence of the reason for absence is required. Details are available on the parliamentary intranet: <http://dfaweb.parliament.uk/members/payroll/tsa.htm>.

2.3.4.6 Pension contributions

If a member of staff is paid from Staffing Expenditure, the Department will make regular payments from central funds, equivalent to 10 per cent of salary, to the Portcullis Pension Plan. This is a group stakeholder arrangement.

The 10 per cent can be paid to one of two nominated providers or split between them, either as the member of staff chooses, or 50:50 as a default arrangement.

A Portcullis Pension Plan leaflet is available on the parliamentary intranet at: <http://dfaweb.parliament.uk/members/pensions/pensions.htm> or in hard copy from the Department. This gives detailed information and advice to both staff and Members.

2.3.4.7 Tribunals and court hearings

Staffing Expenditure can be used to pay for settlements made both prior to and during court and tribunal hearings concerning a member of staff. But the allowance will not meet the costs of any punitive damages awarded against a Member by a court or tribunal.

Members are advised to contact the Department as soon as they think litigation may be commenced against them for advice about the assistance that the Department can provide.

2.3.4.8 All-Party Groups

Staff may not be employed to work wholly or substantially for All-Party Groups.

2.3.5 Documentation required

For payments to organisations for bought-in services, evidence in the form of invoices or receipts must be provided for all items of expenditure of £25 or more.

In addition, the following documentation must be lodged with the Department:

- A copy of a contract of employment for each member of staff paid from Staffing Expenditure
- A job description for each member of staff

It is not possible for salaries to be paid unless the contract and job description have been deposited.

You must also inform the Department of any alterations to the terms of either staff contracts or job descriptions.

2.3.6 How Staffing Expenditure works in practice

2.3.6.1 Budgets

You must ensure that funds are available to meet all commitments. If the allowance is exhausted, the Department will only continue to pay salaries if money is transferred from AOE or from your own parliamentary salary. Monthly statements will be sent to you, showing the current level of spend and the percentage of the allowance used.

Every staff member must be provided with a new starter pack which contains information for a new member of staff and a copy of a form SA1 for completion. This pack is available on request from the Department. The SA1 form enables you to provide relevant pay and personal details of the new starter. This must then be forwarded to the Department so that payroll action can be taken.

Members of staff are paid on the last working day of each month. Income Tax and National Insurance Contributions are deducted from salary payments under PAYE regulations. P60s, containing statutory information relating to pay and deductions, are sent out annually to all staff still in employment at 5 April. For this reason, no payments should be made directly by you to a member of staff. Staffing Expenditure is increased each year in line with the average earnings index. However, staff pay is not up-rated automatically. This is a decision for you as employer each year.

You can advise the Department of a change of salary, and bonus or overtime payments, on form SA2.

When a member of staff leaves your employment, you must advise the Department using form SA4. This can also be used to notify the Department of any holiday not taken for which payment needs to be made.

All forms must be submitted to the Department by the 15th of each month in order for changes to be reflected in that month's payroll run. This is especially important for new starters who may, for financial reasons, be unable to wait a further month to receive their first salary payment and for leavers to avoid an overpayment of salary.



Payments for bought-in services can either be paid directly by the Department to the relevant organisation (using a C2 form) or paid by you and reimbursement sought (using a C1 form).

2.4 **Travel Expenditure**

2.4.1 Purpose of the allowance

Members can claim for reasonable travel and associated costs provided that journeys are undertaken for the purpose of performing their parliamentary duties. For the purposes of this allowance, travel with All-Party Groups does not constitute parliamentary duties.

In addition, staff, spouses and civil partners, and children up to the age of 18 are entitled to certain travel allowances.

The House will meet the cost of:

- Fares for journeys by public transport
- Mileage for cars, motorbikes and bicycles
- Reasonable parking
- Taxis and private hire car cost (for which a standard mileage rate applies)
- Reasonable cost of overnight accommodation where a journey has had to be broken due to unforeseen circumstances beyond the control of the person undertaking the journey

2.4.2 Eligibility

All Members are eligible for this allowance when their claim complies with the principles set out in Part I. Different rules apply to un-itemised mileage within constituencies depending on constituency size.

2.4.3 House of Commons Travel Card

A Travel Card is available to all Members to pay for all allowable train, air, coach, ferry and parking costs for yourself, your family and your staff. The card should not be used for any other purpose.

Members can also apply for a card for use by spouses and civil partners. Members remain responsible for its use and expenditure is limited to the costs listed above.

Misuse of the card will lead to a recovery being made from a Member's salary and/or withdrawal of the card.

2.4.4 Examples of appropriate expenditure

2.4.4.1 Routine Travel

Routine travel is travel by the recognised direct route between Westminster, your constituency and your main home as well as travel within your constituency.



2.4.4.2 Extended Travel

Extended travel allows Members to travel within the UK on journeys outside their routine travel pattern. The journeys must:

- Relate to a matter currently before the House
- Relate to a matter currently before a select committee on which you serve
- Relate to a constituent or general constituency matter; or
- Be to a devolved legislature

2.4.4.3 European Travel

Members may claim up to three return visits a year to the national parliaments of Council of Europe member states. EU institutions and agencies may also be visited.

For each visit, Members may claim travel, up to the cost of a business class airfare to the relevant destination, and a maximum of two nights subsistence at the Civil Service Class A rate.

2.4.4.4 Family Travel

Spouses and civil partners are entitled to up to 30 single journeys each year between London and the constituency or the Member's main home.

Dependent children (including stepchildren, foster children etc) who are under 18 – or over 18 and still in full time secondary education until the end of the academic year in which their 18th birthday falls – are each entitled to up to 30 single journeys each year

between London and the constituency or Member's main home. By arrangement with the Department, children over the age of 18 who have a disability are also entitled to 30 single journeys a year.

2.4.4.5 Staff Travel

Staff may share up to 24 single journeys each year. These journeys must be between London and the constituency and be made in connection with the Member's parliamentary duties. Additional journeys may be claimed from AOE or Staffing Expenditure.

2.4.4.6 Parking

Reasonable parking charges may be claimed but Members cannot claim for parking fines.

2.4.5 Issues needing particular attention

2.4.5.1 Mileage rate

Journeys undertaken by car, motorbike or bicycle are reimbursed at a standard mileage rate which reflects the current HMRC approved rates. The mileage rate is paid on the basis that the person claiming owns and maintains the vehicle. When this is not the case, a reduced mileage rate may be payable. You should contact the Department where this applies.

The mileage rate covers the costs of running a vehicle such as insurance, repairs, maintenance and depreciation. You are therefore not entitled to claim any additional cost in respect of the vehicle.

2.4.5.2 Constituency Travel

You must provide a full breakdown as follows:

- If your constituency is under 25 sq miles, for mileage above 200 miles
- If your constituency is over 25 sq miles but under 200 sq miles, for mileage above 350 miles
- If your constituency is over 200 sq miles, for mileage above 600 miles

Constituency travel includes:

- Travel within the constituency boundary
- Travel outside the constituency but within 20 miles of the constituency boundary
- Travel between the constituency and local or regional offices of Government departments and offices of local authorities¹

2.4.5.3 Congestion charges

Congestion charges cannot be claimed from travel expenditure.

2.4.5.4 Taxis and hire cars

Travel expenditure will only reimburse you at the standard mileage rate for allowable journeys undertaken in taxis and private hire cars. However, you may use AOE to reclaim the full cost.

¹ Members may also use the extended travel provision for travel to offices outside their constituency.

2.4.5.5 Value for money

There is no restriction on the class of travel for Members. However, you are encouraged to purchase tickets through the Parliamentary Travel Office so that the House can benefit from route deals. You are also encouraged to purchase the best value tickets, for example by advance purchase. Members are able to claim the cost of an advance purchase ticket which they buy but cannot in the event use.

Season tickets may be purchased for allowable journeys if Members are satisfied that value for money is being achieved.

2.4.5.6 Extended travel and European travel

You must notify the Department at least three days before the journey, giving the purpose, location, duration and persons or organisation to be visited. The Department's authorisation for the journey is necessary.

2.4.5.7 Select Committee and Delegation Travel

Committee and delegation visits are not funded through Travel Expenditure. You should contact the Committee Clerk or the Overseas Office for advice on how to claim for costs incurred for these visits. Your House of Commons Travel Card must not be used to pay for these journeys.



2.4.6 Documentation required

A signed travel card acknowledgement: this confirms that you have received the card; and have acknowledged that the conditions of use have been explained to you, and that its use is restricted to paying for journeys specified in the Green Book.

A signed Car Assessment Form: this confirms that you are content with the routine journeys produced by the Department.

2.4.7 How Travel Expenditure works in practice

When using your own vehicle, you will be reimbursed for mileage at standard rates. A reduced rate applies when this is not the case.

Mileage for each journey is calculated using a digitised mapping system.

When you are first elected, or when there is a change of location of your main home, the Department will register a set of routine journeys, each of which will have an agreed distance and journey code. Mileage can then be claimed using a T1 form, quoting the relevant code and frequency of that journey during the claim period.



The same form should also be used to claim family or staff mileage, tolls and parking charges and constituency mileage. When travelling by public transport, you should use your House of Commons Travel Card to pay for your tickets. Alternatively, you can buy the ticket from your own funds and claim back the cost using form T2.

All transactions on your House of Commons Travel Card will be shown on a monthly statement. It is your responsibility to complete relevant information on the statement (for example, date and destination, who travelled etc) and return it to the Department within the time allowed. Further information is contained in the Travel Card folder.

2.5 **Communications Expenditure**

2.5.1 Purpose of the allowance

Communications Expenditure is designed to help Members communicate proactively with their constituents about their work in furtherance of their parliamentary duties.

The allowance may be used to meet expenses for:

- Regular reports and constituency newsletters; questionnaires, surveys and petitions
- Contact cards
- Distribution costs
- Advertising of surgeries and constituency meetings
- Websites
- Some capital purchases



2.5.2 Eligibility

All Members are eligible for this allowance when their claim complies with the principles set out in Part I and the more detailed guidance found in the booklet “*Communications Expenditure and the use of House stationery*”. This can be found on the internet at: <http://www.parliament.uk/documents/upload/HofCCommunicationsAllowanceBooklet.pdf>.

2.5.3 Examples of appropriate expenditure

The following provides examples of expenditure which are appropriate under the various categories shown under “purpose” above.

Whilst these are not exhaustive, they are designed to indicate the types of costs that are appropriate and so guide Members for other expenditure they wish to incur which is not on the list.

2.5.3.1 Regular reports and constituency newsletters; questionnaires, surveys and petitions

- Production and design costs
- Distribution costs
- Freepost facilities

2.5.3.2 Contact cards

- Production and design costs

2.5.3.3 Advertising of surgeries and constituency meetings

- Cost of placing advertisements



2.5.3.4 Websites

- Design of website
- Set up costs (domain name etc)
- Maintenance of website

2.5.3.5 Capital purchases

- Equipment and software used only in respect of anything published through Communications Expenditure

2.5.4 Issues needing particular attention

2.5.4.1 Prior approval

There is a general requirement to get approval from the Department before committing to expenditure above £1000 for production and design costs.

2.5.4.2 Closed period

There is a closed period of 28 days before European Parliament, devolved legislature and local government elections (excluding by-elections and parish and community council elections).

No proactive communications funded by Communications Expenditure may be issued during this period. Members will be expected to repay any money spent in contravention of this rule. They should also be aware that there could be implications with regard to electoral expenditure limits.

2.5.4.3 Content

The purpose of a publication or website must be to inform constituents about your work as a Member, to consult with constituents or local groups, or to provide information about how to contact you.

No party political material is permitted in any part of a publication or website funded wholly or in part from the allowance. You must not use party logos or slogans. You may use the House of Commons Portcullis provided the document meets the rules.

You must take care not to publish material which could be construed as campaign expenditure within the scope of the Political Parties, Elections and Referendums Act 2000.

You may only use Hansard extracts if the entire publication or website – including the extract – complies with the prohibition on party political content.

You must take care when using photographs not to promote other elected office-holders or candidates for office. Captions must be neutral and kept within the context of the publication.

You must take care when using or quoting statistics that the use of such statistics cannot be construed as politically selective.

Surveys may ask questions on national or international issues.

2.5.4.4 Distribution

Members must use their best endeavours to ensure that distribution arrangements for newsletters do not stray unreasonably beyond the boundaries of their constituency.

2.5.4.5 Joint publications

Members are entitled to produce newsletters in conjunction with other elected office-holders. However the entire content must satisfy the rules of all the bodies involved in funding it. If material is included that is not allowed, the whole cost of the publication must be funded from another source.

2.5.4.6 Capital purchases

Only equipment and software purchased solely to assist Members in the production and distribution of newsletters, websites or other publications funded from Communications Expenditure may be claimed from the allowance. Equipment that is used for general office purposes should be claimed from AOE.

2.5.4.7 Staffing costs

Where staff are employed, in whole or in part, to assist with the production of material funded through the allowance, salary and National Insurance costs will continue to be met from Staffing Expenditure. However, the cost of bought-in or self-employed staff may be met from Communications Expenditure.

2.5.5 Documentation required

A copy of any agreement for cost sharing (when a publication is produced with another Member; a member of a devolved legislature; or an MEP).

A copy of any agreement for services (for example for staffing or facilities) with your constituency association or other party political organisation.

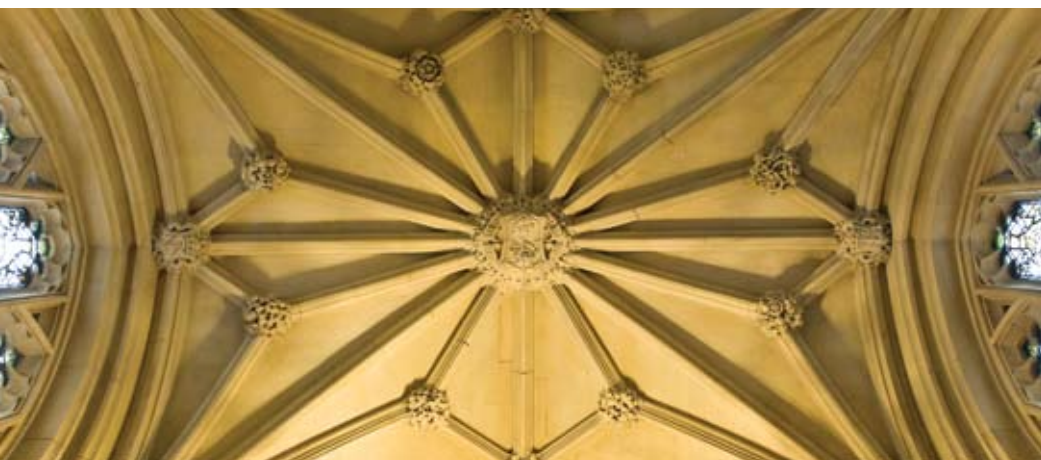
2.5.6 How Communications Expenditure works in practice

There are three payment options available from the Department:

- You can meet the bill yourself and claim the sum back. Use a Members' Reimbursement form (Comms1)
- The Department can pay the supplier direct. Use a Direct Payment to Third Parties form (Comms2) and attach a copy of the invoice
- You can set up a regular payment arrangement. Use a Periodic Payments form (B1), and attach a copy of your contract with the supplier

Claims for the costs of any survey or of production of any publication costing more than £1000 will only be met if the publication has been cleared **in advance** with the Department. If this approval is not given, you will not be able to claim for the costs of the publication. You are strongly encouraged to submit all items for which you are intending to claim from Communications Expenditure to the Department for approval in advance.

The Department will also review the homepage of websites that are being funded from Communications Expenditure. This may lead to further scrutiny when a claim for a relevant cost is submitted. Members are expected to make all recommended changes.



2.6 House stationery and postage

2.6.1 Purpose of the facility

A cash-limited provision of House stationery and pre-paid envelopes is made available to Members for their parliamentary duties.

2.6.2 Eligibility

Each Member is entitled to a total sum each year which includes the cost of the various types of stationery and the postage costs of pre-paid envelopes.

2.6.3 Appropriate use of stationery and pre-paid envelopes

More specific guidance can be found in the booklet “*The Communications Allowance and the use of House stationery*” at: <http://www.parliament.uk/documents/upload/HofCCommunicationsAllowanceBooklet.pdf>.

2.6.3.1 Pre-paid envelopes

Pre-paid envelopes are designed to enable you to reply to letters or other contacts you receive, and to write to individuals and organisations in pursuit of your parliamentary duties. They should not be used to send mail to people on issues on which they have not previously contacted you. You can use stationery and pre-paid envelopes to respond to contacts you have received through any medium.

Pre-paid envelopes may not be used to transmit mail intended generally to inform your constituents about your work as a Member. Such communications may be funded through Communications Expenditure.

Examples of the proper use of pre-paid envelopes include:

- administrative correspondence enabling you to run your office, such as current working documents sent between Westminster and the constituency
- correspondence with Members or staff of either House, where this cannot be sent using the internal mail system

- correspondence with public bodies in the United Kingdom such as Government Departments, Agencies and NDPBs, devolved legislatures, local authorities, and international organisations, where this cannot be sent using the IDS
- correspondence with constituents in connection with an issue on which they have previously contacted you

Pre-paid envelopes may only be used to send updates to constituents on an ongoing basis where the updates relate to specific cases (such as the progress on asylum applications). Pre-paid envelopes may not be used to send general updates.

Pre-paid envelopes must not be used:

- for correspondence of a personal or commercial nature
- for correspondence to or on behalf of All-Party Groups which include persons who are not Members of either House
- in connection with fund raising for the benefit of a political party or supporting the return of any person to public office
- for internal mail
- for mail sent from the House of Commons to Government Department addresses within the M25 system (which should be fully addressed marked 'VIA IDS' and posted in an Internal Mail posting box without payment of postage)
- for questionnaires and surveys
- for birthday or greeting cards or messages
- for correspondence you instigate with constituents on issues on which they have not previously contacted you

Questionnaires and surveys; birthday or greeting cards or messages and other personal items; circulars; newsletters and calendars must not be attached to correspondence legitimately sent in pre-paid envelopes.

You are encouraged to use second-class pre-paid envelopes. First-class envelopes should only be used for priority mail.

2.6.3.2 House stationery

House stationery, however it is acquired, should not be used for the following purposes:

- communications of a commercial nature
- in connection with fund raising for the benefit of a political party, advocating membership of a political party, or supporting the return of any person to public office
- for correspondence of All-Party Groups which include persons who are not Members of either House

If you wish to use House of Commons stationery to write to people on issues on which they have not previously contacted you, you must purchase it from the suppliers, not as part of your cash-limited entitlement. Alternatively, you may photocopy stationery which includes the crowned portcullis and the words “House of Commons”. Any such use must also comply with the three requirements set out earlier in this section.

2.6.3.3 Petitions

Someone who has signed a petition which has been addressed to you, who has sent you a campaign postcard or letter, or who has raised an issue with you in person, is considered to have contacted



you for the purpose of these rules, unless the petition or campaign was itself instigated by you or by someone acting on your behalf. Pre-paid envelopes and House stationery provided from a Member's cash-limited entitlement should only be used to reply once to this kind of correspondence.

2.6.3.4 Personal correspondence

Modest use of House of Commons stationery (but not pre-paid envelopes) for personal correspondence is permitted.

2.6.3.5 Party political content

Party political references are allowed in officially provided stationery, or in correspondence sent in pre-paid envelopes.

2.6.4 Interaction with other allowances

2.6.4.1 Communications Expenditure

Where rules state that the stationery entitlement cannot be used (for example, circulars, newsletters, annual reports etc), relevant stationery and postage costs can be met from Communications Expenditure, with the proviso that the costs fall within the scope of that allowance and the principles set out in Part I of this document have been met.

2.6.4.2 Administrative and Office Expenditure

Once the stationery entitlement has been exhausted, additional stationery supplies can be purchased using the AOE. However, the AOE cannot be used to purchase pre-paid envelopes. Instead, stamps (or other distribution methods) should be used.

2.6.5 How the stationery entitlement works in practice

The Department of Resources is responsible for providing advice on the use of stationery and Communications Expenditure.

The ordering of stationery and pre-paid envelopes is the responsibility of the Department of Facilities. This can be done from the House of Commons stationery catalogue via the internet by ordering from your bespoke account at www.banner-online.biz or on a bespoke stationery order form.

2.7 Resettlement Grant

2.7.1 Purpose of the grant

The Resettlement Grant may be claimed to assist former Members with the costs of adjusting to non-parliamentary life.

2.7.2 Eligibility

The Resettlement Grant is available for all Members who fail to be re-elected or who do not stand at a General Election. Members who leave the House during a Parliament are not eligible to claim the grant.

Additional information can be found in the booklet *“Pay and allowances for Members who leave the House at a General Election”* at:

http://dfaweb.parliament.uk/members/publications/ge_payallow.pdf.



2.8 Winding-up Expenditure

2.8.1 Purpose of the allowance

The Winding-Up Expenditure allowance is designed to meet the cost of completing the outstanding parliamentary duties of a person who ceases to be a Member of Parliament.

2.8.2 Eligibility

The allowance is available for all Members who fail to be re-elected or who do not stand at a General Election or who leave the House during a Parliament. The Department administers the allowance in the case of a Member who dies in service. A claim must comply with the principles set out in Part I.



Additional information can be found in the booklet “*Pay and allowances for Members who leave the House at a General Election*” at: http://dfaweb.parliament.uk/members/publications/ge_payallow.pdf

2.9 Security budget

Where the local police advise, the House will contribute to the costs of security measures taken to safeguard Members, their staff and their equipment at their constituency office or surgery. AOE must be used for the first £1000 of expenditure. The House will meet half of the rest of the cost up to a maximum contribution of £2000.

Full details of this facility, including how to apply, are available on the parliamentary intranet at: <http://dfaweb.parliament.uk/members/publications/security.htm>.

2.10 Help for Members with disabilities

The Department provides assistance to Members with disabilities, subject to a report from a consultant occupational health medical practitioner retained by the House. Assistance can take the form of additional staff, necessary equipment or help with travel for example.

Further information is available on the parliamentary intranet at: <http://dfaweb.parliament.uk/members/publications/disabscheme.htm>.





Other information



Other information

3.1 Transfer of allowances

3.1.1 By allowance type

Subject to the limits shown below, Members may transfer funds between certain allowances. Prior approval from the Department is not required before authorising a transfer.

From	To			
	AOE	Staffing	Communications	PAAE
AOE	n/a	No limit	No limit	Not allowed
Staffing	Up to 10%*	n/a	Up to 10%*	Not allowed
Communications	Not allowed	Not allowed	n/a	Not allowed
PAAE	Not allowed	Not allowed	Not allowed	n/a

- * The combined amount transferred into the AOE and Communications Expenditure should not normally exceed 10 per cent of the total Staffing Expenditure.



3.1.2 By allowance year

Members may also apply to transfer funds between allowance years. Subject to there being sufficient funds available, up to 10 per cent of each of the following allowances can be carried forward into the following allowance year: AOE; Staffing Expenditure; and Communications Expenditure. In certain cases, an advance can be made into the existing year from the following year's budget.

Members wanting to make use of this facility must notify the Department, providing details of specific spending plans.

3.2 Other allowance issues

The allowance year runs from 1 April to 31 March. Providing a spend was incurred during this period, claims may be made against it for a further two months (that is, until the end of May). Generally, claims submitted after this date will not be accepted for payment.

If a Member enters or leaves Parliament part way through the allowance year, the entitlement for each allowance will be calculated on a quarterly basis. For example, if a Member leaves in July (ie during the 2nd quarter), he or she would be entitled to a budget equal to two quarters of each allowance.

3.3 Taxation of allowances

Expenditure for which reimbursement is claimed under the provisions of the Green Book should be wholly, exclusively and necessarily incurred for the performance of a Member's

parliamentary duties, and therefore deductible from income for tax purposes.

This does not apply to Winding-up Expenditure on dissolution to which section 291 of the Income Tax (Earnings and Pensions) Act 2003 applies.

In the case of PAAE, which is an allowance to which section 292 of the Income Tax (Earnings and Pensions) Act 2003 applies, expenditure must be necessarily incurred in staying overnight away from the Member's main home.

HMRC produces a booklet on "MPs, Ministers and Tax". This is available from the Department or from HMRC (telephone 02920 325201). Different taxation rules apply to different allowances, and different rules may also apply to payments made under each allowance. Members are responsible for declaring any taxable benefit they receive.

3.4 Further information and contact details

The current edition limits guidance to the allowances that Members are able to claim to assist them in performing their parliamentary duties.

- For all queries regarding Members' salaries and parliamentary allowances, Members should contact the Enquiries and Advice Team (EAT).

The team can be contacted on **020 7219 1340** or via email: enquiryandadvice@parliament.uk.



- Members seeking advice on pensions are able to request “*The Parliamentary Contributory Pension Fund – Members Booklet*” from the Department. This is currently only available in hard copy.

The Pensions Team can be contacted on **020 7219 4962** or via email: pensionsmp@parliament.uk.

- Information regarding Short Money and Representative Money can be found in the Library factsheet at:
http://pims.parliament.uk:81/PIMS/Static%20Files/Extended%20File%20Scan%20Files/LIBRARY_OTHER_PAPERS/STANDARD_NOTE/snpc-01663.pdf

Members with queries regarding the claiming of the above should contact **020 7219 6122**.

- The Department publishes a booklet “*Pay and allowances for Members who leave the House at a General Election*”. This provides details of dissolution arrangements and what happens to pay and allowances during this period. This publication is available in hard copy and on the parliamentary intranet.
- The Parliamentary Information and Communications Technology service (PICT) administers the loan of computer and other IT equipment to Members.

Details are available on the parliamentary intranet or via the PICT Service Desk on **020 7219 2001**.





4

Definitions

Definitions



Additional home	means the home, not being the Member's main home, in respect of which a Member is entitled to claim PAAE. It must be in the UK.
Allowance year	means from 1 April until 31 March.
Average earnings index	means the average earnings index (whole economy excluding bonuses), for the twelve months prior to 31 December.
AOE	means the Administrative and Office Expenditure allowance.
Civil partner	means a person who is the civil partner of a Member who together come within the definition of "civil partnership" in the Civil Partnership Act 2004.
Committee on Members' Allowances	means the Committee appointed under Standing Order No.152G.
Department	means the Department of Resources.
Devolved legislature	means the Scottish Parliament, the National Assembly for Wales or the Northern Ireland Assembly.



HMRC	means Her Majesty's Revenue and Customs.
Inner London	means the constituencies of Battersea, Bethnal Green & Bow, Camberwell & Peckham, Cities of London & Westminster, Dulwich & West Norwood, Eltham, Greenwich & Woolwich, Hackney North & Stoke Newington, Hackney South & Shoreditch, Hammersmith & Fulham, Hampstead & Highgate, Holborn & St Pancras, Islington North, Islington South & Finsbury, Kensington & Chelsea, Lewisham Deptford, Lewisham East, Lewisham West, North Southwark & Bermondsey, Poplar & Canning Town, Putney, Regent's Park & Kensington North, Streatham, Tooting, and Vauxhall.
LCA	means the London Costs Allowance.
London	means any place within 20 miles of the Palace of Westminster.
Main home	is the term used in the Green Book for the term "only or main residence" as used in the applicable Resolutions of the House and the relevant legal provisions. It is for a Member to determine where his or her main home is based on his or her circumstances. It must be in the UK.
Members Estimate Committee	means the Committee appointed under Standing Order No.152D to consider matters relating to Members' pay and allowances. It has the same membership as the House of Commons Commission.

Newly elected means elected for the first time to the House of Commons or elected to the House after a period of not being a Member which was longer than the period during which Parliament was dissolved.

PAAE means the Personal Additional Accommodation Expenditure allowance.

Parliamentary duties means duties a Member may undertake properly to perform any of his or her functions as a Member of Parliament including work in connection with parliamentary proceedings or in a representational role. It includes obligations Members have, for example as small employers or data controllers. It does not include activities a Member carries out for party political purposes or for personal reasons.

Partner means one of a couple, whether of the same sex or of the opposite sex (the other being a Member) who although not married to each other or civil partners are living together and treat each other as spouses.

Staff means employees of a Member who are paid out of the Member's Staffing Expenditure.

Year means "allowance year" except where the context is clearly otherwise.



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