



The Scottish Parliament
Pàrlamaid na h-Alba

The Presiding Officer

[REDACTED]
Clerk

Ad Hoc Committee on the Assembly Members (Remuneration Board) Bill

By email

21 March 2025

Dear [REDACTED]

Thank you for your letter of 27 February 2025 seeking written evidence, on behalf of the Ad Hoc Committee on the Assembly Members (Remuneration Board) Bill, from the Scottish Parliamentary Corporate Body (SPCB).

I note that the Ad Hoc Committee is currently taking evidence on the Assembly Members (Remuneration Board) Bill. I further note that this Bill will amend legislation that provides for the Body that determines the salaries, allowances and pensions payable to Members of the Northern Ireland Assembly. Your correspondence seeks information on the approach taken by the SPCB for MSPs in this regard.

We have therefore focussed our response by setting out the salary, pension and allowance arrangements in place for MSPs. The response also includes information on previous arrangements, where this is considered to be helpful. This information can be found in the **Annexe** to this letter.

I trust that the correspondence is helpful to the Ad Hoc Committee as it scrutinises the Bill.

Yours sincerely

[REDACTED]

Presiding Officer

Background

The [Scotland Act 1998](#) provides for there to be a corporate body, known as the Scottish Parliamentary Corporate Body (SPCB). The SPCB is responsible for providing the Parliament, or ensuring that the Parliament is provided, with the property, staff and services required for the Parliament's purposes.

The SPCB comprises the Presiding Officer and at least four Members of Parliament who are elected in line with [Standing Orders](#).

As part of the SPCB's responsibilities, it is required by Parliament to ensure that provisions are made to pay Members' salaries, pensions, travel and expenses.

Further information on each of these payments is found below.

Members' salaries

Prior to April 2015, MSPs' salaries were set at 87.5% of MPs' salaries at Westminster, based on the differing roles of MPs and MSPs. From April 2015, Members' salaries are governed by the [Scottish Parliament Salaries Scheme](#). The Scheme sets out at paragraph 5–

“.....any salary payable by virtue of the Scheme shall be amended to reflect any increase in the index for the mean annual earnings of public-sector full time workers in Scotland as provided for by the Annual Survey of Hours and Earnings (ASHE) produced by the Office of National Statistics, or such other index as the Parliamentary Corporation may from time to time deem appropriate.”

From 2015-16 to 2023-24 inclusive, Members' salaries were calculated on the basis that pay would be uprated on 1 April using this specific measure in the ASHE index, published annually in the previous autumn. The only exception to this approach was in 2021-22, when the SPCB unanimously agreed that it would be inappropriate for the ASHE index, which was set at 5.1%, to be applied, in recognition of the economic circumstances at that time. The SPCB agreed that MSPs would not receive a pay rise in 2021-22.

The SPCB's objective of using the ASHE index on a consistent basis was to enable a high level of certainty around salary costs. That certainty has been tested during recent years, as a result of high inflationary volatility. This has led to the ASHE index becoming misaligned with other wage inflation indicators in 2022-23, 2023-24 and 2024-25. As a result, the SPCB adopted the Average Weekly Earnings (AWE) using a calculated annualised average approach as the index for uprating of MSP salaries for 2024-25.

The SPCB has agreed the continued application of AWE as the index for uprating MSP salaries for the Budget year 2025-26. This follows further evidence that the ASHE index is misaligned with other wage inflation indices. Indeed, latest publications for AWE and ASHE show rates of 3.2% and 6.7% respectively. From 1

April 2025, a 3.2% uplift to members pay will be applied which equates to a salary of £74,506.

You may be interested to note that the salaries Scheme, as abovementioned, covers Ministerial Salaries as well and the Law Officers (the Lord Advocate Scotland and the Solicitor General Scotland). These are all paid through the SPCB's payroll and met from its annual budget. As you may be aware, Ministerial pay has been voluntarily frozen since April 2009 by Scottish Ministers. We understand there are no plans by Scottish Government to change this approach.

Details of the salaries for all MSPs (including the Presiding Officer and Deputy Presiding Officers) and Ministers are published on [the Scottish Parliament website](#).

Pensions

Members' pensions are paid under the terms of the [Scottish Parliamentary Pensions Act 2009](#) (the Act).

MSPs are automatically enrolled in the [Scottish Parliamentary Pension Scheme](#) (SPPS). This is a final salary defined benefit pension scheme. Members have two options over their contribution and benefit rates. The first option is a 6% contribution rate on their salary, with benefits accruing at a rate of 1/50th of final salary multiplied by years of reckonable service. The second option is an 11% contribution rate and a benefits accrual rate of 1/40th of final salary.

SPCB contributions are reviewed triennially by the Government Actuary's Department (GAD) who are advisers to the SPPS Pension Trustees. If any change in funding or contribution rate is required, the trustees must make a case to the SPCB for the revised support.

The most recent review concluded in December 2022 and was considered by the SPCB on 20 April 2023. Based on advice from the GAD, and a recommendation by the Pension Fund Trustees, the SPCB agreed to increase the contribution rate in a stepped manner by 0.8 percentage points per year over three years. This will see the employer contribution rate increase from 20.2% in 2022-23 to 22.6% in 2025-26. This decision was made to utilise a reduction of the current surplus and mitigate some risk from market conditions.

The Act also covers the terms of resettlement grant payable to members who are members immediately before dissolution or are not returned (see Schedule 2, paragraph 3 of the Act). This is a minimum of 50% of MSP salary up to a maximum of a full year's salary depending on number of complete continuous years the individual has been a member. These are normally payable in the month of the election.

Ministerial and office-holder severance, including for the Presiding Officer and Deputy Presiding Officers, is also paid under the terms set out in the Act (see Schedule 2, paragraph 4 for more information).

Members' Travel and Expenses

The SPCB has a duty to provide the resources needed to allow Members to undertake their role. One way in which it does this is by oversight of the [Reimbursement of Members' Expenses Scheme](#). The Scheme sets out the provisions available to support members in carrying out their parliamentary duties and the principles and rules members must abide by in making a claim for reimbursement under the Scheme.

The principles of the Scheme are Objectivity, Accountability, Openness, Integrity, Selflessness, Honesty and Leadership. The SPCB exercises its functions under the Scheme so as best to promote and achieve conformity with the Scheme Principles.

The SPCB's role includes making decisions on any uplift to the provision limits within the Scheme. A significant element of the Scheme involves providing the right level of support for Members to employ staff, including research assistants, administrative staff, or other support personnel, who assist them in carrying out their duties. This is known as the Staff Cost Provision (SCP).

For both 2023-24 and 2024-25 Budgets, the SPCB chose the Average Weekly Earnings (AWE) index to uplift the SCP. This represented a move away from the approach of indexing SCP annually using a mix of a calculated annualised AWE figure and an ASHE index, which had been adopted since 2021-22.

In selecting the 2025-26 uprating index, the SPCB has expressed a preference to continue with AWE for the remainder of Session 6, in order to apply a consistent approach. The approach to a calculated annualised AWE will be reviewed as part of the updated approach for the next parliamentary session. Further detail on the various indices considered and adopted from the many available with AWE and ASHE data available can be provided, if this is considered to be helpful.

Other elements of the Scheme, including the Office Cost, Engagement, Edinburgh Accommodation, Start Up provisions and other limits such as overnight limit are increased by January All Items RPI each year and applied from 1 April. This figure has been used over several sessions and there are no plans to change this at the current time. The SPCB can however choose any index it wishes to use for increasing the Scheme limits if it wishes to do so. Mileage limits are applied in line with HMRC recommended limits.

Details of the [current allowances rates](#) can be found on the Scottish Parliament's website.

Members' Expenses Scheme reviews

The SPCB reviews the Scheme on a sessional basis to ensure it is operationally fit for purpose. While the majority of reviews are carried out internally, the SPCB have also instructed independent reviews in the past. Information about the most recent internal and external reviews can be found on the [Scottish Parliament's website](#) along with the current version of the [Members Expenses Scheme](#).

Each review looks at the current operation of the Scheme and considers a range of evidence including—

- feedback from Members and their staff on their use of the Scheme and how it supports them in carrying out their parliamentary duties
- the experiences and expertise of the Allowances Office over the session on any areas needing reviewed or not working as well as expected
- consideration of wider external factors which could impact or influence the Scheme and its use.

This approach is considered to work well, as those involved in the review are familiar with how the Scheme works and officials can draw on their working relationships with members to receive candid feedback. Maintaining the Scheme principles are always at the heart of any review, alongside ensuring public transparency for all Scheme expenditure.

Review findings are reported to the SPCB, including any recommendations for change. Once the SPCB has agreed the changes they wish to make, a new Scheme is drafted by officials. It then must be agreed by the SPCB before it is given effect by a resolution of Parliament. To ensure transparency in the process, the report to the SPCB is published along with the new Scheme and the accompanying Scheme guidance.

The [most recent review took place in 2020](#) and focussed on the SCP to ensure the Scheme remained effective and efficient in supporting Members to carry out their role. To inform this review, an online questionnaire was issued to all Members' staff to gather information about their roles, the tasks they carried out, career development and their workload. 163 members of staff responded to the questionnaire, which represented one third of the total workforce. 13 Members and 10 Members' staff were then interviewed to supplement the survey data. The MSP staff forum was also consulted to ensure that Members' staff were effectively engaged during the review.

A broad range of desk research was also carried out to inform the review. This included analysing changes in the amount of time spent by Members in committees and the Chamber during previous sessions of Parliament and previous spend against SCP and Ancillary Employment Costs Provision (for example, recruitment advertising and training costs). Benchmark salary data was also gathered from other legislatures and a range of public and voluntary sector employers to take a view on the market rate for roles similar to those performed by Members' staff. Based on this research, a recommendation was made, and agreed to by the SPCB, to increase the SCP and to introduce new pay ranges.

In the previous year (2019) the SPCB carried out a [whole Scheme review](#) and made some significant changes to the way in which support was provided to Members from the beginning of this current session of Parliament. Changes introduced included—

- a start-up provision to support initial local office set up

- an engagement provision to allow Members more funds to meet and communicate with constituents
- a more focused office cost provision to meet costs associated with running a local office
- unlimited Members' staff travel to enable more flexibility for Members to have support when attending meetings and constituency surgeries
- flexibility to transfer monies between the office cost provision and the engagement provision to give Members enhanced flexibility and choice in how they manage and carry out their parliamentary duties.

The 2019 review also changed how we processed Members' and their staff's claims by moving from paper forms and receipts to an on-line digital submission system.

To inform that review, a similar methodology to the one taken in 2020 was applied. This included online questionnaires to Members and their staff, targeted interviews with Members and desk-based research. This information was used to provide recommendations for the SPCB to consider.

Work is currently underway to review the Scheme in advance of the next session of Parliament (session 7). Feedback has been sought from Members and officials, in line with previous reviews to ensure Members are engaged with the process. Consideration is also being given to wider external factors. For example, ongoing increases in gas and electricity costs, and how this may impact on office spend and Edinburgh accommodation spend. It will also consider increases in Council Tax, introduced last year in Scotland for second homes as well as future increases to the level of council tax more generally. It will further consider the observed increase of hybrid working and changes in how Members communicate and engage with constituents and what other legislatures are doing or changing in their Schemes or Determinations.

The culmination of this work will inform the review recommendations which will be considered by the SPCB later this year.