



Northern Ireland
Assembly

The Assembly Members (Salaries and Expenses) Determination (Northern Ireland) 2016 – Financial Support for Members Handbook

May 2016

A Handbook on the Determination on MLAs' expenses, allowances and staff costs.

This Handbook describes the main features of the Determination of the Independent Financial Review Panel (the Panel) published in March 2016. It is not a comprehensive statement of the Determination. It has no official status other than explanatory and anyone who wants to understand the detail of the Determination should refer to it. Copies are available on the Panel's website: <http://ifrp.org.uk/>

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1. Introduction

1.1 About this Handbook

This Handbook sets out the main provisions of the Determination issued by the Independent Financial Review Panel (the Panel) in March 2016. It covers the following areas:

- expenses;
- allowances;
- staff costs.

The Handbook provides information that will help you recover costs that you will incur in your role as an MLA by setting out what you are entitled to claim and the conditions attached to the recovery of costs.

This Handbook **must be read in conjunction with the March 2016 Determination**. The Determination can be accessed at <http://ifrp.org.uk/>. The numbers following sentences in this Handbook are references to paragraph numbers in the Determination. They are provided so members can cross-reference this Handbook with information in the Determination, for example tables containing information on salaries for support staff.

1.2 Documentation

Separate guidance is available on the process for making claims. This can be accessed at [insert hyperlink]

1.3 Members' functions

Reference is made throughout the Handbook to 'member's functions'. These are defined in the Determination **47(3)** as including:

- attending a sitting of the Assembly;
- attending a meeting of a committee or sub-committee of the Assembly;
- undertaking research or administrative functions which relate directly to the business of the Assembly;
- establishing or maintaining a constituency office;
- providing an advice service to constituents;
- attending meetings for the purpose of representing constituents in Northern Ireland, including meetings with a constituent or constituents; and
- attending, with the approval of the [Assembly] Commission, any ceremony or official function or national or international conference as a representative of the Assembly, but not including attendance that relates wholly or mainly to that member's role as a party spokesperson or representative.

1.4 Connected persons and associated persons

Reference is made throughout the Handbook to "connected persons" and "associated persons".

The meaning of **connected person** can be found at **paragraph 45** of the Determination.

The meaning of **associated person** can be found at **paragraph 46** of the Determination.

You must be aware of the definition of these terms when employing people and making claims for expenses.

You cannot make an expenses claim for any payment to a connected person.

You cannot make a claim for staff costs for more than one connected person.

1.5 Recoupment of payments

If a payment is made to you that is subsequently shown to have been made in error or was inaccurate or you have failed to comply with the provisions of the Determination, you may be required to repay any such amount. If you fail to make a full repayment within three months of a request to do so, the value of the payment may be deducted from any form of payment still to be made to you including any future expenses claim or a salary payment.

2. Expenses – general points

2.1 General points relating to making expense claims:

You are only entitled to recover an expense if: **7(1)**

- the expense has actually been incurred by you;
- the expense was incurred in connection with your exercise of functions as a member: and
- the expense has not been recovered from any other person, nor have you been reimbursed in relation to the expense by any other person.

You are **not allowed** to: **6(2)**

- supplement your salary by using claims to recover expenses;
- allow political parties to benefit from expenses incurred by you;
- allow resources made available to you for carrying out members' functions to be used for other political activities; or
- recover expense claims for payments to a person resident or registered at a place outside the European Union. **(10)**

3. Constituency office and other expenses

There are a number of costs that can be recovered in relation to your constituency office, for example: rent and rates, constituency office operating costs, establishment costs. This section explains how much you are entitled to claim and the conditions attached to such claims. It is important to note that **you can only recover expenses in respect of one constituency office. 7(2)**

3.1 Getting started – establishing or refurbishing your constituency office

Costs can be recovered for setting up a constituency office or refurbishing an existing one. The maximum expense that can be recovered for costs incurred for setting up a constituency office (or refurbishing one already established) is £2,000 per mandate **(17(2))**.

This will only be repaid if the Commission has approved the payment in advance. **17(3)**

3.2 Rent and rates

The maximum amounts of expenses that may be claimed for your constituency office's rent and rates **can be found at paragraphs 11, 12 and 13 of the Determination**. If you are not sharing your constituency office you can claim a maximum amount of £8,500 per year in respect of rent. If you are sharing an office with another member (or members), you can claim a maximum amount of £6,000 per annum in respect of rent. If you are sharing with an MP or MEP, you can claim a maximum of £4,000 per annum for rent. See paragraph 3.5 of this Handbook for further details on sharing provisions.

3.3 Conditions attached to claiming for rates and rent

You should be aware that expenses for rent and rates **may only be claimed if:**

- the lease for the office is in writing; **13(4)(a)**
- the Commission has approved the lease; **13(4)(b)**
- you have given the Commission full contact details and opening hours of the office; **13(7)**
- the lease states that the landlord is responsible for keeping the office in a good state of repair; **13(6)**
- the office is used solely and exclusively for the discharge member's functions; **13(8)** and
- the conditions relating to signage are met in full. **14**

Rent and rates expenses **cannot** be paid if:

- you have any interest in the lease or premises comprising the office (other than as tenant); **13(5)(a)** and
- you have not told the Commission about this interest **13(5)(b)**.

Expenses can only be claimed for the proportion of time you possessed the office during the qualifying period. **13(2)**

The qualifying period begins on the start of the lease **13(3)**, and ends:

- when the lease expires; **13(3)(a)** or
- three months after you ceases to be a member **13(3)(b)**, whichever comes first.

3.4 Rent and rates expenses – signage and display conditions

Whilst you will want to let constituents know that your office is up and running, specific conditions apply to the format of signage and display. To be entitled to claim for rent and rates expenses, the exterior of the constituency office **must** bear a sign displaying: **14(2)**

- your name;
- the words "Member of the Legislative Assembly" or "MLA";
- the words "constituency office"; and
- the Assembly logo (the flax plant).

Where an office is shared by one or more other persons who belong to the same political party and are also members, each member's name (including your name) must be displayed on the sign attached to the exterior of the constituency office. **14(3)**

The sign on the outside of the constituency office **may** also include **(14(4))**:

- the address of the office;
- the name **or** logo of a political party (not both);
- the name of a person who shares the office with you, who belongs to the same political party, and is either a member of the Houses of Parliament or the European Parliament.

You should also be aware that rent and rates **cannot be recovered** if:

- the name **or** logo of a political party on the sign is larger than the Assembly logo (the flax plant); **14(5)**
- the size of the Assembly logo (combined with the name **or** logo of a political party if there is one) exceeds 20% of the total size of the sign; **14(6)**

- any party political posters are displayed so that they can be seen from outside the constituency office; **14(7)** or
- the name **or** logo of a political party are displayed so that they can be seen from outside of the constituency office, other than on the sign; **14(8)**.

You should also be aware that **no expense** in respect of rent and rates may be recovered if the sign includes anything else.

3.5 Shared offices

In relation to expenses, two or more premises are considered as the same office (and members to be viewed as sharing) if: **15(2)**

- the premises are in the same building;
- the premises are owned by the same person; and
- the premises are used by a member (A) and a person (B) and
 - A and B both belong to the same political party; and
 - B is a member, a member of the Houses of Parliament or a member of the European Parliament.

At a shared office, if the landlord is a connected person or an associated person of one of the persons sharing, the office is to be considered as being rented from a connected or an associated person. **15(3)**

For the avoidance of doubt, no sharing arrangement is permitted with a Councillor. While a Councillor may be employed by you, he or she **must not** use resources funded from your Assembly expenses to carry out any form of political representation from your office. This includes a prohibition on the use of your office as a contact point for telephone enquiries or as an address for correspondence by mail/email. Furthermore, he or she **must not** carry out any form of political representation as a Councillor during any hours when he or she is in receipt of a salary from you and funded from your Staff Costs. If a Councillor uses your office or other resources funded from your Assembly expenses, you **will not be entitled to recover the costs** (including rent and rates) associated with your constituency office nor will you be entitled to recover expenses or Staff Costs for any period when you permit a Councillor to act in breach of the Determination.

3.6 Rates

You can claim up to 40% of the rent expense recovered for a year in respect of rates for your office.

3.7 Constituency office operating expenses

You are entitled to recover expenses for operating costs in relation to your constituency office. **The maximum amount of constituency office operating expenses that can be repaid is £4,900 per year. 16(2)** The Determination provides a definitive list of items against which expenses can be recovered. **16(3)**

The costs associated with any item that does not fall within this list cannot be recovered.

In a shared constituency office, expenses should be shared equally between the member and other persons sharing (who belong to the same political party as the member and are either a member, a member of the Houses of Parliament or of the European Parliament). A member may only recover expenses which relate to him or her. **16(5)**

3.8 What if I use my own property as a constituency office?

If you are using your own property as your constituency office you can claim an allowance of £2,000 per year. To claim the allowance, the office must meet the criteria in relation to opening hours and signage. If allowances are claimed under this section then **no constituency office expenses can be recovered in relation to paragraphs 3.1 to 3.7 of this Handbook. 27**

3.9 Mobile phone expenses

The most you may recover for mobile phones expenses (including staff phones) is £600 per year. **18**

3.10 Disability expenses

A disability expense is an expense incurred by a member wholly and necessarily as a result of a disability the member has. **20(2)** A member has a disability if he or she has a physical or mental impairment which has a substantial and long-term adverse effect on his ability to carry out normal day-to-day activities (Disability Discrimination Act 1995). **(20(5))**

A disability expense cannot be recovered unless there is satisfactory evidence, from a medical practitioner specialising in occupational health nominated by the Commission that the expense is cost effective and is wholly and necessarily attributable to a disability the member has. **20(3)**

A disability expense can be recovered during the following three months after the date you stop being a member. **20(4)**

The prohibition on making an expenses claim for a payment to a connected person applies to disability expenses.

3.11 Administration of expenses

You must keep financial records sufficient to show and explain how your expenses were incurred and recovered. **22(1)** You are not entitled to recover an expense unless you can produce an invoice or receipt in relation to that expense **22(2)** but this requirement does not apply to sundry constituency office operating expenses. **22(3)**

Where you incur an expense, it must be either: **23(1)**

- paid directly by the Commission to the person to whom it is owed; or
- be paid by you and then recovered from the Commission.

When the Commission pays an expense claim to you, it must be paid into an account in a financial institution where you are sole signatory or where you and your spouse, civil partner or cohabitant are the only signatories. **23(2)**

Each year you must make, and send to the Commission a declaration that you have complied with all the requirements of the Determination. **24(1)**

You are not entitled to recover any expenses in a subsequent year until you have made and sent the declaration. **24(2)**

3.12 Expense claims in relation to connected persons and associated persons

Connected Persons

You are **not entitled** to make an expense claim for a payment to a connected person. If a constituency office is rented from a **connected person, no expenses in respect of rent and rates can be claimed. 11(3)(a)**

Associated Persons

If a constituency office is **rented from an associated person**, only 50% of the expenses incurred in relation to rent (and rates) are recoverable. **11(3)(b)**

Where you wish to make an expense claim for a payment to an associated person, you must make, and send to the Commission, a declaration stating: **9(2)**

- the name of the associated person;
- details of the association;
- the nature of the expense; and
- the amount of the expense.

You **cannot** claim the expense if:

- a declaration was not made and sent to the Commission and you ought reasonably to have known that it must be made and sent; or
- the declaration was not accurate and you ought reasonably to have known that it was inaccurate. **9(3)**

4. Staff costs

4.1 What are the purposes of staff costs?

- To ensure you do not suffer a financial loss related to staff costs in connection with your member's functions. **31(1)**

But staff costs **must not**:

- Allow political parties to benefit from staff costs incurred by you **31(2)(a)**; or
- Allow resources made available to you to carry out your member's functions to be used for other political activities. **31(2)(b)**

4.2 General points relating to staff costs

You should be aware that payment for staff costs will be based on the following conditions. Failure to meet **any** of these will result in non-payment: **33**

- Employees must be individuals (not, for example, a company); **33(2)**
- Employees must be appointed on merit through fair and open competition **33(3)** (the Panel has adopted the definitions of "merit" and "fair and open competition" set out in the Civil Service Commissioners Recruitment Code:
 - **Merit** means the appointment of the best available person. No-one should be appointed to a job unless they are competent to do it and the job must be offered to the person who would do it best.
 - **Fair** means that there is no bias in the assessment of candidates. Selection processes must be objective, impartial and applied consistently.
 - **Open** means that job opportunities must be advertised publicly.
- You must employ persons on the contract set out in the Schedule to the Determination and this contract must be the exclusive statement of the terms of employment; **33(4)**
- You must not employ more than one person at Grade 3; **33(5)**
- You must not require an employee to work more than 37 hours per week; **33(6)**
- Where an individual is employed by more than one member, the individual must not be required to work more than 37 hours per week in total in respect of work for all members; **33(7)**
- In total, you must not require employees to work more than 74 hours per week; **33(8)**
- You must keep records sufficient to show and explain your staff costs; **33(9)**
- Replacement employees must be appointed on merit after having been identified by a fair and open competition and must be employed at the minimum hourly rate for the grade of employee they are replacing. **41(3)**

4.3 Employment of connected persons and associated persons

Connected persons

You are only entitled to claim staff costs in relation to the employment of one connected person. 34(2)

To make a claim for staff costs in respect of a connected person, you must send the Commission a declaration including the name of the connected person, details of the

connection and the nature of the employment. **34(3)** Staff cost payments will not be made if a declaration is not submitted or if a deliberately inaccurate declaration is submitted. **34(4)**

If you employ an employee who is a family member of another member, then you must declare this in the Register of Members' Interests. **34(5)**

Associated persons

To claim staff costs for the employment of an associated person, you must send the Commission a declaration including the name of the associated person, details of the association and the nature of the employment. **35(2)** Staff cost payments will not be made if a declaration is not submitted or if a deliberately inaccurate claim is submitted. **35(3)**

4.4 Categories of staff costs

There are three categories of staff costs. They are:

- **Category 1:** staff salaries – see paragraph 37 of the Determination for more information;
- **Category 2:** other capped staff costs – see paragraph 40 of the Determination for more information;
- **Category 3:** ancillary staff costs – see paragraph 41 of the Determination for more information.

Category 1 costs are paid on your behalf through the Commission's payroll bureau. **Category 1** costs will only be paid into your employee's account where the employee is the sole signatory or where the employee and their spouse, civil partner or cohabitant are the only signatories. **37(3)**

Category 2 costs must be paid by you and may then be recovered by you from the Commission. **40(2)**

Category 3 costs are further payroll costs which are paid by the Commission on your behalf. **37(2) and 41(2)**

The maximum cost payable for Categories 1 and 2 combined is £50,000 per year.
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4.5 Categories of staff

Staff employed by members must be graded as **Grade 1, Grade 2 or Grade 3**. See staff employment contract for more detail. (**Schedule 5.1**)

Table 4 at paragraph 38 of the Determination contains the salaries for Grade 1 staff.

Table 5 at paragraph 39 of the Determination sets out the salaries to be paid to Grade 2 and 3 staff.

Grade 2 and 3 staff will commence employment on the minimum point in the salary scale and, subject to satisfactory performance, you may choose to move an employee one point up in the salary scale **39(2) and (3)** on 1 April each year.

However, no employee can be paid more than the maximum point in the scale. **39(4)** If an increase in salary would mean that the combined total costs for Categories 1 and 2 would exceed the £50,000 limit, then you may choose not to increase the salary of all Grade 2 and 3 employees even if the employees have satisfactorily performed their duties. **39(5)**

4.6 What if I employed someone before 1 January 2016 and continued to employ them after 6 May 2016?

If you employed someone before 1 January 2016 and continue to employ them after 6 May 2016 then: **(42)**

- the appointment on merit principle stated in **paragraph 4.2 does not apply; 42(3)**
- the person's existing contract must be replaced by the new contract set out in the 2016 Determination; **42(4)**
- the person must be graded at Grade 1, 2 or 3; **42(5)**
- for **Grade 1** employees, if the person's existing annual salary was **below** £16,000 they will be treated for salary purposes as a new employee and will be paid in accordance with **Table 4 at paragraph 38 of the Determination**;
- if a **Grade 1** employee's existing salary was above £16,000, they will be paid at the **first point on the salary scale set out in Table 6 at paragraph 42(7) of the Determination which is above the person's existing salary**. Subject to satisfactory performance of duties, you may move the employee up one point on 1 April every year. **42(8)** Existing Grade 1 employees cannot be paid more than the maximum point (£19,500); **42(9)**
- for Grade 2 and 3 employees, the person's salary on 6 May 2016 will be the first point on the salary scale set out in **Table 5 at paragraph 39 of the Determination** which is above the person's existing salary. **42(10)** If this would result in the total cost payable for Categories 1 and 2 combined exceeding £50,000 per year, you can choose to set salaries at a lower amount (but equivalent to a specific point on the relevant salary scales) that would keep the total cost under £50,000. Any consequent change in salaries should be proportionate between employees; **42(11)**
- as noted at paragraph 4.2 above, you must not employ more than one person (i.e. one Full Time Equivalent for 37 hours per week) at Grade 3. This means that you can employ more than one individual employee at Grade 3 – each on a part-time basis – but their total combined hours of work must not exceed 37 hours per week.

5. Travel

5.1 There are two types of travel allowance in relation to your member's functions – constituency travel allowance and Assembly travel allowance.

Constituency travel allowance

You are entitled to an annual constituency travel allowance for travel within your constituency. **25(1)** The amount is based on your constituency as set out in **Table 2 at paragraph 25 of the Determination.**

Assembly travel allowance

You are also entitled to an annual Assembly travel allowance for travel from your constituency to the Assembly. **(26(1))** The amount is based on your constituency as set out in **Table 3 at paragraph 26 of the Determination.**

To be entitled to the full Assembly travel allowance, you must attend the Assembly on at least 72 working days (any day which is neither a Saturday, Sunday, public holiday nor day when the Assembly is in recess) a year. **26(6)** For each working day less than this that you attend, the allowance is reduced by 1%. **26(3)** You must keep a record of your attendance. **26(4)**

You are not entitled to the Assembly travel allowance if an official car is used for travel. If an official car is used for part of a year, then the allowance is reduced accordingly. **26(5)**

5.2 Recall expenses

It is possible that the Assembly may be recalled during a period of recess. In such circumstances you are entitled to claim expenses. A recall expense is an unavoidable expense that you incur wholly and necessarily by attending the recalled Assembly during a recess. **19(2)** Recall expenses may include return travel expenses from a place where you were holidaying when the Assembly was recalled. **19(3)** Such expenses may only be recovered for standard class travel (or the same) unless there is no alternative or a cheaper way to return is chosen. **19(4)**

6. Leaving the Assembly

6.1 Winding up expenses

A winding up expense is an expense incurred **21(2)**:

- by a person who stops being a member (through death or otherwise);
- in the three months starting with the date the person stopped being a member; and
- wholly and necessarily because the person stopped being a member.

It can be paid to or in respect of the person who stops being a member. **21(4)** The maximum expense recoverable is £4,500. **21(3)**

6.2 Staff costs

Staff costs may include costs incurred during the three months starting with the date you cease to be a member. **32(3)**

6.3 Resettlement allowance

You can claim a resettlement allowance if you don't contest an Assembly election or fail to be re-elected following the dissolution of the Assembly. **28** The allowance is one month's salary for each full year of service, capped at a maximum of six months' salary. **28(1)** The salary is that of a member only – no additional offices that you may have held are taken into account. **28(3)**

To receive this allowance, you must do the following: **28(4)**

- issue redundancy notices to staff;
- repay any outstanding debts owed to the Commission;
- submit all expense claims to the Commission; and
- make any other arrangements identified by the Commission.

6.4 Ill-health retirement allowance

You are entitled to an ill-health retirement allowance if:

- you resign on the grounds of ill-health; **29(1)(a)**
- your ill-health prevents you from adequately carrying out your functions and this is supported by satisfactory evidence from a health professional nominated by the Commission; **29(1)(b)**
- you do not intend to seek re-election to the Assembly. **29(1)(c)**

The allowance is one month's salary for each full year of service, capped at a maximum of six months' salary. **29(2)** The salary is that of a member only – no additional offices that you may have held are taken into account. **29(3)**

You should be aware of the following:

- the resettlement allowance is not payable to the personal representatives of a deceased member. **28(5)**
- you are not entitled to both an ill-health retirement allowance and a resettlement allowance. **28(6)**

You are not entitled to a resettlement allowance or an ill-health retirement allowance if you become a member again within six months of ceasing to be a member. 30