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PRIME MINISTER



Chancellor of the Duchy of Lancaster

PRIVY COUNCIL OFFICE

WHITEHALL, LONDON SW1A 2AT

The discussion of the "indirect"

costs - PQs, Select Committees, MPs' letters-

16 May 1980

is very thin, and the recommendations for

action are undramatic. What is more, the

paper is rather long. But it would do as a

starting point for next Thursday's Cabinet.

Lew Chive

Yes. Content to let it go to colleagues?

COST OF PARLIAMENT

*I would be useful to have some figures MS
for previous years - e.g. for 1973-4 to 16/5*

The Chancellor of the Duchy was invited by Cabinet (CC(80)5th Conclusions), in consultation with the Minister of State, CSD, and other colleagues as necessary, to report on how best to examine the scope for reductions in and controls of the cost of Parliament. The attached draft paper has been approved by the Chancellor of the Duchy but before circulating it to colleagues he would like to know that the Prime Minister is content with it.

The Secretary of State for the Environment, the Chief Secretary to the Treasury and the Minister of State, CSD, have been consulted on the matter and the attached draft paper reflects the Chancellor's view on comments received from the Treasury and the CSD.

As you know, the plan was that this paper should be taken at Cabinet next Thursday, 22 May. If that arrangement is to stand we need to circulate the paper on Monday, 19 May. I am very sorry indeed that I have not been able to get it to you earlier.

I am copying this letter (together with the paper) to Jim Buckley (Lord President's Office) and to David Wright (Sir Robert Armstrong's Office). I have written separately to Geoffrey Green (Minister of State's Office, CSD).

John W Stevens

J W STEVENS
Private Secretary

Clive Whitmore Esq
Private Secretary to the Prime Minister
10 Downing Street

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Parliament

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10 DOWNING STREET

From the Private Secretary

19 May 1980

Cost of Parliament

The Prime Minister has seen your letter to Clive Whitmore of 16 May enclosing a draft Cabinet paper on the cost of Parliament.

She is content that the paper should be circulated, but has commented that it would be useful to add to it some figures for the cost of Parliament in previous years: for example, from 1973-4 to 1980-1. I hope that it will be possible for you to make this addition to the paper in time for it to be circulated.

I am copying this letter to Jim Buckley (Lord President's Office), Alistair Pirie (Chief Secretary's Office) and David Wright (Cabinet Office).

N. J. SANDERS

John Stevens, Esq.,
Chancellor of the Duchy of Lancaster's Office.

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Chancellor of the Duchy of Lancaster

PRIVY COUNCIL OFFICE
WHITEHALL, LONDON SW1A 2AT

16 May 1980

Law Chris

COST OF PARLIAMENT

Further to my earlier letter of today's date. I am very sorry that we need to change page 7 of the paper. Would you please replace the existing page 7 with the version attached. This latest version - which deletes paragraph 12(6) and also amends a paragraph reference in paragraph 13 - stems from changes which were made in earlier drafts of the paper which I regret to say were not properly carried through to the version which I sent you this morning. With apologies.

I am copying this to Jim Buckley (Lord President's Office), David Wright (Sir Robert Armstrong's Office) and to Geoffrey Green (Minister of State's Office, CSD).

John Stevens

J W STEVENS
Private Secretary

Clive Whitmore Esq
Private Secretary to the Prime Minister
10 Downing Street

CABINET

THE COST OF PARLIAMENT

Memorandum by the Chancellor of the Duchy of Lancaster

1. The Cabinet invited me (CC(80) 5th Conclusions), in consultation with the Minister of State, Civil Service Department, and other colleagues as necessary, to report on how best to examine the scope for reductions in and controls of the cost of Parliament, including the costs falling on Government Departments, in meeting the demands made on them by Members of Parliament and Select Committees. In this Memorandum, I examine the direct costs of the running of Parliament, and some of the indirect costs falling on Government Departments; and go to consider ways of improving control and securing economy.
2. It is right that the cost of Parliament should be looked at in the context of our general policy of reducing public expenditure. This has not so far been done. Effective control arrangements should exist and be seen to exist. I need not spell out the constitutional difficulties. Parliament grants supply to Government. MPs attach great importance to their independence from executive control. As recently as 1978 the House of Commons (Administration) Act was passed, with all-Party support, to give the Commons control over the staffing and expenditure of the Departments of the House through the House of Commons Commission, of which the Speaker is Chairman, and I am a member in my dual role as Leader of the House and member of the Government (see paragraph 4 of Annex A). Nor will my colleagues need reminding of the difficulties we have encountered in the last year in dealing with the recommendations of the Top Salaries Review Body (TSRB) on pay and allowances for Members of Parliament. If we decide to take action on the lines discussed in this Memorandum, we should need early informal discussions with the Speaker, the Commission and the Leader of the Opposition.

DIRECT COSTS OF PARLIAMENT

3. The facts. The direct costs of Parliament in 1979-80 were £44 million, and the Estimates for 1980-81 are £51 million. (Details in Annex A; summary table at Annex B).

4. Members' salaries, pensions and allowances, Peers' allowances, the costs of staffing and policing the two Houses and the residual cost of catering, make up the bulk of the direct costs. In 1979/80 they totalled £30 million - a marked increase on the previous year. This included a special payment of £3 million to wipe out the accumulated deficit of the House of Commons Catering Department. In the last few years there have been increases in real terms in MPs' allowances and in the take-up of Peers' allowances but not in MPs' pay. There has also been a substantial increase in the staffing of the two Houses, and in policing. In the last five years, staff numbers increased by 28 per cent in the House of Commons, from 424 to 545; and in the House of Lords by 26 per cent from 149 to 188. The estimate for 1980/81 for Members' salaries, etc, staff, police and catering is £33 million. But it does not make provision for secretaries' pensions, or extended free travel for MPs; not does it take full account of the increases to be made in secretarial and research assistant allowances, in the staffing of the Select Committees, or of likely increases in MPs' and staff salaries, and in overnight allowances. These might add a further £3 or 4 million. Reliable forecasts for future years are not available. Recent experience suggests that there may be further real increases - for example, to make better provision for pre-1964 pensions.

5. The remaining direct expenditure of £14 million in 1978-80 was for the upkeep of the Palace of Westminster; Hansard, printing and stationery; computers; and financial assistance to Opposition parties and grants to Parliamentary bodies. This block of expenditure has fluctuated in real terms in recent years and has

been higher than it is now. The estimates for 1980-81 amount to £17 million.

In the following two years, total expenditure on these items is expected to remain steady in constant prices. An increase of nearly £2 million in printing costs and the Hansard subsidy (resulting from the installation of a new Parliamentary press) should be offset by a reduction in capital expenditure on the Palace of Westminster.

6. The financial arrangements and the scope or need for increased Government influence or control vary markedly between the different categories of expenditure. Briefly:

- (a) Members' salaries, pensions and allowances (£16 million, 1980-81 Estimate) are determined by resolutions of the House. The resolutions embody Government proposals following reports by the TSRB, but the House can and does amend the proposals;
- (b) House of Commons' administration costs, including the staff of the Departments of the House (£11 million), are controlled by the House of Commons Commission, advised by the heads of Departments who form the House of Commons Board of Management. Cash limits of the type now imposed on staff costs in Government Departments do not apply.
- (c) House of Lords' administration costs (£5 million) fall within an estimate presented by Treasury Ministers; there is closer consultation with CSD about the House of Lords' staff than about the equivalent staff in the Commons;
- (d) The Palace of Westminster. Capital works and maintenance (£8 million) are the responsibility of the Secretary of State for the Environment, subject to normal Treasury controls.
- (e) Hansard subsidy, printing, stationery and computer costs (£8 million) arise from Parliamentary demands but are borne on departmental votes as an "allied service".

7. The relatively modest administrative costs of the House of Lords are subject to normal Treasury-type controls, but not to cash limits. There appear to be proper controls over works and furnishings at the Palace of Westminster although the level of expenditure on some aspects does not escape criticism. The Home Office and the Metropolitan Police have sufficient influence and incentive to see that the number and cost of police officials assigned to Parliament are kept to the minimum consistent with security. We are making some progress in securing accountability for claims for Members' travelling allowances -- an area in which there has been scope for abuse -- and I am about to write to my colleagues on the subject.

8. Areas which might be looked at. On the other hand, the controls over House of Commons staffing and administrative costs are not as tight as we would wish. There is no system of cash limits. The House of Commons Commission is required by the 1978 Act to keep staffing levels and salaries and other conditions of service broadly in line with those of the Home Civil Service. There has so far been little informal consultation with the Civil Service Department. Nor has an effective central unit to scrutinise the costs of the House Departments yet been established. There is no satisfactory system of control over printing, stationery and computer costs; neither House has been willing for these costs to be met on a repayment basis, with the House authorities assuming responsibility for control and accounting.

INDIRECT COSTS OF PARLIAMENT

9. The costs imposed by Parliament on Government Departments are more difficult to assess. The broad estimates in Annex C suggest that the cost of answering Parliamentary Questions is less than £2 million a year. The cost of Departments' work in response to Select Committee enquiries at this stage can be no more than tentative. The new Committees are still settling down and there can be no certainty how their work will develop. I have already told the Chairman of the Committee that we cannot

support the establishment of more sub-committees this session. We shall, however, come under continuing pressure in the future. No estimate of the cost of replying to MPs' letters is available but Annex C illustrates the volume of work that is entailed. The total cost of these three departmental activities - on PQs, Select Committees and MPs' letters - seems unlikely to be more than £10 million or so a year. A thorough exercise across all Departments to check this estimate would in itself be expensive. For example, the last survey of the cost of Parliamentary Questions was conducted 8 years ago: a new survey would cost about £20,000. If we want a better appreciation of the indirect costs of Parliament, it would be best to pursue Sir Derek Rayner's recommendation that in the next session of Parliament one Department should keep a record of the resources committed in support of Ministers' and their senior officials' Parliamentary work. While no Department is typical, it should be possible to select one, from which we might draw lessons that could be applied to central government as a whole.

10. In addition to the burdens that can be attributed to Parliament's activities, the House exercises a pervasive influence on the work of all Departments. Because Ministers are accountable to Parliament for every action taken by their Departments, detailed records are kept sometimes for that purpose alone, and a premium is put on caution, on careful checking and on avoiding mistakes. This is one of the main differences between the operations of central government and the private sector.

FURTHER EXAMINATION OF COSTS

11. I have considered whether we should approach the Speaker and the Opposition about a fresh inquiry into the costs of Parliament. Such a general inquiry would have to be instituted by Parliament and not by the Government; it could not appropriately look at ways of reducing costs within Government Departments. The quickest form of investigation would be a one-man inquiry, but nothing came of the Report on the structure of the administration of the House of Commons made in 1973 by Sir Edmund Compton, a former Comptroller and Auditor General. If the Cabinet decided on a comprehensive inquiry it would, in my view, be best to seek a Joint Committee of both Houses, or a Select Committee of the House of Commons since Commons expenditure is much the greater part. A Select Committee could

Identify areas where control of expenditure is lax and suggest remedies. We would have to seek terms of reference which emphasised the theme of economy -- including the possible imposition of cash limits of staff ceilings -- but which excluded the level of Members' pay. Whatever the terms of reference, some Members would use the establishment of a Select Committee to press for better working conditions and allowances, citing overseas comparisons. In the light of the earlier analysis in this paper, I am doubtful whether we need an across-the-board review, which could well result in higher rather than reduced expenditure.

12. An alternative approach would be to take a series of more limited initiatives which would be valuable in their own right and, taken together, would help to make Parliament more cost-conscious.

(1) We could see if the Speaker would be willing to support a review by the House of Commons Commission of the system of control over the staffing and administrative costs of the House of Commons. Such a review could cover the scope for possible economies and consider the extension of the cash limit system to expenditure on the House of Commons (Administration) Vote.

(2) The House of Lords Offices Committee might be asked to undertake a similar review in relation to the staffing and administrative costs of the House.

(3) The House of Commons Commission might be asked to recognise the need for the Government (and not just the Leader of the House) to be given adequate opportunity to comment on proposals involving significant increases in future expenditure. The current review of staff grading by INBUCON is a case in point.

(4) The House of Commons and the House of Lords Offices Committee should be asked to accept that printing (including Hansard), stationery and computer requirements should be obtained, not as an allied service, but, as elsewhere, on a repayment basis. This would mean that financial control would be the responsibility of the two Houses.

(5) The exercise on indirect costs recommended by Sir Derek Rayner (paragraph 9) should proceed and the position be reviewed when its findings are known.

CONCLUSION

13. I invite the Cabinet to take note of the costs of Parliament identified in the memorandum, and of the areas which might be looked at further; and to agree that we should pursue the measures set out in paragraph 12. I seek authority to hold informal talks with the Speaker, the Commission and the Opposition about the measures affecting the House of Commons.

NOTE ON DIRECT COSTS OF PARLIAMENT

1. This Annex deals with the direct costs of Parliament itself, including the allowances and expenses of Peers, salaries, allowances and expenses of Members, the salaries and expenses of the staff of both Houses, catering, stationery and printing and the upkeep of the Palace of Westminster. The total cost was about £44 million in 1979-80, and the estimate for 1980-81 is £51 million. A summary of the figures is given in Annex B. The method of preparing and scrutinising the Estimates and the extent (if any) of Ministerial control over the level of expenditure varies from one group of expenditure to another. The differences are set out below.

HOUSE OF COMMONS

Members' Salaries, Expenses and Pensions: Estimates Class XIII, 2. (No cash limit)

<u>1979-80</u>		<u>1980-81</u>
£6,079,000	Members' Salaries	£7,678,000 (1)
<u>£7,133,000</u>	<u>Members' Expenses</u>	<u>£7,548,000 (2)(3)</u>
	(a) Travelling expenses	£2,366,000
	(b) Payments for secretarial assistance	£2,921,000
	(c) Payments for staying overnight away from main residence	£2,246,000
	(d) Miscellaneous	£ 15,000
<u>£1,442,000</u>	Contribution to Members' Pension Fund	<u>£1,399,000</u>
£ 15,000	Members' Fund (Grant in Aid)	<u>£ 15,000</u>
<u>£14,669,000</u>		<u>£16,640,000</u>

The 1980-81 estimate does not make provision for:

- (1) Any salary increases beyond about 14% agreed in the light of a further TSRB report in 1980.
- (2) The full cost of increased Members' secretarial and research assistance allowance and of pensions for secretaries; the cost of implementing the resolution of the House on Members' free travel.
- (3) Costs of expected increase in additional costs allowance.

2. The level of Members' salaries, and the range and level of their allowances, are determined by Resolution of the House. These are normally in accordance with proposal made by the Government following consideration of periodic reports by the Top Salaries Review Body. The Government's proposals may not necessarily be accepted by the House, eg the recent amendment of the Government's proposal to reject the Review Body's recommendation to increase the scope of the travel allowance. The Top Salaries Review Body is in future to make annual recommendations and, while the Government are not committed to accept their recommendations in respect of Members' salaries, they have said that they will do so unless there are compelling reasons to the contrary.

3. The Estimate, calculated by the House authorities on the basis of the relevant Resolution, is formally presented by Treasury Minister, without prior scrutiny. The Accounting Officer is the Clerk of the House. Some Members arrange for their secretarial to be paid out of their secretarial allowance direct from the Fees Office. In other cases the secretarial allowance is paid direct to the Member. A Member's declaration that he has incurred secretarial or other expenses to a specified amount is accepted without further check.

<u>House of Commons: Administration. Estimates, Class XIII, A. (No Cash Limit)</u>		
<u>1979-80</u>		<u>1980-81</u>
£132,000	Office of the Speaker (10 staff)	£ 162,000
£1,530,000	Department of the Clerk of the House (<u>127</u> staff)	£1,939,000
£1,078,000	Department of Serjeant at Arms (<u>182</u> staff)	£1,338,000
£ 958,000	Department of Library (<u>119</u> staff)	£1,204,000
£1,511,000	Administration Department (65 staff) (includes costs of staffs of select committees, postal services to Members repaid to Post Office)	£1,953,000
£ 610,000	Department of Official Report (71 staff) (Hansard Reporters, <u>not</u> printing cost)	£ 794,000
£ 489,000	Retired Staff Allowances	£ 552,000
£3,266,000	Refreshment Department	£1,551,000
£1,463,000	Police	£1,829,000
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£11,037,000	Gross	£11,322,000
<u>£ 75,000</u>	Appropriations in Aid	<u>90,000</u>
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£10,962,000	Net	£11,232,000

4. General. The House of Commons (Administration) Act 1978 provided that Estimates all these departments should be presented to Parliament by the House of Commons Commission. The Act, which had all-party support, implemented the recommendations of the Bottomley Committee. The House of Commons Commission is advised by the House of Commons Board of Management (the heads of the departments of the House), and the Services Committee and its sub-committees of Members also give advice. The 1978 Act provides that House staffing and grading levels, etc should be broadly in line with those in the Civil Service, and it is open to the House of Commons Commission (of which the Leader of the House is one of the six members) to seek CSD advice if they choose to do so. That apart, Ministers can influence the levels of expenditure only in so far as rates of pay are increased in line with general increases in Civil Service pay.

5. The Bottomley Committee recommended the gradual development of a unified financial and establishment function serving the various departments of the House. This is not yet fully developed.

6. The Accounting Officer is the Clerk of the House and the accounts subject to the audit of the Comptroller and the Auditor General.

7. Catering. New arrangements come into force for the financial year 1980/81. The cost of the staff of the Refreshment Department will become a charge on public funds, and the department will be expected to meet its other expenses from receipts. The House of Commons Commission, advised by the Catering Committee, will present the Estimates for staff costs and the Clerk of the House will be the Accounting Officer. The total provision in 1979/80, including a special payment to eliminate the bank overdraft and repay a Treasury loan was £3,266,000. In 1980/81 staff costs are estimated to be £1,551,000.

8. Policing. The House authorities and the Metropolitan Police jointly consider the appropriate level of police manpower for the Palace of Westminster. (The costs are divided equally between Lords and Commons). They take the advice of the Joint Security Committee of both Houses into account. Although the Metropolitan Police do not themselves bear the costs they have to provide the police officers from within their total establishment (approved by the Home Secretary) and, given a chronic shortage of manpower, at the expense of other duties. They have, therefore, an incentive to keep numbers and costs down to the minimum consistent with security.

HOUSE OF LORDS

Expenses and Administration. Estimates Class XIII, 1. (No Cash Limit)

<u>1979-80</u>		<u>1980-81</u>
£ 848,000	Expenses of Peers	£1,153,300
	(1) Travelling for attendance at the House	£327,000
	(2) Other expenses	£812,000
	(3) London Supplement to Ministers	£ 14,000
£ 1,565,000	House of Lords Offices (192 staff)	£2,010,000
£ 184,000	Retired Allowances	£ 207,000
£ 1,463,000	Police	£1,829,000
£ 41,000	Refreshment Department	£ 63,000
<u>£ 4,101,100</u>	Gross	<u>£5,262,000</u>
£ 43,000	Appropriations in Aid	£ 50,000
<u>£ 4,058,000</u>	Net	<u>£5,212,000</u>

9. Expenses. The maximum level of Peers' expenses is laid down in a Resolution of the House tabled by the Government following consideration of a TSRB report.

10. Staff. The remuneration of Officers of the House of Lords is decided by Resolution of the House bearing in mind Civil Service analogues. For other staff the responsibility rests with the House of Lords Offices Committee, but there is a greater degree of consultation with CSD than is the case for staff of the departments of the House of Commons, and thus a degree of Ministerial control.

11. Catering. There is a contribution towards staff costs during the period of the Recess in 1980-81.

12. Policing. This represents a share of the cost of policing, determined as in paragraph 8 above.

13. General. The vote is presented by Treasury Ministers. There is CSD scrutiny. The Clerk of Parliaments is the Accounting Officer.

ESTIMATES ATTRIBUTABLE TO BOTH HOUSES

Fabric of Palace of Westminster. Estimates Class XIV, 1

<u>1979-80</u>		<u>1980-81</u>
£3,238,000	Maintenance and operating costs	£4,531,000
£2,486,000	Capital costs (includes new works, furniture and minor works)	£2,503,000
£ 650,000	Non-industrial staff costs (these costs, borne on the Property Services Agency Vote, include Special Services Secretariat, PSA costs, and non-industrial cleaners and office keepers)	700,000
<u>£6,374,000</u>		<u>£7,734,000</u>

14. Since 1965 control of the Palace of Westminster has been vested in the Speaker and the Lord Chancellor, with the Lord Great Chamberlain having certain residual functions. The responsibility for the maintenance of the fabric of the Palace of Westminster, including heating, rests with the Department of the Environment, whose expenditure is subject to normal Treasury controls. Capital expenditure is also the responsibility of DOE, taking account of proposals for new works made by the Palace authorities.

15. The estimate is presented by the Secretary of State for the Environment as one item of a larger vote, and from the financial year 1980/81 the Accounting Officer will be the Chief Executive of the Property Services Agency.

Rates on the Palace of Westminster. Estimates Class XIV, 5 (No Cash Limit)

£201,000	House of Lords	£217,000
£402,000	House of Commons	£587,000
<u>£603,000</u>		<u>£804,000</u>

Hansard deficit, Printing and Stationery: Estimates Class XIII, 29 and 30 (No Cash Limit for printing and stationery)

<u>1979-80</u>		<u>1980-81</u>
£3,773,000	Deficit on Hansard	£4,331,000
£2,744,000	Stationery and Printing supplies	£3,108,000
	(1) Supplies to House of Lords £ 788,000	
	(2) Supplies to House of Commons £ 2,320,000	
<u>£6,517,000</u>		<u>£7,439,000</u>

16. HMSO supplies all this material as an "allied service" and has in practice only to supply what Parliament wants. (There is, however, a power to refuse a request from an individual member that appears unreasonable. For example, a request from a Member for an individual copy of Erskine May is not granted). The cost, therefore, appears on an HMSO Vote, and the Accounting Officer is the Controller HMSO. Payments from 1980-81 are made to the HMSO Trading Fund. From the beginning of the financial year 1980/81 HMSO will provide equivalent services to Government Departments on a repayment basis, with the cost being borne and accounted for by the Department concerned.

Computer Services to Parliament. Estimates Class XIII, 14. (Subject to cash limit)

<u>1979-80</u>		<u>1980-81</u>
-	Capital Expenditure	£634,000
216,000	Current Expenditure	£338,000
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216,000		£972,000

Salaries and Pensions Charged to Consolidated Fund

<u>1979-80</u>		<u>1980-81</u>
£45,000	Salaries etc from Consolidated Fund	£90,000

17. Payments are made by statute from the Consolidated Fund to the Speaker, Opposition Chief Whips and Assistant Opposition Whips in the House of Commons, and to the Leaders of the Opposition in both Houses. The amounts are decided on the basis of the recommendations of the TSRE. The Accounting Officer is the Permanent Secretary, Treasury.

Financial Assistance to Opposition Parties: Estimates Class XIII, 2. (Cash Limit)

<u>1979-80</u>	<u>1980-81</u>
£242,000	£231,000

18. The amounts payable under this scheme are determined in accordance with a formula embodied in a Resolution of the House. The uses to which the aid is put are at the discretion of the Opposition parties subject to the terms of the Resolution. The money may be used for Parliamentary work in both Houses. Upratings are by Resolution of the House Moved by the Government. Discussions are taking place with the Opposition at the present time about an increase.

The Vote Estimate is presented by Treasury Ministers and the Accounting Officer is the Clerk of the House.

Grants in Aid to Parliamentary bodies. Estimates Class XIII, 4. (Cash Limit)

<u>1979-80</u>	<u>1980-81</u>
£519,000	£717,000

20. Grants are made to the UK Branch of the Commonwealth Parliamentary Association; the British Group of the British-American Parliamentary Group; the British Group of the Inter-Parliamentary Union, and to the History of Parliament Trust. The Estimate is presented by Treasury Ministers and is subject to Treasury control. Expenditure out of these grants in aid is not accounted for in detail to the Comptroller and Auditor General, but the books and accounts are open to his inspection. The Accounting Officer is the Permanent Secretary, Treasury.

SUMMARY OF DIRECT COSTS OF PARLIAMENT 1979/80
(as shown in Estimates)

	1979-80	1980-81
	£000s	£000s
HOUSE OF COMMONS		
Members' Salaries	6,079	7,678
Members' Expenses	7,133	7,548
Contribution to Members' Pension Fund	1,442	1,399
Contribution to Members' Fund	15	15
Office of Speaker	132	162
Department of Clerk of the House	1,530	1,939
Department of Serjeant at Arms	1,078	1,338
Department of Library	958	1,204
Administration Department	1,511	1,953
Department of the Official Report	610	794
Retired Staff Allowances	489	552
Refreshment Department	3,266	1,551
Police	1,463	1,829
less Appropriations in Aid	<u>- 75</u>	<u>- 90</u>
	<u>25,631</u>	<u>27,872</u>
HOUSE OF LORDS		
Peers' Expenses	848	1,153
House of Lords Staff	1,565	2,010
Retired Allowances	184	207
House of Lords Refreshment Department	41	63
Police	1,463	1,829
less Appropriations in Aid	<u>- 43</u>	<u>- 50</u>
	<u>4,058</u>	<u>5,212</u>

COSTS APPLICABLE TO BOTH HOUSES

	1979/80	1980/81
	£000s	£000s
Fabric of Palace of Westminster		
Maintenance and operating costs	3,236	4,531
Capital costs	2,486	2,503
Non-industrial staff costs	650	700
Rates	603	804
Deficit on Hansard	3,773	4,331
Stationery	2,744	3,108
Computers	216	972
Salaries, etc on Consolidated Fund	45	90
Financial assistance to Opposition Parties	242	231
Commonwealth Parliamentary Associations	519	717
	<u>14,516</u>	<u>17,987</u>
TOTAL DIRECT COSTS	<u>44,205</u>	<u>51,071</u>

SOME INDIRECT COSTS OF PARLIAMENT

There is a wide range of indirect costs to Government Departments, stemming from Ministerial responsibility to Parliament. Little firm information is available about the extent of these Departmental costs, but the following tables give some indication of the extent of the work involved in dealing with Parliamentary Questions, Ministerial correspondence with Members of both Houses, and Select Committees.

NUMBERS AND ESTIMATED COST OF HOUSE OF COMMONS
PARLIAMENTARY QUESTIONS

SESSION	SITTING DAYS	NO OF ORAL PQs	ESTIMATED COST OF ORAL PQs	NO OF WRITTEN PQs	ESTIMATED COST OF WRITTEN PQs
1974-75	198	9,368	£400,000	27,284	£1,000,000
1975-76	191	9,538	£400,000	31,922	£1,150,000
1976-77	149	6,941	£300,000	24,328	£900,000
1977-78	169	9,036	£400,000	28,739	£1,050,000
1978-79	86	4,699	£200,000	13,152	£450,000

ORALS £42 each (about) WRITTENS £36 each (about)

These costs are no more than broad estimates based on a sample survey of the average costs involved in answering Oral and Written PQs carried out in 1972. The figures have simply been adjusted to take account of increases in Civil Service rates of pay up to 1 January 1980. They have been rounded to the nearest £50,000. The figures suggest the following -

- a. average number of Oral PQs per sitting day = 50
- b. average cost of Oral PQs per sitting day = £2,150
- c. average number of Written PQs per sitting day = 158
- d. average cost of Written PQs per sitting day = £5,700

CONFIDENTIAL

MINISTERIAL CORRESPONDENCE
(HOUSE OF LORDS AND HOUSE OF COMMONS)

Neither total numbers nor costs of Ministerial correspondence with Peers and MPs are available. There has been no survey, comparable to that on PQs, about the cost of correspondence. It would be more difficult and expensive to mount than a survey of the cost of PQs.

Five departments have, however, provided estimates of letters received from MPs and Peers in the period 3 May 1979 to 31 January 1980. They are as follows:

(a) DOE	9,860
(b) DTp	4,350
(c) DES	5,400
(d) Home Office	16,600
(e) MAFF	2,500