

7 December 2011

## **REIMBURSEMENT OF MEMBERS' EXPENSES SCHEME – ELIGIBLE EXPENSES**

### **Executive summary**

1. The SPCB is invited to consider whether the provision made under paragraph 4.1.1 of the Reimbursement of Members' Expenses Scheme may be used to meet local office refurbishment costs.

### **Issues and Options**

2. Colin Beattie MSP has established a constituency office in Dalkeith with the lease commencing on 1<sup>st</sup> October. He subsequently approached the Allowances Office to ascertain whether certain office refurbishment costs could be met from his Office Cost Provision. Details of the proposed refurbishment works and associated costs are attached as **Annex A**.

3. The Allowances Office considered that the works in question, with the exception of decoration, were of a capital and structural nature and as such were not reasonable in terms of the provision made at 4.1.1 of the Reimbursement of Members' Expenses Scheme (the Scheme). This decision was arrived at by the Allowances Office in accordance with previous practice and with the expectation being that the landlord would normally undertake capital and structural work of this nature and that this would be reflected in the level of rent charged.

4. Allowances Office staff met with Mr Beattie to discuss the issue and to advise Mr Beattie that he could bring this to the SPCB for determination under the provision made at paragraph 1.5.1 Reimbursement of Members' Expenses Scheme. This provides that where a Member disputes a decision he can invite the SPCB to review the decision. Mr Beattie has now asked for this matter to be considered by the SPCB and a copy of his submission is attached as **Annex B** which outlines the reason for his choice of office and the need to have the works undertaken.

5. Legal advice has been taken in relation to whether there is provision within the Scheme to meet such costs. The Scheme states at 4.1.1 that a member is entitled to the reimbursement of office costs reasonably incurred. The list of qualifying Office Cost Provision costs detailed at 4.1.2 of the Scheme is not exhaustive, with provision being made at 4.1.2 (i) to meet ancillary costs associated with establishing and running a local office. The SPCB therefore has discretion to determine what should be covered under the office costs provision and could decide that the works to be carried out can be met from this provision, even if the SPCB determines that the category of works does not fall within the existing examples provided in the scheme.

### **Resource Implications**

6. As members will see from Annex A, the costs involved are approximately £5.6k with additional costs of £2.1k for decoration. Mr Beattie has advised he can meet all of these costs from within his Office Cost Provision.

### **Governance issues**

7. There are no governance issues.

### **Publication Scheme**

8. This paper will be published in accordance with the SPCB's publication scheme.

### **Next steps**

9. To inform the Member of the SPCB's decision.

### **Decision**

10. The SPCB is invited to consider whether the works in question are reasonable and that the costs can be met from parliamentary resources.

Allowances Policy  
December 2011

**Colin Beattie MSP**  
**Midlothian North & Musselburgh**  
New constituency Office - 164 High Street, Dalkeith

**Purpose of Paper**

To request the Scottish Parliament Corporate Body to agree to expenditure on the above constituency office which is necessary to provide a reasonable experience for staff working and constituents visiting.

**Background**

As the first SNP Constituency MSP for a new constituency it is necessary to set up an office in order to enable easy contact from constituents. Considerable consultation took place in order to decide in which population centre the constituency office should be located. Eventually it was decided on Dalkeith for the following reasons:-

1. It is central to all areas within the new constituency boundary.
2. There are good bus routes from all areas to the town.
3. It is a County Town.

There are few premises at all available in Dalkeith and we did bid on one located in Jarnac Court which we won the rent bid on but failed to secure change of use from Class 1 to Class 2 business premises. This left us in a dilemma since the only premises remaining in Dalkeith were outside our financial limits both on rent and on business rates. Eventually we narrowed the choice down to two premises one of which we eventually discovered the owners were only interested in selling – not renting. This then brought us down to one choice of office. These are the premises located at 164 High Street, Dalkeith which we eventually contracted to lease.

The premises are located on the first floor of a single storey block with a single entry door at street level. The rent is very reasonable at £4200 per annum but the landlord is disinclined to become involved in anything other than to take the rental which he can easily achieve from many others who are seeking premises. Within that he has been reasonable.

**The Issue**

The premises are the right size for the needs of the office but do require some work in order to make them suitable and up to a modern standard. The most significant works being (with the landlords agreement) taking down a partition wall which will allow access to the tiny kitchen area without edging in sideways down a narrow passage. Doing this and making good will cost £ 510.00.

Joinery work is required to clear the internal footprint of the office of dilapidated cupboards, shelves etc. The significant cost is laying a replacement floor covering to

replace the poor quality worn out floor tiles. Laminate type flooring was chosen because it is clean and easily maintained. Total cost of joinery works are £3061.00.

Minor plumbing work is needed in relation to the kitchen sink amounting to £175.00.

Electrical works were needed to allow for relocation of electric sockets and the addition of electric sockets in order to allow for the electrical equipment which we would need as a modern office. The price also includes heating for the office by way of electric radiators. Electric works will cost £1880.00.

There are additional decorating works but I am advised that these will be met by Allowances.

The issue with these works are that the Parliament's Allowances advise that they are outside the costs which would normally be met under the current arrangements although I would argue that there are no works being carried out which in the normal course of a building contract would be described as structural.

I am therefore requesting the Corporate Body to agree to meet the cost of these works totalling **£5626.00**.

### **Justification**

There are several points which I feel make this request reasonable:-

1. Lack of choice of suitable alternative premises.
2. Landlord has absolutely no incentive to do anything more than he has. He can easily rent to alternative tenants.
3. Market forces dictate the approach taken.
4. The works being done are essential to making the premises up to a reasonable standard both for staff working there and for constituents visiting. Nothing fancy or extravagant is proposed.
5. We have asked the landlord to agree to meet some of the electrical costs which are necessary to make the system safe but no agreement on that has been reached as yet. Consequently this possibility has not been taken into account.
6. The works done will still be within the budget which has been set for constituency offices. A security system will also be required following advice from police but this will also remain within budget.
7. The cost of the works should be considered against the low rental which will long term benefit the public purse.
8. If the works were amortised over the term of the lease then the uplift to the monthly costs would be approximately 26% lifting the monthly rental costs from £ 350.00 to £ 443.76. This remains a very competitive cost for renting an office of this type in the location indicated and represents good value for money.

### **Additional Information**

Copies of quotes are enclosed for information.