

# Support for Parliamentary Groups

## UK and International Comparisons

October 2023

This evidence paper considers different approaches to supporting party parliamentary groups, drawing on evidence from across the UK and internationally.

This paper has been produced to support the work of the Senedd's Independent Remuneration Board, specifically the thematic review of the Party Political Support Allowance (PPSA).

Parliamentary groups are a feature of many legislatures, but there does not appear to be an agreed definition of what the purpose of these groups should be, nor the extent to which they should be supported by the parliament in which they operate.

While the comparison in this paper therefore cannot provide a consensus view, it does provide some indication of the key issues that a review of PPSA should consider, and a steer on the key points of convergence or divergence between parliaments.

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# 1. Executive Summary

Parliamentary groups are a feature of many legislatures, but there does not appear to be an agreed definition of what the purpose of these groups should be, nor the extent to which they should be supported by the parliament in which they operate.

Specific definitions of a party parliamentary group differ between parliaments, but a 2021 report prepared for the European Parliament includes a useful summary of the role that party parliamentary groups tend to play:

*"...they distribute tasks and responsibilities between their members, facilitate decision-making by aggregating the individual interest of the group members and negotiation of compromises between parliamentarians of different political affiliations, and contribute to informing the public on parliamentary decision-making processes."*<sup>1</sup>

In most cases a party parliamentary group is formed of elected members from the same political party and provides a central organising function for those members. In some cases the group also provides specific support to the group leader.

Critically important is the distinction between a party parliamentary group and political party. The relationship between the two differs between nations, and the rules around funding apply differing degrees of distinction between the two, but generally a party parliamentary group is focused specifically on the work of the parliament and duties of elected Members. While a political party engages in explicit election campaigning, and includes membership that goes much wider than elected members.

Support to political groups or parties in parliament differs in notable ways across the legislatures reviewed for this paper.

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<sup>1</sup> European Parliament (2021) *Financing of political structures in EU Member States – How funding is provided to national political parties, their foundations and parliamentary political groups and how the use of funds is controlled* [https://www.europarl.europa.eu/meetdocs/2014\\_2019/plmrep/COMMITTEES/AFCD/DV/2021/10-27/2021-JUNE\\_PE694.836\\_Financingpoliticalstructures\\_withAnnex3\\_EN.pdf](https://www.europarl.europa.eu/meetdocs/2014_2019/plmrep/COMMITTEES/AFCD/DV/2021/10-27/2021-JUNE_PE694.836_Financingpoliticalstructures_withAnnex3_EN.pdf)

## Allocation

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In most of the examples reviewed funding is provided to **party parliamentary groups**. In some, such as the UK, Scotland and Ireland, reference is instead made to “parties”, albeit with a clear restriction that any funding should be used in support of parliamentary duties.

In almost all of the examples reviewed, allocation of parliamentary group funding is linked in some way to the size of the group, or the number of Members connected to a registered party. Some models are based entirely on a per member calculation, while others also include a basic element, available to all eligible groups – the Senedd, Germany, Sweden.

Some models exclude groups that are represented in government completely (the UK Parliament). In other models, it is common for some form of reduction or supplement to be applied so that opposition parties receive a higher amount of funding. For example, in the Senedd the amount of funding available to a group represented in government is capped, in Ireland the rate per Member is reduced for government parties and in Norway opposition groups of three to four Members receive 50% more support, while groups of more than five receive a 100% uplift in funding. Some of the examples reviewed apply a tiered system based on group size, with the rate per member decreasing as the overall group size increases, e.g. Ireland.

A small number of parliaments have specific support in place for leaders of the opposition. This appears to be less common in the international examples, where the focus is on groups as opposed to leaders when allocations are being determined. It is however commonplace for the group leaders to be specified in rules and regulations about reporting on use of parliamentary support.

## Purpose and restrictions on use

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Many parliaments draw a clear distinction between parliamentary and political activity, with rules and regulations in place that seek to restrict the use of parliamentary funding to parliamentary activities.

The level of detail provided to groups on what is eligible or ineligible spend varies significantly. Some parliaments have more detailed guidance in place while others have a high level definition of “parliamentary business” to which all groups and Members are expected to comply.

A number of the parliaments included in this paper note legitimate communications or public relations activity as an eligible spend, with a strict steer that this cannot include any electioneering or political campaign communications.

Commonly cited legitimate expenditure for party parliamentary group funding includes central administration and coordination of groups, central research and policy formulation,

communications coordination and support, equipment, training, services and staffing to support the group.

## Reporting and Accountability

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Most parliaments have in place a system whereby groups and Members are held accountable for their use of financial support. The most common approach is to require regular reporting by groups on their use of funds, coupled with some form of independent audit. It is common for the group leader or group whip to be responsible for ensuring compliance with expenditure rules and reporting.

In the UK Parliament, Scottish Parliament and Irish Oireachtas a statement of expenditure must be prepared and accompanied with an independent auditor's report on an annual basis. In Northern Ireland, expenditure by each party is published quarterly, with the Commission organising an annual review by an independent auditor.

## 2. Introduction

The Independent Remuneration Board of the Senedd (the Board) makes independent decisions on the pay and direct support for Members of the Senedd. The Board makes decisions on the basis of three guiding principles:

1. Our decisions should be appropriate within the context of Welsh earnings and the wider financial circumstances of Wales.
2. Our decisions should support the strategic purpose of the Senedd and facilitate the work of its Members.
3. Our decisions should be robust, clear, transparent, sustainable, inclusive and represent value for the taxpayer.

Ahead of each new Senedd term, the Board makes a new Determination on Members' Pay and Allowances. This Determination sets out the system of financial support and remuneration for Members. Each year an annual review considers whether any changes are needed to any allowances, with the exception of Members' Salaries (unless there are exceptional circumstances).

### Thematic Reviews

The Board are currently undertaking a programme of thematic reviews, which look in more detail at elements of the Determination. This work is particularly important in the context of proposed Senedd reform, which could significantly change the size and make-up of the Seventh Senedd.

There are five reviews:

- Simplification
- Ways of Working
- Staffing Support
- Support for Political Parties' Allowance (PPSA)
- Members Remuneration and Personal Support

## **Support for Political Parties Allowance (PPSA)**

Under the Determination, party parliamentary groups are entitled to financial support – the Support for Political Parties Allowance, also known as PPSA.

The purpose of this allowance is to assist parties in the undertaking of their work in the Senedd. It is “payable only in respect of costs which are incurred by Members, wholly, exclusively and necessarily for the purpose of the performance of their duties as Members.”<sup>2</sup>

An exhaustive list of admissible items is not set out, and the exact use of PPSA does differ between party parliamentary groups, but the following examples are set out in the Determination – employing staff in an administrative capacity, employing staff to undertake research, the costs of overtime, travel etc. and acquiring office equipment and the hire of facilities.<sup>3</sup>

The current system for PPSA has been in place since 2015, although some elements of the model remain largely unchanged since the first Assembly.

Since 1999, the Senedd has changed significantly, becoming a wholly separate entity from the executive (Welsh Government) and gaining primary legislative powers. Further change may well take place ahead of the Seventh Senedd.

It is in this context that the review of PPSA is being undertaken. It will consider the purpose of party or group support, comparative analysis with other parliamentary funding models and the potential impact and implications ahead of and following Senedd reform.

### **The value of comparison**

The Senedd is not unique in providing funding to party parliamentary groups. Some form of support is commonplace across the UK parliaments and also internationally. Each parliament is operating in a unique set of circumstances, and as such models for party parliamentary group support are quite varied.

However, comparison between PPSA and these alternative models can provide a useful evidence-base on which recommendations can be made ahead of the Seventh Senedd.

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<sup>2</sup> Independent Remuneration Board of the Senedd (2023) *Determination on Members' Pay and Allowance 2023-24*

<sup>3</sup> *Ibid.*



There appears to have been limited research to date that compares models of party parliamentary group support. The amount of information that is publicly available varies for different legislatures, however, there are some reports that consider different approaches across particular geographical areas such as the EU and the Nordic nations.

## **What is a party parliamentary group and how does it differ from a political party?**

An important question to consider is what exactly is a party parliamentary group and how does it differ from a political party?

Specific definitions of a party parliamentary group differ between parliaments, but a 2021 report prepared for the European Parliament does include a useful summary of the role that party parliamentary groups tend to play:

*"...they distribute tasks and responsibilities between their members, facilitate decision-making by aggregating the individual interest of the group members and negotiation of compromises between parliamentarians of different political affiliations, and contribute to informing the public on parliamentary decision-making processes."*<sup>4</sup>

In most cases a party parliamentary group is formed of elected members from the same political party and provides a central organising function for those members. In some cases the group also provides specific support to the group leader.

Currently, a political group in the Senedd is defined in the Standing Orders of the Welsh Parliament as follows:

*"(i) a group of at least three Members belonging to the same registered party that won at least one seat at the previous Senedd election; or (ii) three or more Members not satisfying the criteria in Standing Order 1.3 (i), who have notified the Presiding Officer of their wish to be regarded as a political group, and satisfied the Presiding Officer that exceptional circumstances apply."*<sup>5</sup>

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<sup>4</sup> European Parliament (2021) *Financing of political structures in EU Member States – How funding is provided to national political parties, their foundations and parliamentary political groups and how the use of funds is controlled* [https://www.europarl.europa.eu/meetdocs/2014\\_2019/plmrep/COMMITTEES/AFCO/DV/2021/10-27/2021-JUNE\\_PE694.836\\_Financingpoliticalstructures\\_withAnnex3\\_EN.pdf](https://www.europarl.europa.eu/meetdocs/2014_2019/plmrep/COMMITTEES/AFCO/DV/2021/10-27/2021-JUNE_PE694.836_Financingpoliticalstructures_withAnnex3_EN.pdf)

<sup>5</sup> Welsh Parliament Senedd Business (2023) Standing Orders of the Welsh Parliament September 2023

For the purposes of allocating PPSA, the Determination defines a political party as:

“(i) a group of Members who belong to the same political party registered with the Electoral Commission, or (ii) a group recognised as a group under Standing Order 1.3 (ii), Standing Orders of the Welsh Parliament, or (iii) an individual Member who has notified the Members’ Business Support Team that they are a member of a registered political party”

Critically important is the distinction between a party parliamentary group and political party. The relationship between the two differs between nations, and the rules around funding apply differing degrees of distinction between the two, but generally a party parliamentary group is focused specifically on the work of the parliament and duties of elected Members. While a political party engages in explicit election campaigning, and includes membership that goes much wider than elected members.

## 3.UK Comparisons

Each of the UK's legislatures has a system of financial support for party parliamentary groups in place. However, these systems differ in some fundamental ways. While some offer financial support to all groups within the parliament, others restrict this only to groups **not** represented in the government. Some include specific provision for the leader of the opposition while others do not. The models also differ in who is responsible for setting and administering the support and the reporting mechanisms that are in place to ensure compliance with relevant rules.

### **UK Parliament: Financial Assistance to Opposition Parties (“Short Money”)**

“Short Money” was first introduced in 1975, in recognition that Opposition parties in Parliament needed more support. The scheme is administered under a resolution of the House 26 May 1999, as amended by a resolution of 23 March 2016, and consolidated and updated by the Members Estimate Committee.<sup>6</sup>

#### Purpose

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Short Money is made available to assist opposition parties to carry out their parliamentary business. The Members Estimate Committee states that:

*“Given the nature of opposition work, Short Money and Representative Money can be used for party political purposes. In this context, Parliamentary Business may be defined as research associated with front bench duties, developing and communicating alternative policies to those of the Government of the day and shadowing the Government's front bench.”<sup>7</sup> The Committee go on to emphasise that “it does not include political campaigning and similar partisan activities, political fundraising, membership campaigns or personal or private business of any kind.”<sup>8</sup>*

While there have been changes made to some elements of Short Money since 1975, some basic elements have remained largely the same<sup>9</sup>:

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<sup>6</sup> House of Commons Library Briefing Number 1663 (2023) *Short Money*

<sup>7</sup> House of Commons Members Estimate Committee (2023) *Consolidated list of provisions of the Resolutions of the House relating to expenditure charged to the Estimate for House of Commons Members as at February 2023*

<sup>8</sup> *Ibid.*

<sup>9</sup> House of Commons Library Briefing Number 1663 (2023) *Short Money*

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- The formula takes into account both the number of seats held in the House and the number of votes received at the last election
- Support is dependent on having at least two members elected **or** having one Member and a minimum of 150,000 votes
- Amounts as set out are the maximum available and parties have to account for expenditure

A key date in the evolution of Short Money is 2016, when a new resolution introduced a number of measures for the operation and required reporting of Short Money use. At this point annual indexation was shifted to CPI in place of RPI, new transparency requirements were introduced and a minimum funding floor and a maximum funding ceiling for the smallest parties was introduced.<sup>10</sup> Prior to this reporting on the use of Short Money was minimal.

## Allocation

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Short Money has three main components<sup>11</sup>:

1. Funding to assist an opposition party in carrying out its parliamentary business
2. Funding for opposition parties' travel and associated expenses
3. Funding for the running costs of the office of the Leader of the Opposition

Amounts for 2023-24 are as follows<sup>12</sup>:

General funding for Opposition parties	£21,438.33 for every seat won + £42.82 for every 200 votes gained
Travel expenses for Opposition parties	£235,511.46 apportioned between each party in the same proportion under basic scheme above
Leader of the Opposition's Office	£998,817.35

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<sup>10</sup> House of Commons Library Briefing Number 1663 (2023) *Short Money*

<sup>11</sup> House of Commons Library Briefing Number 1663 (2023) *Short Money*

<sup>12</sup> House of Commons Library Briefing Number 1663 (2023) *Short Money*

The amount of funding available is updated annually by the percentage increase in the consumer price index.

## Reporting and Transparency

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Political parties must report annually on their use of Short Money. An auditor's certificate must be provided confirming that all expenses claimed were incurred exclusively in relation to the party's parliamentary business, along with information about staff employed through Short Money.

Any staff whose salary is covered 50% or more by the Leader of the Opposition's Office funding is published. For lower paid roles, a pay band is noted, for those earning over £70,000, full salary details are published.

Under the basic scheme, the number of staff employed at each pay band who are at least 50% funded by the party's Short Money allocation must be listed.

This information is published on the House of Commons [website](#).

## **Scottish Parliament: Financial Assistance to non-Government groups**

The Scottish Parliamentary Corporate Body (SPCB) provides financial assistance to opposition parties in the Scottish Parliament. This is also referred to as "Short Money".

### Purpose

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The Scotland Act 1988 provided for an Order in Council to allow the Scottish Parliament Corporate Body to "provide assistance for opposition parties by making payments to registered political parties in the Parliament for the purposes of assisting member of the Parliament who are connected with such parties to perform their parliamentary duties."

Under this provision the Scottish Parliament (Assistance for Registered Political Parties) Order 1999 was passed. This has since been superseded by the Scottish Parliament (Assistance for Political Parties) Act 2021.

## Allocation

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The formula for allocation of financial assistance is set out in the 1999 Order, which states that the maximum amount that may be paid to any qualifying party is fixed “by reference to the number of MSPs connected with that party multiplied by a fixed amount”.<sup>13</sup>

The fixed amount is increased annually in line with RPI.

In 2021, the annual entitlement per member was £9060.<sup>14</sup>

## Reporting and Transparency

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Payments are only made for expenses incurred, claims must include a breakdown of what is being claimed and a statement that the expenses were incurred by the party “exclusively for the purpose of assisting MSPs who are connected with the party to perform their Parliamentary duties.”<sup>15</sup>

After the 31<sup>st</sup> March each year a certificate of an independent professional auditor must be presented to the Clerk of the Parliament.<sup>16</sup>

## Scottish Parliament: Party Leaders’ Allowance

The Scottish Parliament make an additional allowance to party leaders – the Party Leaders’ Allowance – in recognition of the extra duties they may have. While this is separate to short money, it is worth considering alongside the support for party groups, as this allowance does provide for similar support, specifically for party leaders.

A “qualifying party leader” means “the Parliamentary leader of a registered political party represented in the Parliament and which registered political party has not less than fifteen members, but excludes any Parliamentary party leader who is or a member of whose party is a

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<sup>13</sup> *Scottish Parliament (Assistance for Registered Political Parties) Order 1999*

<https://www.legislation.gov.uk/ukxi/1999/1745/article/2/made>

<sup>14</sup> “Members’ expenses: Financial assistance to Non-Government groups (‘Short Money’)

<https://www.parliament.scot/msps/members-expenses/financial-assistance-to-non-government-groups-short-monies> [Accessed Oct. 2023]

<sup>15</sup> “Members’ expenses – financial assistance to non-Government groups”

<https://www.parliament.scot/msps/members-expenses/financial-assistance-to-non-government-groups-short-monies> [Accessed Oct. 2023]

<sup>16</sup> *Ibid.*

member of the Scottish Executive or a junior Scottish Minister in terms of the Scotland Act 1998".<sup>17</sup>

## Purpose

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The Scheme aims to provide support to "carry out the extra duties as a Parliamentary party leader, including the role of a party spokesperson or representative."

This can include work in the preparation of briefing notes, speeches and attendance at an event to "give a presentation on his or her party's policies in the Parliament." Any work that relates to a party political conference, meeting with party activities or canvassing is not permitted whether during an election or otherwise. It is also not permitted to use this allowance in relation to fundraising or constituency casework.

In line with the noted restrictions, the allowance may be used to employ staff, necessary office accommodation costs, travel and overnight expenses for the Member and staff and office equipment and furniture.

## Allocation

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Party Leader Allowance rates in 2023-24 are<sup>18</sup>:

- A registered political party with 15-29 members: £24,220
- A registered political party with 30 or more members: £46,002

If a party leader changes during a year, then the remaining balance is available to the incoming leader.

Where a change of qualifying party leader occurs or where he or she ceases to be a Member of the Scottish Parliament or where the number of members of a registered political party falls below fifteen, the former qualifying party leader shall be eligible for a winding-up allowance.<sup>19</sup>

The maximum amount of the winding-up allowance shall be the equivalent of one third of the maximum amount payable, to which the former qualifying party leader was entitled prior to any change

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<sup>17</sup> "Party Leaders' expenses" <https://www.parliament.scot/msps/members-expenses/party-leaders-expenses> [Accessed 23.10.23]

<sup>18</sup> "Members' expenses" <https://www.parliament.scot/msps/members-expenses/allowances-rates> [Accessed 23.10.23]

<sup>19</sup> "Party Leaders' expenses" <https://www.parliament.scot/msps/members-expenses/party-leaders-expenses> [Accessed 23.10.23]

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## Northern Ireland: Financial Assistance for Political Parties Scheme

The Financial Assistance for Political Parties Act (Northern Ireland) 2000 provides for “the making of payments to political parties for the purposes of assisting members of the Northern Ireland Assembly who are connected with such parties to perform their Assembly duties”.<sup>20</sup>

Details of this support is set out in the Financial Assistance for Political Parties Scheme (FAPP).

### Purpose

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The purpose of FAPP is set out clearly in the Scheme as being “for the purpose of assisting members of the Assembly...to perform their Assembly duties.”<sup>21</sup> This is known as “authorised purpose”.

The associated FAPP guidance sets out what authorised purpose may be taken to include<sup>22</sup>:

- The provision of central administrative support by the party to assist Members of the Assembly, who are connected with that political party, to perform their Assembly duties
- The provision of central research, to assist Members of the Assembly, who are connected with that political party, to perform their Assembly duties
- The provision of education or training by the party, to assist Members of the Assembly, who are connected with that political party, to perform their Assembly duties
- The provision of central engagement / media support services by the party to assist Members of the Assembly, who are connected with that political party to perform their Assembly duties
- The provision of equipment or services (the costs of which may not be met from any other source) to assist Members of the Assembly who are connected with that political party, to perform their Assembly duties

The guidance also states clearly that any staff whose salary costs are covered by FAPP cannot be engaged in party political work, including election canvassing or campaigning, and is taken to include participation in party political talks.<sup>23</sup>

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<sup>20</sup> *Financial Assistance for Political Parties (Northern Ireland) 2000*

<https://www.legislation.gov.uk/nia/2000/1/introduction> [Accessed Oct. 2023]

<sup>21</sup> Northern Ireland Assembly (2016) *Financial Assistance for Political Parties Scheme*

<sup>22</sup> Northern Ireland Assembly (2016) *Financial Assistance for Political Parties Scheme 2016 Scheme Guidance*

[http://www.niassembly.gov.uk/globalassets/documents/your\\_mlas/fapp-guidance-2016-march2020update.pdf](http://www.niassembly.gov.uk/globalassets/documents/your_mlas/fapp-guidance-2016-march2020update.pdf) [Accessed Oct. 2023]

<sup>23</sup> Northern Ireland Assembly (2016) *Financial Assistance for Political Parties Scheme 2016 Scheme Guidance*

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## Allocation

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FAPP is made up of two elements<sup>24</sup>:

1. Financial assistance for a party for the purpose of assisting Members of the Assembly to perform their Assembly duties
2. Financial assistance for an eligible party to help fund the costs of administrative support to the party's Whips' office

The annual level of assistance to each party is calculated and notified to party leaders at the start of each year. The allocation between parties is quite complex and is set out in the [Scheme](#).

Each element is updated annually and revised should there be a change in members during the period.

## Reporting and Transparency

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Claims for non-salary costs may be made monthly for reimbursement, with original invoices.

Expenditure claimed by each party will be published on the [Assembly's website](#) and notified to the Electoral Commission on a quarterly basis. An annual review by an independent auditor will be organised by the Commission.<sup>25</sup>

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<sup>24</sup> Northern Ireland Assembly (2016) *Financial Assistance for Political Parties Scheme 2016 Scheme Guidance*

<sup>25</sup> Northern Ireland Assembly (2016) *Financial Assistance for Political Parties Scheme 2016 Scheme Guidance*

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## 4. International Comparisons

Parliaments around the world offer further points of comparison. Across the examples below there are a wide range of approaches. Key elements vary between parliaments including which party parliamentary groups are eligible for support, formulae for allocation, distinction between parliamentary and political activity, levels of reporting and oversight and the level of prescription over allowable expenditure.

### Oireachtas – Republic of Ireland

The Oireachtas comprises the President of Ireland and the two Houses of the Oireachtas – Senedd Éireann and Dáil Éireann. Dáil Éireann is the lower house, and comprises 160 Teachta Dála (TDs). For the purpose of comparison, the focus below is on the support provided to TD, who's role is most comparable with those of MSs and Westminster MPs.

Costs for group staff and for activities supporting parliamentary activity (e.g. research) are dealt with under separate schemes. Staff for qualifying parties is addressed by the Houses of the Oireachtas Commission (the Commission) under the *Scheme for Provision of Secretarial Assistance for Members of the Oireachtas and Qualifying Parties*. While party leaders receive payments to support parliamentary activities under the Parliamentary Activities Allowance, the conditions of which are set out in legislation.

#### Scheme for the Provision of Secretarial Assistance for Members of the Oireachtas and Qualifying Parties

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Under the Scheme for Provision of Secretarial Assistance for Members of the Oireachtas and Qualifying Parties, the Commission has the power to regulate the provision of “secretarial facilities to Members and qualifying parties”. Secretarial facilities is not defined in the legislation but is generally taken to encompass staff employed under the Scheme, ICT equipment, office equipment, printing facilities and graphic design facilities.”<sup>26</sup>

Under the scheme Members and qualifying parties employ a range of roles, paid for by the Commission, who also regulate the number of staff employed.

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<sup>26</sup> Houses of the Oireachtas (2020) (*Scheme for Secretarial Assistance*) *Scheme for the Provision of Secretarial Assistance for Members of the Houses of the Oireachtas and Qualifying Parties*

Group coordinators (Members who act as a Group coordinator for technical groups made up of independent members) are entitled to an additional Secretarial Assistant.<sup>27</sup>

Staffing allocations made to qualifying parties are expressed in terms of Secretarial Assistant positions, e.g. a party may be allocated the equivalent of three Secretarial Assistants. Within the grading structure, each grade has an equivalent points value, and parties may use their total amount of points to hire staff at various grades, as long as they remain within their overall points allocation.<sup>28</sup>

*Example*

If a party was allocated three Secretarial Assistants this equals a total of 99 points. This 99 points can be used to employ any combination of staff (see table below), to a total value of 99.<sup>29</sup>

Grade	“Points value” based on cost
Secretarial Assistant	33
Administrative Assistant	39
Parliamentary Assistant	45
Administrator	49
Senior Administrator	70
Chef de Cabinet	92

Parliamentary Activities Allowance

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Formerly known as the Party Leader’s Allowance, the Parliamentary Activities Allowance is paid to a party leader in relation to expenses arising from parliamentary activities. The conditions surrounding entitlement to this allowance is set out in legislation - Oireachtas (Ministerial and Parliamentary Offices) (Amendment) Act 2014.

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<sup>27</sup> Ibid.

<sup>28</sup> Ibid.

<sup>29</sup> Ibid.

Guidelines for Parliamentary Party Leaders notes the following allowable expenditure<sup>30</sup>:

- the general administration of the parliamentary activities of a qualifying party
- the provision of technical or specialist advice likely to be required in connection with legislative proposals or potential parliamentary initiatives
- research and training
- policy formulation
- the provision of consultants' services, including the engagement of public relations consultants
- polling or public attitude sampling in connection with parliamentary debates or initiatives
- the purchase of support services for a parliamentary party from the party
- the payment to a parliamentary leader of any salary or honorarium in respect of duties arising from his or her activities as such leader as distinct from those of a member of Dáil Éireann or a holder of ministerial office
- the payment to another person of any salary or honorarium in respect of duties arising from the person's activities in a parliamentary party
- the provision for, or recoupment of, transport and personal expenditure incurred by a parliamentary leader, officers or a parliamentary party spokesman as a result of their parliamentary party function
- entertainment.

Money is paid to opposition and government group leaders, with a reduced rate for government parties (by one third), and tiered based on the number of members in the group.<sup>31</sup>

2023-24 rates are as follows:

- First 10 members (TDs)
  - €64,368 – Annual rate per member
  - €42,912 – Annual rate per member (government parties)
- 11 to 30 Members (TDs)
  - €51,493 - Annual rate per member
  - €34,329 - Annual rate per member (government parties)

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<sup>30</sup> Standards in Public Office Commission (2023) *Parliamentary Activities Allowance Guidelines for Parliamentary Party Leaders*

<sup>31</sup> "Parliamentary Activities Allowance <https://www.gov.ie/en/publication/762d55-parliamentary-activities-allowance/#>

- More than 30 Members (TDs)
  - €25,754 - Annual rate per member
  - €17,169 - Annual rate per member (government parties)

Each party leader and independent member must prepare a statement of expenditure for the allowance and furnish it with an independent auditor's report to the Standards in Public Office Commission. The Commission is then required to make a report on the use of the allowance and lay this before the Oireachtas.<sup>32</sup> Details of expenditure is published on the **Standards in Public Office Commission website**.

## **Germany<sup>33</sup>**

A parliamentary group is eligible for public funding if it comprises at least 5% of MPs. Funding is comprised of two elements – a basic amount and a component based on the size of the group.

Opposition and government groups are eligible for funding, but for opposition groups both elements of the funding are higher. The basic amount per member and supplements for opposition groups are decided upon annually by parliament.

In 2020 there were 6 parliamentary groups, each received a basic amount of €5,425,452 per year, with a 15% uplift for opposition groups. In addition, each group received €113,256 per MP, with a 10% uplift for opposition groups.

It is stipulated that parliamentary groups receive public support in order to fulfil parliamentary duties and to inform the public about their activities, and that these funds must not be used for party-political purposes.

Groups are required to report annually on their use of the funding, including a breakdown of spend by category. The accuracy of these reports is checked by the Court of Auditors, who also carry out full audits on occasion.

There is however a lack of specificity in the rules, no clear definition of what the duties of a parliamentary group are and no sanctions for irregular use of funds or obligation to repay misused funds. It is also noted that subsidies for party parliamentary groups in Germany are high.

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<sup>32</sup> Ibid.

<sup>33</sup> European Parliament (2021) *Financing of political structures in EU Member States – How funding is provided to national political parties, their foundations and parliamentary political groups and how the use of funds is controlled*

## Austria<sup>34</sup>

In each chamber of the Austrian Parliament any political party with at least five representatives may form a parliamentary group. Each group is eligible for a subsidy consisting of a basic amount plus a component based on the size of the group. The additional component is uplifted by 3% when the share of female MPs in the group exceeds 40%.

Both the basic amount and additional component are based on the salaries of federal officials.

In 2020, five parliamentary groups received a total of €23,380,000 between them.

The subsidy is to be used to fulfil parliamentary duties, covering expenses for office space, technical equipment, staff, events, public relations work and information activities.

There are no regulations in place around reporting on the use of this funding and no mechanisms for control of the use of the funds.

## New Zealand

Support for members and parties in the New Zealand Parliament is set out in the Speakers' Directions. The Speaker makes Directions under section 23 of the Members of Parliament (Remuneration and Services) Act 2013, "to provide services and support funding for members of Parliament and parliamentary parties."<sup>35</sup>

The Directions reviewed came into force on the 20<sup>th</sup> September 2020, the day after the election.

### Purpose

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Party support funding "must be used to provide services and resources for the purpose of supporting parties and members in their parliamentary operations."<sup>36</sup> In the 2020 Directions, the terms "parliamentary business" and "parliamentary purpose" were combined into the single term "parliamentary purpose" to bring consistency in language to the Parliamentary Service Act 2000.<sup>37</sup>

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<sup>34</sup> Ibid.

<sup>35</sup> "Speaker's Directions 2020" <https://www.parliament.nz/en/pb/parliamentary-rules/directions-determinations/speaker-s-directions-2020/> [Accessed Oct. 2023]

<sup>36</sup> New Zealand Parliament (2020) *Speaker's Directions 2020*

<sup>37</sup> "Speaker's Directions 2020" <https://www.parliament.nz/en/pb/parliamentary-rules/directions-determinations/speaker-s-directions-2020/> [Accessed Oct. 2023]

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“The uses of party and member support funding include the following:

- Discharging their responsibilities as legislators and elected representatives
- Developing, researching, critiquing and communicating policy
- Communicating with constituents and other communities of interest
- Meeting the operational needs of each party in fulfilling its parliamentary responsibilities
- Meeting the costs of ICT equipment for members’ direct use and for use by their support staff in their offices in and out of Parliament.”<sup>38</sup>

Funding may be used for “publicity”. The Directions set out in some detail what is allowable in this regard stating that publicity costs may only be met from party and member support funding if it has a “parliamentary purpose, does not contain electioneering, identifies at the time of communication that it has been paid for by parliamentary service, clearly identifies the member responsible for the publicity and does not describe or imply that a member represents an electorate for which they are not the constituency member.”

Funding may not be used for electioneering and the explanatory note to the Directions provides a list to demonstrate communications activity that would be ineligible.

## Allocation

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A party is entitled to leadership funding and party and group funding.

### 1. *Leadership Funding*<sup>39</sup>

Leadership is made up of two parts – a party amount plus an amount for each non-executive member in the caucus. In the most recent year of the 2020-2023 parliamentary term (year 3), this amounted to \$123,300 plus \$69,000 (per non-executive member).

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<sup>38</sup> “Chapter 4 Members’ Conditions of Service”

<https://www.parliament.nz/mi/visit-and-learn/how-parliament-works/parliamentary-practice-in-new-zealand/chapter-4-members-conditions-of-service/> [Accessed 28.09.23]

<sup>39</sup> New Zealand Parliament (2020) *Speaker's Directions 2020*

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## 2. Party and Group funding<sup>40</sup>

Party and group funding is also linked to the number of members in the caucus. The amount of party and group funding for each party for each year is the sum of the amount per member in caucus and the amount per non-executive member in caucus.

In the most recent year of the 2020-2023 parliamentary term (year 3), this amounted to \$22,800 per member in the caucus, plus \$5,600 per non-executive member in the caucus.

### Reporting<sup>41</sup>

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Each party must prepare a budget at the beginning of each parliamentary term for how they propose to spend their allocations. Each party leader and whip must monitor expenditure by their party and party members on a monthly basis.

Each party must certify whether their itemised actual expenditure complies with the Directions.

### Finland<sup>42</sup>

The Act on Parliamentary Groups (2012) provides for parliamentary groups and their registration, the support granted to parliamentary groups, the implementation and supervision of spending.

Groups are supported with grants for hiring personnel and other relevant expenses. Each group receives the same basic amount with additional money based on the number of MPs in the group. The basic amount paid to groups is calculated using the election results.

In the budget for 2021 group offices receive €4,510,000. For each representative they receive €1,724 per month.

Resources of parliamentary groups should be separate to those of parties, but in practice the parliament has no supervisory responsibility in relation to the use of party's resources.

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<sup>40</sup> New Zealand Parliament (2020) *Speaker's Directions 2020*

<sup>41</sup> New Zealand Parliament (2020) *Speaker's Directions 2020*

<sup>42</sup> SITRA (2021) *The role of parliamentary groups and parties in the Nordic Nations*

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## Sweden<sup>43</sup>

Support for parliamentary groups is split into four categories, with higher allocations for opposition groups.

Basic Support	<p>A core component plus an element based on the number of MPs in the group.</p> <p>In 2021, the core component was approx.. €162,000 – government groups receive one core component, opposition groups receive two.</p> <p>The additional component was approx. €5400 per MP</p>
Political secretaries	<p>Equal to the salary of one political secretary per MP (€6200 per month)</p> <p>The use of this support is decided upon by groups</p>

The remaining two categories of support are trips abroad and MPs language training.

Groups report annually to the parliament on their use of parliamentary support.

## Norway<sup>44</sup>

In Norway, MPs do not have their own parliamentary assistants and do not receive any financial support for parliamentary work (beyond their salary).

Parliamentary groups receive financial support, the majority of which is used on hiring assistants and on office space.

There is a very clear distinction drawn between parliamentary groups and political parties, with strict rules that prohibit the use of any financial support to parliamentary groups being used by political parties.

Support for parliamentary groups comes in three forms:

1. Basic support for all groups. Approx. €500,000 in 2021.
2. Additional support per member of the group. Approx. €80,000 per member in 2021.
3. Additional support for opposition groups, dependent on the group size:
  - a. Fewer than 2 = no extra support

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<sup>43</sup> Ibid.

<sup>44</sup> Ibid.

- b. 3-4 members = 50% more support
- c. 5 and over = 100% more support

Annual accounts and an audit report must be submitted to the Storting's Presidium.<sup>45</sup>

## **Iceland**<sup>46</sup>

Parliamentary group support (and party subsidies) are guided by the Act on the Finances of Political Organisations and their Information Disclosure.

There is no formal definition for the organisation of parliamentary groups; groups decide the division of tasks and obligations within their group.

To strengthen parliamentary work, the parliament provides groups with political assistants (totalling 30).

Group support is paid by the Ministry of Finance and Economic Affairs. The amount of support distributed depends on the state budget, and the amount received is based on the number of MPs in the group (1 MP = 1 unit). Each group receives one additional unit of support.

The additional 12 units are divided among the groups not in government, with a share made in proportion to the size of the group.

## **Denmark**<sup>47</sup>

According to the parliament's rules of procedure, the parliamentary group refers to a group which includes MPs who have been elected from the same party and who represent the same party as a group; which has been set up as a new parliamentary group or party; which is associated with an existing party that is not represented in the parliament or where the group no longer represents the same party but acts on the basis of commonly agreed practices.

Groups receive a monthly appropriation for the salaries of assistants. An appropriation per member is distributed, with higher rates for the ministers and the Speaker.

Groups with at least 4 members receive DKK 311,964 per month (2020).

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<sup>45</sup> "Changes to the guidelines on the parliamentary party group grants" <https://www.stortinget.no/en/In-English/About-the-Storting/News-archive/Front-page-news/2020-2021/changes-to-the-guidelines-on-the-parliamentary-party-group-grants/> [Accessed 06.11.23]

<sup>46</sup> Ibid.

<sup>47</sup> Ibid.

Support includes a basic amount per group and per member. The basic amount is the same for all groups with 4+ members. Groups may also receive additional support for the use of experts.

Groups with fewer than 4 members receive a smaller appropriation based on number of members.

This money is used for paying salaries of parliamentary group secretariat, advisers, communications specialists etc.

Individual MPs who do not belong to a group may also apply for an appropriation.

## **Existing literature on comparative approaches**

The EU

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A report prepared for the European Parliament in 2021 carried out comparison of political financing across Member States, including financial support for party parliamentary groups. The report offers a number of reflections based on this comparison.

This includes<sup>48</sup>:

- Regulations on financial and other assistance to parliamentary groups should include clear rules on the permitted use of these resources, including specifically which kinds of spending are permitted and which are not.
- In order to raise awareness of parliamentary groups concerning which uses of public assistance are permissible and which are not, Parliaments may consider issuing practical guidelines. Parliamentary groups should be able to consult an authority within Parliament to seek advice.
- Parliamentary groups should be obliged by law to report annually to an oversight body on money received and how it was used. This should include a breakdown of categories of spending and groups should be obliged to retain evidence of all payments for oversight purposes.
- Regulations should contain appropriate sanctions for misuse of funds.
- The oversight body should have the capacities and power to detect instance of misuse.

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<sup>48</sup> European Parliament (2021) *Financing of political structures in EU Member States – How funding is provided to national political parties, their foundations and parliamentary political groups and how the use of funds is controlled*

## Nordic Nations

A 2021 report from the Finnish Innovation Fund SITRA, compared the role of parliamentary groups and parties in Finland, Sweden, Norway, Denmark and Iceland. The report looked at the role, relationship and funding of both political parties and party parliamentary groups.

Based on this comparison, SITRA set out a number of observations and findings<sup>49</sup>:

- The electoral system impacts how parliamentary groups operate across the Nordic nations. In systems where the party is emphasised the party's role in the parliamentary group is often more significant, which in turn influences the work of the groups and the support they need.
- There are various approaches to which groups are entitled to funding. In Finland opposition groups do not receive any additional support. In Sweden, opposition groups do receive additional funding, and in Norway and Iceland support for parliamentary groups is only available to opposition groups.
- The relationship and working practices between government and the opposition, including the role of party parliamentary groups, is influenced by a country's tradition of either minority or majority governments. "This is directly relevant for the role of the parliamentary group and its increased importance in politics compared to the party."
  - In minority governments, the relationship between the government and other parliamentary groups is closer, as the government is reliant upon opposition support. The number of negotiations is higher, and therefore the role of groups is more significant.
  - In majority governments, the work of parliamentary groups is closer to electoral politics, where criticism or support for the government's actions is a key role for the opposition party parliamentary groups.
- Whether majority or minority government "the role of an opposition parliamentary group is particularly arduous...and several of the [Nordic] countries have developed additional support...to reduce this workload."
  - "The groups in the government receive support and services through ministers, while the opposition parties, which are strongly involved in the drafting of legislation in minority governments, also do a lot of preparatory work without ministry support."
- There are differing levels of distinction drawn between political parties and parliamentary groups. In Norway the parliament seeks to keep these two organisations clearly separate

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<sup>49</sup> SITRA (2021) *The role of parliamentary groups and parties in the Nordic Nations*

and there are rules in place that restrict the use of funding to parliamentary business. In Iceland no such boundaries are in place.

# 5. Conclusion

Parliamentary groups are a feature of many legislatures, but there does not appear to be an agreed definition of what the purpose of these groups should be, nor the extent to which they should be supported by the parliament in which they operate.

While this comparison therefore cannot provide a consensus view, it does provide some indication of the key issues that a review of PPSA should consider, and a steer on the key points of convergence or divergence between parliaments.

1. For the most part, allocations of financial support to parliamentary groups is linked in some way to the size of the group. Often groups are entitled to a core amount with an additional component based on a value per group member.
2. Many parliaments draw a clear distinction between parliamentary and political activity, with rules and regulations in place that seek to restrict the use of parliamentary funding to parliamentary activities.
3. The level of detail provided to groups on what is eligible or ineligible spend varies significantly. Some parliaments have more detailed guidance in place while others have a high level definition of “parliamentary business” to which all groups and Members are expected to comply.
4. A number of the parliaments included in this paper note legitimate communications or public relations activity as an eligible spend, with a strict steer that this cannot include any electioneering or political campaign communications.
5. In many parliaments, particularly the international examples, it is common for funding to be provided to all parties represented in the parliament, including those represented in the government. It is also commonplace for opposition groups to receive a larger allocation, either through an increased subsidy to them or a reduction applied to government groups.
6. A small number of parliaments have specific support in place for leaders of the opposition. This appears to be less common in the international examples, where the focus is on groups as opposed to leaders, when allocations are being determined. It is however commonplace for the group leaders to be specified in rules and regulations about reporting on use of parliamentary support.
7. Most parliaments have in place a system whereby groups and Members are held accountable for their use of financial support. The most common approach is to require regular reporting by groups on their use of funds, coupled with some form of independent audit.

## 6. Annex One: Summary of differential allocations for government and non-government groups

It is common in many of the examples reviewed for group funding to be paid to **all** groups but with differential allocations for government and non-government groups. This is achieved in a number of different ways.

1. A reduction to government allocations
2. A supplement to non-government allocations
3. Models where non-government groups receive additional elements

Legislature	Differential
Ireland	Government group allocation reduced by 1/3
Germany	Opposition groups core allocation 15% uplift and per Member allocation 10% uplift
Norway	Groups with 3-4 Members allocation increased by 50% Groups of 5+ allocation increased by 100%
New Zealand	Core allocations provided to all groups; per Member allocation only for non-Executive Members of the group
Sweden	Opposition groups receive 2 core components; government groups 1 core component All groups receive a per Member allocation
Iceland	Once core units allocated to all groups, remaining 12 units are split between opposition groups