

Committee on Standards

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From Kate Green MP, Chair of the Committee

Lord Evans of Weardale
Chair, Committee on Standards in Public Life
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Copy to: Kathryn Stone OBE
Parliamentary Commissioner for Standards

10 July 2019

Dear Jonathan,

I am writing in regard to the CSPL report on *MPs' Outside Interests*. As said in my letter to you on 11 June, the informal sub-committee would be engaging with the report in the first instance as part of its review of the Code of Conduct and the Guide to Rules, and then the main committee thereafter. At this stage in the review process I wanted to notify you of the Committee's analysis of the report (see appended).

In summary, the Committee is broadly supportive of the principles within recommendations 1, 2, 4, and 6; notes recommendations 3, 5, and 8 are already captured by the current Code of Conduct and Guide to the Rules; notes further consideration of the implications of recommendations 7 and 10 is necessary; and further notes recommendations 9 and 11 are not within the remit of the Committee on Standards.

The informal sub-committee will continue to consider the report and reflect on its recommendations during its review of the Code of Conduct and Guide to the Rules. We will of course remain closely in touch to ensure the Committee on Standards and the CSPL continue to work constructively together.

Yours ever,



KATE GREEN MP

CHAIR, COMMITTEE ON STANDARDS

Annex 1: CSPL Report MPs Outside Interests: Committee analysis

Recommendation 1: The Code of Conduct for MPs should be updated to state that:

Any outside activity undertaken by a MP, whether remunerated or unremunerated, should be within reasonable limits and should not prevent them from fully carrying out their range of duties.

1. The Committee on Standards has an informal sub-committee that is in the process of reviewing the Code of Conduct and Guide. The sub-committee is currently considering whether to include a rule within the Code of Conduct on the outside employment of Members. The Committee on Standards recognises the principle that Members should be able to take part in outside activities, as long as they are able to fulfil their duties and obligations set out in the Code of Conduct. The Committee agrees that being a Member does not preclude outside employment; however, Members must treat their parliamentary duties as their principal role.

Recommendation 2: The Parliamentary Commissioner for Standards and the Commons Committee on Standards should undertake a review of the rules for the registration of interests. They should consider how the rules could be revised to make them clearer to MPs and the public.

2. On 5 March 2019 the Committee on Standards agreed to set up an informal sub-committee to review the *Code of Conduct for Members of Parliament* and the *Guide to the Rules relating to the Conduct of Members*. Its terms of reference agreed by the Committee on Standards on 5 March 2019 are stated below:

Terms of Reference informal sub-committee (revision of Code and Guide)

1. Previous updates of the Code and Guide have largely comprised iterative changes to an original text. There is now an interest in taking more of a 'blank page' approach to the new Code and Guide, starting with a consideration of the objectives that should guide the style and content of the new Code and Guide. That is the approach that is now proposed. It is feasible that it will give rise to new issues that have not yet been identified for the terms of reference. If that transpires in practice, it will be the subject of a further report to the full Committee.
2. However, for the time being, as a result of the further consultation with the Committee, it is proposed that the terms of reference would be:

"To review the Code of Conduct and Guide to the Rules, taking into account:
 - a) the proposals put forward in 2017 by the previous Commissioner;
 - b) the need to incorporate changes resulting from the Independent Complaints and Grievance Scheme and the implementation of the Cox report as these emerge;
 - c) other codes of behaviour that apply to Members and the potential to either consolidate these or to illuminate the relationship between them;
 - d) The report of the Committee on Standards in Public Life, *MPs Outside Interests*, July 2018;
 - e) Good practice models from other Parliaments or relevant bodies."
3. There is also a case for identifying any consequential issues that need to be addressed in order to facilitate compliance with the Code and Guide. For example, the recent away-day of the main Committee identified that better technological processes could enable and potentially improve compliance with some aspects of the Guide (in particular) and this same issue arises from the Report of the Committee on Standards in Public Life (who call for a more accessible and searchable register of interests). The sub-committee will comment on these and any other similar issues, as it deems appropriate within the scope of its work.

3. In the process of reviewing the Code of Conduct and the Guide to the Rules the sub-committee will look to examine the rules concerning registration of Members' financial interests and declaration of Members' interests. The sub-committee also looks to clarify the set of rules with values which link from principles to instructions and promote a greater sense of ownership of the rules and personal responsibility across the House.

Recommendation 3: The Code of Conduct for MPs and Guide to the Rules should be revised to state that MPs should register any non-pecuniary interests on the public Register of Interests, on the same basis as pecuniary interests: that the interest might reasonably be thought by others to influence actions taken in their capacity as a Member of Parliament.

4. The Committee notes that this is already captured by paragraph 14 of the Code of Conduct and the associated instructions within the Guide to the Rules contained in chapter 1 paragraph 4, 5, 55, 56 (emphasis added).
5. Paragraph 14 of the Code of Conduct 2018 reads:

"Members shall fulfil conscientiously the requirements of the House in respect of the registration of interests in the Register of Members' Financial Interests. They shall always be open and frank in drawing attention to any relevant interest in any proceeding of the House or its Committees, and in any communications with Ministers, Members, public officials or public office holders."

6. Within the Guide to the Rules 2015, in chapter 1 which concerns the rule above, the Guide reads:

"4 ...When considering registration, Members are also required to keep in mind the overall purpose of the Register, which is **to provide information about any financial interest or other material benefit** which a Member receives **which might reasonably be thought by others to influence his or her actions, speeches or votes in Parliament, or actions taken in his or her capacity as a Member of Parliament.** If a Member has any financial interests which meet that purpose but which do not fall clearly into one of the defined categories, he or she is nonetheless required to register them, normally under the Miscellaneous category.

5. The Miscellaneous category may also be used to register non-financial interests when the Member considers they meet the purpose of the Register."

7. Further detail on the Miscellaneous category within the Guide to the Rules state:

55. Under this category **Members must register:**

a) **Any relevant financial interest or material benefit** which does not clearly fall into one of the other categories, including any shareholding which falls below the relevant threshold, or any other financial asset, including an asset held in trust, if the Member nevertheless considers that it meets the test of relevance; in other words, **that it might reasonably be thought by others to influence his or her actions or words as a Member;** and

b) **Any other interest, if the Member considers that it might reasonably be thought by others to influence his or her actions or words as a Member in the same way as a financial interest.** This might include an unpaid employment or directorship, or directorship of a company not currently trading, non-practising membership of a profession, or a fund established to defray legal costs arising out of the Member's work, but from which no benefit has yet been received.

56. Members are required to provide the following information:

a) A description of the interest and, where relevant, the name of the donor;

b) Any other relevant information. It is not necessary to provide a value for financial interests in this category;

c) The date when the interest arose or became registrable

Recommendation 4: As a matter of urgency, the Register of Members' Interests should be updated to ensure it is digitally accessible to the public and other MPs.

8. The [Register of Members' Financial Interests](#) is available online in HTML and PDF format.

9. Whilst digitalisation of the Register is not within the scope of the informal sub-committee's terms of reference, the Committee on Standards does have the ability to: "examine the arrangements proposed by the Commissioner for the compilation, maintenance and accessibility of the Register of Members' Financial Interests and any other registers of interest established by the House; and review from time to time the form and content of those registers¹."

10. In principle the Committee is supportive of making the Register more digitally accessible to the public and other MPs. The Committee understands that the Registrar of Members' Financial Interests is in discussions with the Parliamentary Digital Service over how best to make information about Members' interests more easily available online and digitally.

¹ UK Parliament (2019) [Role of the Committee on Standards](#)

Recommendation 5: The Code of Conduct and Guide to the Rules for MPs should be revised to make clear when MPs do need to declare pecuniary and non-pecuniary interests, and what level of detail should be provided in declarations of interests.

11. This information is already provided in the Guide to the Rules under Chapter 2: Declaration of Members' Interests.
12. This chapter provides detailed instructions on how to fulfil the requirements set out in paragraph 14 of the Code of Conduct:

“Members ... shall always be open and frank in drawing attention to any relevant interest in any proceeding of the House or its Committees, and in any communications with Ministers, Members, public officials or public office holders”

13. Chapter 2 explains clearly which interests might need to be declared. These interests include some, such as the interests of a partner, which will not be in the Register of Members' Financial Interests. The chapter explains when a Member is required to declare interests, which could be in almost any aspect of his or her activities, in the Chamber, in Committee and in contacts with others, including Ministers, other Members, public officials and public office holders. It sets out the test of relevance, being whether those interests might reasonably be thought by others to influence his or her actions or words as a Member. Non-financial interests should be declared if they meet this condition.
14. The chapter also provides guidance on what information should be included in declarations (see paragraph 3 of chapter 2). It makes clear that “declaration must provide sufficient information to convey the nature of the interest without the listener or the reader having to have recourse to the Register or other publication².”

Recommendation 6: The Parliamentary Digital Service should develop and implement a digital tool to identify where MPs have declared interests during Parliamentary proceedings

15. This recommendation has been addressed in answering recommendation 4.

Recommendation 7: The Code of Conduct for MPs and Guide to the Rules should be updated to provide explicitly that Members should not accept any but the most insignificant or incidental gift, benefit or hospitality from lobbyists. Guidance should be offered on the limits of 'insignificant or incidental'.

16. The Code of Conduct and Guide to the Rules does not have specific rules and instructions related to gifts, benefits or hospitality from lobbyists. Gifts, benefits and hospitality from lobbyists are treated in the same way as gifts, benefits and hospitality from other sources.

² House of Commons (2015) [Guide to the Rules, Chapter 2: Declaration of Members' Interests, paragraph 3](#)

17. This is addressed under Chapter 1, paragraphs 22-46 which addresses: Category 3: Gifts, benefits and hospitality from UK sources; Category 4: visits outside the UK, and Category 5: Gifts and benefits from sources outside the UK.
18. The informal sub-committee notes the Committee on Standards in Public Life's recommendation on restricting gifts, benefits and hospitality from lobbyists and will consider it during its review of the Code of Conduct and Guide to the Rules. It is noted that in trying to clarify rules for both MPs and the public, as recommended in recommendation 2, there is a wish to streamline rather than add to the rules and instructions within the Code and Guide.

Recommendation 8: The Code of Conduct for MPs and Guide to the Rules should be updated to state that MPs should register accepted gifts and hospitality. The register of MPs' gifts and hospitality should be published regularly and in an easily accessible format. The Parliamentary Commissioner for Standards and Commons Committee on Standards should have responsibility for sanctions should gifts or hospitality not be registered.

19. The Code of Conduct and Guide to the Rules already has rules and instructions on the registration of gifts, benefits and hospitality. MPs are required to register gifts, benefits and hospitality over set thresholds and are required to do so according to the instructions set out in the Guide.
20. This is captured in paragraph 14 of the Code of Conduct and the associated instructions within the Guide to the Rules contained in chapter 1 paragraph 22-46 which deal with Categories 3, 4 and 5: Gifts, benefits and hospitality from UK sources; visits outside the UK, and gifts and benefits from sources outside the UK.
21. Therefore, registration of MPs' gifts and hospitality is published within the Register of Members' Financial Interests which is maintained by the Parliamentary for Commissioner for Standards. It is updated fortnightly online when the House is sitting.
22. The Parliamentary Commissioner for Standards is responsible for investigating whether a Member has broken the Code of Conduct and its supporting rules if gifts, benefits or hospitality have not been registered. The Committee on Standards adjudicates which, if any, sanctions should be recommended to the House considering the results of the Commissioner's investigation. The House of Commons decides whether to impose the sanction on the Member.

Recommendation 9: All candidates at Parliamentary elections must publish, at nomination, whether they intend to continue to hold any existing interests if elected. The Cabinet Office should issue guidance on the registration of these outside interests in time for the next general election.

23. Any additional obligations imposed on candidates would require a change to electoral law. This is not within the remit of the Committee on Standards.

Recommendation 10: The Code of Conduct for MPs and Guide to the Rules should be updated to state: MPs should not accept any paid work to provide services as a Parliamentary strategist, adviser or consultant, for example, advising on Parliamentary affairs or on how to influence Parliament and its members.

MPs should never accept any payment or offers of employment to act as political or Parliamentary consultants or advisors.

24. Paragraph 11 of the Code of Conduct states:

“No Member shall act as a paid advocate in any proceeding of the House.”

25. Taking payment in return for advocating a particular matter in the House is strictly forbidden. A Member may, however, still hold a remunerated outside interest as a director, consultant or adviser or in any other capacity, whether or not such interests are related to membership of the House. For further details on this see Chapter 3: Lobbying for reward or consideration in the Guide to the Rules³.

26. There are definitional issues surrounding the terms Parliamentary strategist, adviser and consultant. If it was thought necessary to ban particular activities it might be better to list those rather than to ban roles with certain titles. The Committee notes further consideration needs to be given on how to best address the principle behind this recommendation.

Recommendation 11: The Parliamentary Commissioner for Standards and Commons Committee on Standards should reconsider whether the Code of Conduct for MPs should be updated to require former MPs to register for two years any occupation or employment which involves them or their employer in contact with Ministers, MPs or public officials.

27. This recommendation is not within the scope of the informal sub-committee’s terms of reference nor the remit of the Committee on Standards. As stated in the response to recommendation 9, the Committee considers the conduct of Members of Parliament. Equally the Commissioner investigates the conduct of Members of Parliament. There is currently no authority or scope for requiring former Members to register occupations. There is also a question of whether any sanction could be imposed and enforced if a former Member of Parliament was found in breach of registration requirements.

³ House of Commons (2015) [Guide to the Rules, Chapter 3: Lobbying for reward or consideration](#)

Recommendation 12: The Parliamentary Commissioner for Standards and the Commons Committee on Standards should consider the recommendations for changes to the Code of Conduct and Guide to the Rules arising from this report within 6 months from publication of this report. They should be debated and voted on in Parliament within 9 months of this report.

28. At its away day on 15 January the Committee on Standards discussed the report. On March 2019 the Committee agreed to set-up an informal sub-committee to review the Code and Guide. Within the informal sub-committee's terms of reference, it notes that the report of the Committee on Standards in Public Life, *MPs Outside Interests*, July 2018 is to be taken into account when reviewing the Code and Guide. The report was discussed at a joint meeting held between the Committee on Standards and the Committee on Standards in Public Life on 4 June 2019. In a letter to Lord Evans following the joint-meeting the Chair noted that: "the significant issues raised in the CSPL report on *MPs' Outside Interests* are likely to be looked at in the first instance by our informal sub-committee, and then by the main committee which will take into account the sub-committee's conclusions." This annex provides the Committee's analysis of the report.