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Summary

I investigated the allegation that the Member had registered late his financial interest in a property company and his interest in residential flats purchased through that company.

- 5 When I put that allegation to the Member he acknowledged that he should have registered his interests sooner. He said that, in his capacity as a Government Minister, he had declared the existence of the company to the Department and the Cabinet Office shortly after becoming a shareholder. He said he had been advised that it needed to be included in the published ministerial register only when it
10 became operational and he had mistakenly believed that also applied to registration in the Register of Members' Financial Interests.

The Member acknowledged his breach of the House's rules and apologised.

- The Member told me that he had considered whether there were any occasions when the rules of the House would have required him to disclose these interests by
15 way of declaration. He told me there were not. The Member further considered whether the discounted price of the properties had given rise to a registrable interest and he had concluded that it did not. I did not consider there was any justification to pursue those points any further. I told the Member that should fresh
20 allegations arise about them, or about other matters, I would consider such allegations on their own merits.

I concluded the inquiry using the rectification procedure available to me under Standing Order No 150.

Rt Hon Jeremy Hunt MP: Resolution letter

Letter from the Commissioner to Mr Jon Trickett MP, 24 May 2018

5 I wrote to you on 16 April to say that I would begin an inquiry into your allegation that Rt Hon Jeremy Hunt MP had acted in breach of paragraph 13 of the Code of Conduct for Members.

10 I am pleased to be able to tell you that I have now completed my inquiry. I have been in correspondence with Mr Hunt and he has acknowledged that he should have registered sooner his interest in Mare Pond Properties Ltd and the Ocean Village apartments. He has apologised unreservedly for his failure to do so. He has also explained how he came to be mistaken about the rules.

Mr Hunt has told me that he has considered whether the rules require him to register the discount he received when purchasing the Ocean Village properties and why he does not consider that to be necessary. I have no reason to doubt his assurance and no evidence which would justify further investigation on that point.

15 Mr Hunt has also told me that he has reviewed his records and does not believe that there are any occasions when the rules of the House would have required him to make a declaration in respect of these interests. I have consulted Hansard and have found no evidence of him having spoken on matters where these interests would have been relevant.

20 As I explained in my letter of 16 April 2018, the question of whether appropriate disclosures were made during any Cabinet discussions is outside my remit. The conduct of Members in any ministerial capacity is a matter for the Ministerial Code.

25 I also said that I did not consider paragraph 16 of the Code to be relevant based on the evidence you provided at the outset. My investigation did not reveal any evidence which would have justified widening the scope of my inquiry. On the basis of the information Mr Hunt has provided, I am satisfied that his breach of the rules was at the less serious end of the spectrum and that it was suitable for resolution through the rectification procedure.

30 The correspondence I have exchanged with Mr Hunt is reproduced in the evidence pack, a copy of which is attached. (This will be posted in my webpages in due course.)

I consider Mr Hunt's acknowledgement of his breach of paragraph 13 of the Code and his apology to be an appropriate outcome. This matter is now closed.

24 May 2018

Written evidence

1. Letter from Mr Jon Trickett MP to the Commissioner, 13 April 2018

I am writing to request you look into a potentially serious breach of the standards relating to financial interests by the Health Secretary, Jeremy Hunt.

- 5 It has been reported that Mr Hunt has purchased luxury flats on the south coast, but failed to declare them as business interest with the Parliamentary Register of MPs' Interests.

10 You will be aware that paragraph 13 of the Members' Code of Conduct states that: "Members shall fulfil conscientiously the requirements of the House in respect of the registration of interests in the Register of Members' Financial Interests". It also states that Members should be "open and frank" in drawing attention to such financial interests. Mr Hunt should have declared his interest within 28 days of setting up the company, in September 2017. It appears Mr Hunt has failed to adhere to this rule.

- 15 More generally, Mr Hunt's actions fall outside the principles of the Code, namely integrity, accountability, openness and honesty. The rules make clear: Members "must submit themselves to whatever scrutiny is appropriate to their office." It seems this has not happened.

20 Mr Hunt may have been in breach of paragraph 10 relating to conflicts of interest. He would have been in Cabinet during years where several decisions have been made surrounding housing, housebuilding and the regulation of both. There have also been several parliamentary votes affecting these issues as well as relevant Manifesto pledges. To maintain confidence in the decisions made by the Government, this matter must be investigated without delay.

- 25 In addition, paragraph 16 may have been breached. It prohibits Members undertaking any action "which would cause significant damage to the reputation and integrity of the House". Particularly because housing is an important issue at the moment, if any Minister purchases several of them, the public will want to know that such activity is according to the rules that ensure proper standards in those holding
30 public office.

These rules are crucial given that public trust in Members of Parliament and Government is paramount. The public must be reassured that non-one in public office has used their position for personal gain.

- 35 Mr Hunt is at the centre of Government and has been for several years. This is his thirteenth year as an MP, and his eighth in ministerial office. Many will speculate that these errors are not the outcome of pure administrative mistake on the grounds that he would have had ample time to familiarise himself with the rules.

I hope you will consider this as a matter to be investigated. I await your response.

13 April 2018

2. Letter from the Commissioner to Rt Hon Jeremy Hunt MP, 16 April 2018

5 I would welcome your help with an allegation I have received from Mr Jon Trickett MP about your compliance with the House of Commons' Code of Conduct for Members. I enclose a copy of Mr Trickett's letter for information.

10 As you know, the Registrar has forwarded to me your letter to her of 11 April 2018. Although it is helpful to have the early acknowledgment that "it may have been more appropriate" to register some of your interests sooner, I do not think that alone is sufficient to bring the matter to a close without a formal inquiry.

My Inquiry

My inquiry will focus on whether you should have registered sooner, in the *Register of Members' Financial Interests*, your shareholding in Mare Pond Properties Ltd and the purchase by that company of seven apartments in Southampton.

15 The Code of Conduct for Members

Paragraph 13 of the 2015 Code of Conduct for Members states:

20 *"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."*

The Guide to the Rules relating to the conduct of Members – on registration

The main purpose of the Register of Members' Financial Interests (the Register) is

25 *"to provide information of any pecuniary interest or other material benefit which a Member receives which might reasonably be thought by others to influence his or her action, speeches or votes in Parliament, or actions taken in his or her capacity as a Member of Parliament".*

30 After the publication of the first Register of a Parliament, it is the responsibility of Members to notify changes in their registrable interests within 28 days of each change occurring.

The detailed rules on the registration of financial interests are found in chapter 1 of the Guide to the Rules relating to the conduct of Members (copy enclosed).

Land and property are registered in Category 6 of the Register. The relevant rules are found in paragraphs 47-50 of chapter 1 of the Guide to the Rules.

5 *“Threshold for Registration*

47. Members must register, subject to the paragraphs below, any land or property in the UK or elsewhere which:

i) has a value of more than £100,000; or forms part of a total portfolio whose value exceeds £100,000; and/or

10 *ii) alone or together with other properties owned by the Member, provides rental income of more than £10,000 in a calendar year.”*

Paragraph 48 defines the land and property which Members must register:

“a) Land or property which they own or hold, either by themselves, or with or on behalf of their spouse, partner or dependent children.”

15 Shareholdings are registered in Category 7 of the Register. The relevant rules are found in paragraphs 51-54 of chapter 1 of the Guide.

Paragraph 51 provides the thresholds:

“51. Members must register, subject to the paragraphs below, any holdings which:

20 *i) amount to more than 15% of the issued share capital of that company, or more than 15% of a partnership;*

ii) are valued at more than £70,000.¹”

The Guide to the Rules relating to the conduct of Members - declaration

25 The rules on the declaration of interests are found in chapter 2 of the Guide to the Rules relating to the conduct of Members. Although not central to the allegation

1 Holdings should be valued as at the previous 5 April. If this is not possible, the Member should make their best estimate of the value on that date and register the holding within 28 days of the 5 April valuation. Holdings which fall below the registrable thresholds but meet the test of relevance should be registered under Category 8: Miscellaneous.

under investigation, they may become relevant during the inquiry. I enclose a copy of this chapter of the Guide for your information.

Next steps

5 In the first instance, I would welcome your comments on the alleged breach of the rules.

It would be helpful if you would answer the following questions.

- Whether you were aware of the requirement to register relevant financial interests within 28 days of their acquisition?
- 10 • whether at any time between 19 September 2017 and 7 March 2018 you considered registering your interest in Mare Pond Properties Ltd?
 - if you did so and decided registration was not required, what was the basis for that belief?
- 15 • Whether, on reflection, you consider that there were occasions on which (under the rules on declaring interests) you ought to have disclosed your interest in Mare Pond Properties Ltd or in the Ocean Village apartments, whether in parliamentary proceedings, in correspondence, when booking conference or meeting rooms; or indeed on any other occasion?

Any other points you may wish to make to help me with this inquiry would be most welcome.

20 Other matters

Mr Trickett has made two other allegations; concerning alleged breaches of paragraphs 10 and 16 of the Code of Conduct for Members. The first concerns your conduct as a Minister. As you will be aware, ministerial conduct -including any requirement to disclose financial interests in Cabinet and other ministerial meetings
25 – is subject to the Ministerial Code and is outside my remit. On the basis of the evidence currently available to me, I do not consider paragraph 16 to be relevant. If it should become so, I would give you an opportunity to comment on that specific allegation before widening the scope of my inquiry. I have explained both points to Mr Trickett.

30 Procedure

I enclose a copy of the *Commissioner's Information Note*,² which sets out the procedure I follow. I will shortly update my parliamentary web pages to show that I am conducting an inquiry into an allegation into this matter. My office will not comment further on any aspect of the inquiry. (They will, however, confirm that I have begun an inquiry if asked before this information is posted on my webpages and they will answer factual questions about the processes I follow and the standards system more generally.)

As you will be aware, my inquiries are conducted in private. This letter and any subsequent correspondence between us is protected by parliamentary privilege. This matter, including the content of our correspondence, should not be disclosed to any third party until after I have concluded my work and a decision has been published. (Any such publication will include all the relevant evidence, including our correspondence.) I would, therefore, ask that you respect that confidentiality.

As a matter of courtesy, I should say now that I may make further enquiries of the Registrar and/or other of the House authorities in due course. I will share any such correspondence with you.

While I do not, at this stage, know whether it will be necessary to interview you about this matter, it would be open to you to be accompanied at any such interview. I am, of course, very happy to meet with you at any stage if you would find that helpful.

I would appreciate your help and co-operation and welcome your comments on the allegation, together with any evidence you feel may assist my investigation, as soon as possible and no later than 24 April 2018.

16 April 2018

25 **3. Letter from Rt Hon Jeremy Hunt MP to the Commissioner, 19 April 2018**

Thank you for your letter. I will of course assist you in your investigation and co-operate fully with your enquiries.

As I set out in my letter of 11 April to the Registrar of Members' Financial Interests, I fully accept I made a mistake in my parliamentary declarations, and apologise wholeheartedly for this.

The guidance states that "members shall base their conduct on a consideration of the public interest, avoid conflict between personal interest and the public interest and resolve any conflict between the two". I believed the existence of a shell

² <http://www.parliament.uk/documents/pcfs/New%20Website%20Documents/PCS-Information-Note.pdf>

company on paper - with no assets or value - did not represent any potential conflict, which led me to misinterpret the rules. I take full responsibility for this.

5 This believe was confirmed by my enquiries around ministerial declarations. In my ministerial capacity, I declared the existence of the company to the Department and Cabinet Office shortly after I became a shareholder in it. They advised that as it only existed on paper at that stage - that is, as a shell company with no assets or value, it should only be considered for inclusion on the published ministerial register when it became operational. This confirmed my assumption that it was not a relevant financial interest at that stage (although I now realise the rules for ministerial and
10 parliamentary declarations are different) so I went on to declare it in the Register of Members' Financial Interests within 28 days of the properties being purchased, appearing in the Register on Wednesday 21 March.

15 In short, whilst the establishing of an administrative vehicle was not declared within 28 days, the ownership of the properties was. However, I derived no personal benefit nor do I believe there was any conflict of interest caused by the late registration of the administrative vehicle. I hope this makes it clear it was a genuine oversight, albeit a mistake which I readily acknowledge and take responsibility for.

20 Nevertheless, even though it was a genuine oversight, I fully accept I should have scrutinised the Parliamentary rules more closely at the time rather than presuming the rules were aligned with those on ministerial declarations.

In terms of your specific questions:

- 25 • Whether you were aware of the requirement to register relevant financial interests within 28 days of their acquisition? Yes. I mistakenly believed that the existence of a company on paper that was not operational and had no assets or value was not a relevant financial interest.
- Whether at any time between 19 September 2017 and 7 March 2018 you considered registering your interest in Mare Pond Properties Ltd? See my account above.
- 30 • Whether on reflection, you consider there were occasions when you ought to have disclosed your interest in Mare Pond Properties Ltd or in the Ocean Village apartments? My interest in Ocean Village apartments was declared within 28 days of acquiring the properties, so I believe this was disclosed correctly. As set out above, my interest in Mare Pond Properties was inadvertently declared late. In relation to parliamentary proceedings, correspondence, booking conference or meeting rooms, and other
35 parliamentary occasions, I am confident there was no conflict as set out in the first paragraph of guidance referred to above.

I hope the account above answers your questions, but please do let me know if I can assist in any other way.

19 April 2018

4. Letter from the Commissioner to Rt Hon Jeremy Hunt MP, 14 May 2018

Thank you for taking the time to meet me last week. I hope it was helpful to have a face-to-face discussion about the requirements of the House of Commons' Code of Conduct for Members and how it differs from the Ministerial Code.

I said I would write to summarise the main points we discussed. However, before doing so, I think it may be helpful to say a little about the difference between registration and declaration of interests by Members. Registration is the reporting of specific information to the Registrar for inclusion in the Register of Members' Financial Interests. Chapter 1 of the Guide to the Rules defines the categories of registration and the information to be recorded in the Register. Declarations are required when an interest is relevant to a matter at hand. The circumstances in which declarations should be made and the test of relevance are explained in chapter 2 of the Guide to the Rules.

Registration of your interest in Mare Pond Properties Limited

There are no outstanding issues: you have acknowledged and apologised for the late registration of your interest in this company; and I will, in accordance with usual practice, ask the Registrar to have the relevant entry italicised for a period of 12 months.

Registration of your interest in Ocean Village apartments

I noted that you had registered this interest late – by just one day – which you accepted and, for which you immediately apologised.

Declarations

I drew to your attention the test of relevance,³ which is defined in paragraph 5 of chapter 2 of the Guide to the Rules relating to the conduct of Members and asked you to look again at whether there have been any occasions when you ought to have made a declaration of interest in respect of either Mare Pond Properties Limited or Ocean Village apartments. (In your letter of 19 April, you referred instead to paragraph 10 of the Code, which deals more specifically with conflicts between personal interest and the public interest.) You agreed to write to me to let me know the outcome on this point.

Other matters

- I explained that my inquiry is concerned only with matters concerning the Code of Conduct for Members. It is not, as has been reported in some parts of the media, concerned with company law.
- I said that I was aware of media reports of Mare Pond Properties Limited having benefited from a discount on the purchase of an interest in Ocean Village Properties. "If any discount "relate[s] in any way to [your]

³ The test of relevance is "*whether those interests might reasonably be thought by others to influence [your] actions or words as a Member*"

5 membership of the House or political activities” that discount might be a registrable benefit (in Category 3) of the Register of Members’ Financial Interests and the Registrar would be happy to advise you on that point if you were in any doubt about registration. You told me that you had considered this point already and were confident that the discount was a purely commercial arrangement and not in any way related to your membership of the House or political activities.

- 10 • I confirmed that my inquiry has not given rise to any evidence which would bring paragraph 16 of the Code into play. I also said that should a fresh allegation of a breach of the rules arise, I would consider it on its merits, which you confirmed you would expect.
- I explained the rectification procedure, available to me under Standing Order No 150 and said that, subject to your response to this letter, the matter could be concluded through that procedure.

15 — If, on reflection, you identify any occasions where you have omitted to make a declaration when you should have done so, you would be expected to make an apology for that omission to the House by way of a point of order.

20 It would be helpful to have your response to this letter as soon as possible and no later than 22 May 2018.

25 Subject to any final comments you wish to add, I would expect to be in a position to bring my work to a conclusion soon. Before I conclude my inquiry, I would give you an opportunity to see a draft of my letter to Mr Trickett and a copy of the evidence to be posted on my webpages. The content of the letter to Mr Trickett will be, of course, a matter for me alone but you will have the opportunity to comment on its factual accuracy. I would inform the Committee of the outcome and my decision letter, with all the relevant correspondence, would be published on my webpages in due course.

30 In the meantime, this matter remains protected by parliamentary privilege and the contents of our correspondence should not be disclosed to any third party.

14 May 2018

35 **5. Email from Rt Hon Jeremy Hunt to the Commissioner, 16 May 2018**

Thank you for sparing the time to meet me last week and for your letter of 14 May. In that meeting you drew my attention to the fact that I registered the interest in seven apartments in Southampton late by one day for which I repeat my apology.

40 It was most helpful to understand in our discussions the role of the 'test of relevance' in paragraph 5 of chapter 2 of the Guide to the Rules. I fully accept that the test of relevance means a declaration should be made not only if there is a

5 potential conflict of interest but whether a Member's private interests might reasonably be thought by others to influence one's actions as a Member. I confirm that I do not believe there are any occasions since the legal registration of Mare Pond Properties Ltd or the acquisition of the seven apartments where the test of relevance has been met.

10 I fully appreciate that if any discount from the advertised list price received by me related to my membership of the House it would need to be registered. However, the vendor has confirmed to me that the prices I paid were the open market prices at the time of agreeing terms, after giving due consideration to a number of market factors including the purchase of multiple flats - and not related to my membership of the House. It is therefore not registrable under category 3 of chapter 1.

15 I trust this resolves any outstanding issues. I would also like to repeat my apology for the late registrations. Whilst I do not believe there was any conflict of interest I fully accept that it is the responsibility of members to understand fully the detailed requirements of the rules including making declarations when there may be no conflict but others could reasonably assume such a conflict might exist.

20 Please do not hesitate to get in touch if you require further information.

16 May 2018

6. Letter from the Commissioner to Rt Hon Jeremy Hunt MP, 23 May 2018

25 Thank you for your email of 16 May 2018. The information you have provided is very helpful and I am now able to make a decision.

Registration

30 You have acknowledged your late registration of your interests in Mare Pond Properties Ltd and Ocean Village apartments, and apologised for those breaches of paragraph 13 of the Code of Conduct for Members. As you are aware, it is customary for me to ask the Registrar to italicise late entries in the Register after a formal inquiry and I will ask her to do so when the Register of Members' Financial Interests is next updated.

35 I am grateful for your assurance that you have considered whether the rules of the House require the registration of the value of the discount on the purchase of the Ocean Village flats.

Declaration

Thank you for checking again whether there had been any occasion when the rules of the House might have required you to declare these interests in parliamentary or other proceedings.

I have consulted Hansard and have not identified any occasion since your acquisition of the shareholding in Mare Pond Properties Ltd when you might have been required to make a declaration during parliamentary proceedings.

Next steps

- 5 Under Standing Order No 150 I may conclude an inquiry without making a referral to the Committee on Standards in certain circumstances, using the “rectification” procedure. I would be willing to use that procedure in this case.

You have already acknowledged the breach of the rules and apologised for it.

- 10 Assuming you are content to conclude this matter by way of the rectification procedure, I would write to Mr Trickett to inform him of my decision and, in due course, notify the Committee on Standards of the outcome. The written evidence pack (enclosed) would be published on my webpages⁴ and your name removed from the list of current inquiries.

- 15 Before I write to Mr Trickett, you are invited to comment on the factual accuracy of the evidence pack, including my draft letter to him. The proposed text is shown as the first item after the summary in the enclosed pack. I would be pleased to have any comments you wish to make on the evidence pack as soon as possible and no later than 30 May 2018.

- 20 Our correspondence continues to be protected by parliamentary privilege. Until I send you and Mr Trickett letters concluding this inquiry, this matter should remain confidential.

23 May 2018

⁴ <http://www.parliament.uk/mps-lords-and-offices/standards-and-financial-interests/parliamentary-commissioner-for-standards/complaints-and-investigations/allegations-the-commissioner-has-rectified/>