

THE STANDARDS SYSTEM IN THE HOUSE OF COMMONS

FINANCIAL CONSEQUENCES

Memorandum by the Accounting Officer

1. The Leader of the House and Mr Kevin Barron (Chair of the Committee on Standards) have tabled the following motion.

That:

(1) this House takes note of the Sixth Report from the Committee on Standards, on the Standards System in the House of Commons, (HC 383);

(2) with effect from the beginning of the next Parliament, the following changes to Standing Orders be made:

Standing Order No. 122B (Election of Chairs of Select Committees)

Line 10, leave out 'and'.

Line 11, at end insert '; and

(f) The Committee on Standards.'

Line 70, after 'Accounts', insert 'or the Committee on Standards'.

Standing Order No. 149 (Committee on Standards)

Line 20, leave out 'ten' and insert 'seven'.

Line 20, leave out from 'and' to 'lay' in line 21 and insert 'seven'.

Line 26, leave out from 'sub-committees' to 'and' in line 27.

Line 34, leave out 'five members who are Members of this House' and insert 'three members who are Members of this House and three lay members'.

Line 36, leave out from 'three' to end of line 37 and insert 'of whom at least one shall be a Member of this House and at least one a lay member'.

Line 38, leave out paragraph 7.

Standing Order No. 149A: (Lay Members of Committee on Standards: appointment, etc.)

Line 5, at end insert—

'() The period of appointment of a lay member shall be specified in the resolution of the House for appointment and shall not exceed six years. The appointment of a lay member is not terminated by any dissolution of Parliament.

() No person who has once been a lay member may be appointed for a further term'.

Line 6, leave out 'first'.

Line 23, leave out paragraphs 6,7 and 8; and

(3) Notwithstanding the provisions of Standing Order No. 149A, as amended, lay members who were members of the Committee on Standards in the 2010 Parliament shall cease to be lay members at the end of the current Parliament but be eligible for reappointment in the next Parliament, and paragraph (3) of that Standing Order shall not apply to any such re-appointment.

2. Further information on the proposal to increase the number of lay members on the Committee on Standards from three to seven can be found in the Committee on Standards' report "[The Standards System in the House of Commons](#)", Sixth Report of Session 2014-15, HC 383.
3. Standing Order No. 22C requires the Accounting Officer to produce a memorandum on the financial consequences of any motion to be considered by the House if the motion would have a direct consequence of additional expenditure under the House of Commons: Administration Estimate estimated to be £50,000 or more.
4. One of the consequences of this motion would be to increase the number of lay members on the Committee on Standards. This would, if approved, incur the following costs:
 - a. The cost of recruitment exercises;
 - b. Ongoing costs for remuneration and travel expenses of the additional lay members of the Committee, and
 - c. Possible increased staffing for the Committee to support the increased membership.
5. The one-off costs of recruiting the additional four lay members to the Committee of Standards are estimated to be around £38,000. This includes the costs of advertisements and the use of an executive search agency who support the recruitment process by undertaking a candidate search, and narrow down the applications to a "longlist" for consideration by the recruitment panel.
6. The cost of recruitment exercises will recur whenever a new lay member has to be recruited. The cost of a recruitment exercise for a single post at this level is estimated to be £25,000. It may be possible to reduce this by recruiting for several of the lay members at the same time.
7. The report estimate that the average cost of a lay member attending a meeting to be around £500. The additional cost will therefore depend on a) the future division of meetings between the main Committee and Sub-Committee, and (b) how many lay members attend each meeting. I estimate that the annual additional cost will be in the order of £25,000.
8. The Committee on Standards shares staffing resource with the Committee of Privileges. The current intention is to continue with this arrangement. Consideration will be given to whether additional staff resources are required as part of the financial and business planning process and if possible any additional demand would be addressed through a reallocation of resources. It is possible that modest additional staff resources may needed to support the expanded Committee, but it is not possible to estimate these costs at this stage.

David Natzler

Accounting Officer

16 March 2015