



HOUSE OF LORDS

Report from the Commissioner for Standards

The conduct of Lord Pickles

Commissioners for Standards

The independent Commissioners for Standards are responsible for considering any alleged breaches of the Codes of Conduct.

Address: The Commissioners for Standards, House of Lords, London SW1A 0PW

Email: lordsstandards@parliament.uk

Telephone: 020 7219 7152

Website: www.parliament.uk/hl-standards

Registrar of Lords' Interests

The Registrar of Lords' Interests advises members of the House and their staff on their obligations under the Codes of Conduct.

Address: The Registrar of Lords' Interests, House of Lords, London SW1A 0PW

Email: lordsregistrar@parliament.uk

Telephone: 020 7219 3112/3120

Registers of Interests

A list of interests of members and their staff can be found online:

<http://www.parliament.uk/hlregister>

Independent Complaints and Grievance Scheme helpline

Telephone: 0808 168 9281 (freephone)

Email: support@ICGShelpline.org.uk

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The conduct of Lord Pickles

Summary of complaint

1. On 7 July 2021, my office received a complaint from a member of the public, Dr Alex May, about the conduct of Lord Pickles (see Appendix 1).¹
2. Dr May complained that Lord Pickles should have registered the clients of Oakworth Services Limited, of which he is a director. On his Register of Interests, Lord Pickles is registered as both a remunerated director (Category 1) and a person with significant control (Category 3) of Oakworth Services Limited.² Dr May's complaint pertained to Lord Pickles' role as a remunerated director of Oakworth Services Limited.

Relevant aspect of the Code

3. Paragraph 55(a) of the Guide to the Code says that:

“While clients of companies in which members hold a directorship must be declared in relevant circumstances (see paragraph 97), they do not need to be registered except where:

 - (a) the company is the member's own intermediary (most commonly a limited company that they control);³ or
 - (b) the client is a foreign government to which the member personally provides services.”
4. The focus of my investigation was to determine whether Oakworth Services Limited is a personal service company, and therefore whether Lord Pickles should have registered its clients.

Summary of investigation

5. Once I established that Dr May's summary of Lord Pickles' Register of Interests was accurate, I determined that this complaint passed preliminary assessment and that an investigation was required.
6. I wrote to Lord Pickles on 15 July 2021 to provide him with a copy of the complaint and to inform him that I had launched an investigation (see Appendix 2). In my letter, I asked Lord Pickles to provide a written response to the launch of my investigation, and I advised him that it would be useful if he could address whether he considered Oakworth Services Limited to be a personal service company and, if so, whether the company had any current clients.
7. Lord Pickles responded to my letter on the same day (see Appendix 3). In his email, Lord Pickles said that Oakworth Services Limited had no current clients, and that the company had only ever had two clients—the Leo Group and the Parliamentary Review. Lord Pickles said that both of these companies were properly registered when they were active clients of Oakworth Services Limited.

1 This investigation and report was completed by Martin Jelley QPM.

2 UK Parliament, Members of the House of Lords, Lord Pickles, [Register of Interests](#) [accessed 26 July 2021].

3 Also known as a personal service company.

8. In his email, Lord Pickles also said that when he was appointed as the Chair of the Advisory Committee on Business Appointments (ACOPA), he “decided not to engage in any form of paid outside interest” and, consequently. “Oakworth Services had no clients or income and would not have any until April 2025 at the earliest”.
9. Prior to responding to Lord Pickles, I looked at the historic version of the Register of Interests to establish whether he had previously registered the Leo Group and the Parliamentary Review as clients of Oakworth Services Limited.⁴ In the historic version of the Register of Interests, I found two entries under Lord Pickles’ name that read:

“Non-executive Director, Leo Group Ltd (recycling and alternate energy) (interest ceased 13 May 2019)

Non-executive Director and Chairman, Parliamentary Review (publication) (interest ceased 19 March 2020)”
10. Therefore, Lord Pickles had properly registered the clients of Oakworth Services Limited when the company had active clients, as required by paragraph 55(a) of the Guide to the Code of Conduct. The two former clients of Oakworth Services Limited—the Leo Group and the Parliamentary Review—had since ceased, which is why there were no registered clients for Oakworth Services Limited on the current version of the Register of Interests.
11. On 19 July 2021, I replied to Lord Pickles’ email (see Appendix 4). In my email, I acknowledged that the Leo Group and the Parliamentary Review had been registered as the clients of Oakworth Services Limited when they were active clients. I also asked Lord Pickles to confirm whether he was remunerated for his directorship of Oakworth Services Limited in any way given that Oakworth Services was listed as a Category 1 interest on the Register of Interests, which is the category for remunerated directorships.
12. In his response to my email, Lord Pickles said that “there is a sum of money from the Leo Group and the Parliamentary Review, which are historic, within Oakworth Services accounts” (see Appendix 5).
13. I understood this to be the reason why he retained his directorship of Oakworth Services Limited as a Category 1 interest rather than moving it to the unremunerated directorships category, Category 10(a). Lord Pickles reiterated that no income had gone into Oakworth Services Limited since January 2020 and that there would be no clients to register until April 2025 at the earliest.
14. On the same day, 19 July 2021, Lord Pickles sent a further email after he had received his accountant’s advice (see Appendix 6). In his email, Lord Pickles said that his accountant had advised him to “declare Oakworth Services dormant as a company, being a true reflection of its activity”.

4 The historic versions of the Register of Interests are maintained by the Office of the Registrar of Lords’ Interests and can be read [here](#).

Finding

15. **Lord Pickles registered the clients of Oakworth Services Limited as required by paragraph 55(a) of the Guide to the Code of Conduct when the company had active clients.**
16. **I am satisfied that Oakworth Services Limited no longer has any active clients, and that the company's relationship with previous clients—the Leo Group and the Parliamentary Review—has ceased.**
17. **I conclude that Lord Pickles is not in breach of paragraph 55(a) of the Guide to the Code of Conduct. The complaint is therefore dismissed.**
18. **My conclusion is unaffected by whether or not Lord Pickles decides to register Oakworth Services Limited as a dormant company.**
19. I am grateful to Lord Pickles for his cooperation in this matter and for his prompt and thorough responses.

Martin Jelley QPM
Commissioner for Standards

**APPENDIX 1: EMAIL FROM DR ALEX MAY TO THE
COMMISSIONER FOR STANDARDS, 7 JULY 2021**

1. I'm writing to you to complain about the conduct of Lord Pickles.
2. Lord Pickles appears to have breached the Guide to the Code of Conduct, para 55.
3. Lord Pickles has registered his remunerated directorship of Oakworth Services Ltd under category 1.
4. The peer is a "person with significant control" of Oakworth Services Ltd, according to both Companies House records and his disclosure under category 3.
5. Therefore, Lord Pickles should register the clients of Oakworth Services Ltd, according to the Guide to the Code of Conduct, para 55.

APPENDIX 2: LETTER FROM THE COMMISSIONER FOR STANDARDS TO LORD PICKLES, 15 JULY 2021

I am writing because I have received a complaint from a member of the public, Dr Alex May, alleging that you have breached the House of Lords Code of Conduct.

The complaint relates to your registration of Oakworth Services Limited on the Register of Interests. The complainant suggests that you should have registered the clients of Oakwood Services Limited because he suggests that it is a personal service company.

A copy of the complaint is enclosed.

I have carried out a preliminary assessment of the complaint. I have decided that there is sufficient *prima facie* evidence to investigate whether the House of Lords Code of Conduct may have been breached.

In particular, I intend to investigate whether paragraph 55 of the Guide to the Code of Conduct has been breached:

“The amount of remuneration in respect of interests falling within this category is not disclosed. The contract does not need to be deposited with the Registrar. While clients of companies in which members hold a directorship must be declared in relevant circumstances (see paragraph 97), they do not need to be registered except where:

- (a) the company is the member’s own intermediary (most commonly a limited company that they control);⁵ or
- (b) the client is a foreign government to which the member personally provides services.”

Specifically, I intend to investigate whether you should have registered the clients of Oakworth Services Limited on the grounds that it could be a personal service company. Consequently, the focus of my investigation will be determining whether or not Oakworth Services Limited is a personal service company.

The term “personal service company” is not defined in law, nor is any definition included in the Guide to the Code of Conduct. However, in 2014 the House of Lords ad hoc Select Committee on Personal Service Companies used the following definition:

“The term ‘personal service company’ is understood generally to mean a limited company, the sole or main shareholder of which is also its director, who, instead of working directly for clients, or taking up employment with other businesses, operates through his company. The company contracts with clients, either directly or through an agency, to supply the services of its director.”⁶

I invite you to respond in writing with a full and accurate account of the matters in question. This response may be by email or letter and to whatever length you feel necessary.

⁵ Also known as a personal service company

⁶ Select Committee on Personal Service Companies, [Personal Service Companies](#) (Report of Session 2013–14, HL Paper 160), para 2.

Without limiting what you may wish to include in your response to the complaint, it would be useful if you could address whether you consider Oakworth Services Limited to be a personal service company and, if so, whether the company has any current clients.

A response by 26 July 2021 would greatly assist me in investigating this matter in a timely fashion.

I would also wish to draw your attention to paragraph 144 of the Guide to the Code of Conduct:

“From the point that the Commissioner decides to undertake an investigation all evidence and correspondence relating directly to the inquiry is covered by parliamentary privilege. It must remain confidential unless and until it is published. If such evidence or correspondence were to be published or disclosed to anyone else without the agreement of the Conduct Committee or the Commissioner, this would be a contempt of the House. An attempt to obstruct an investigation is a contempt of the House.”

In accordance with paragraph 133 of the Guide to the Code of Conduct a webpage on the parliamentary website will include basic information about the case.

APPENDIX 3: EMAIL FROM LORD PICKLES TO THE COMMISSIONER FOR STANDARDS

Thank you for your enquiry as to the clients of Oakworth Services. The company has, or rather had, only two clients The Leo Group and The Parliamentary Review. As you can see from my entry in the Register both these companies were properly declared at the time.

Whilst there was no requirement for me to do so, on my appointment as the Chair of ACOBA I decided not to engage in any form of paid outside interest. Consequently, Oakworth Services has no clients or income, and will not have any until April 2025 at the earliest.

I hope this clears the matter up, but remain ready to answer any further questions you may have.

**APPENDIX 4: EMAIL FROM THE COMMISSIONER FOR
STANDARDS TO LORD PICKLES, 19 JULY 2021**

Thank you for your prompt response to my letter.

I have checked the [historic version](#) of the Register of Interests and I can see that as you said in your email, you registered The Leo Group and The Parliamentary Review as category 1 interests which ceased on 13 May 2019 and 19 March 2020 respectively.

In your email, you said that “Oakworth Services has no clients or income, and will not have any until April 2025 at the earliest”. Please can you confirm whether you are remunerated for your directorship of Oakworth Services Limited in any way? I note that Oakworth Services is currently listed as a category 1 interest on your [Register of Interests](#), which is the category for remunerated directorships.

APPENDIX 5: EMAIL FROM LORD PICKLES TO THE COMMISSIONER FOR STANDARDS, 19 JULY 2021

There is a sum of money from Leo group and Parliamentary Review, which are historic, within Oakworth Services accounts. This historic sum relates to client's, properly declare at the time, received while my entry in the register was current. I followed the advice on registering these clients.

Before your letter of last week I had asked my accountant for advice on the administration of the company, I await her advice.

Once I knew I was taking on the Chair I decided to cease all paid outside interest. No income has gone into the company since January 2020. There are currently no clients, at all, for Oakworth Services to register, nor will they be until April 2025 at the earliest.

There is no requirement for the ACOBA Chair to relinquish paid outside interests. I knew that difficult reforms were long overdue and that my retention of any paid interest would complicate matters. Hence my decision.

I hope I have answered your question fully. I would be happy to answer any further clarification you might have.

**APPENDIX 6: EMAIL FROM LORD PICKLES TO THE
COMMISSIONER FOR STANDARDS, 19 JULY 2021**

Further to my last email I have now received my Accountant's advice. She feels that we should declare Oakworth Services dormant as a company, being a true reflection of it's activity.

I have not apprised her of your interest.

I hope you now have sufficient information, but remain willing to answer further questions you might have.