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## Summary

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5 Following receipt of information from the Registrar of Members' Financial Interests, I investigated on my own initiative whether the Member had failed to register several financial interests within the time frame required by the Guide to the Rules relating to the Conduct of Members.

I concluded that the Member had breached Paragraph 14 of The Code of Conduct for Members of Parliament by failing to register five financial interests within the 28-day deadline set by the House.

10 The Member immediately acknowledged and apologised for her breach of the rules and provided an explanation for how this had happened. The Member has also described the steps taken to avoid a recurrence of these errors, and she has assured me that her register entry is now complete and up to date. I considered the Member's apology and remedial actions to be an appropriate outcome, and I have  
15 concluded the matter by way of the rectification procedure available to me under Standing Order No. 150.

I have also asked the Registrar to arrange for the relevant entries in the Register of Members' Financial Interests to be annotated so that it is clear those entries have been the subject of an inquiry.

## Written evidence

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### 1. Letter from the Commissioner to Ms Chloe Smith MP, 9 September 2020

I am writing to you to seek your assistance with a formal inquiry. I would welcome your help with information that I have received from the Registrar of Members' Financial Interests concerning the late registration of several interests. I have reproduced the interests in question as an enclosure to this letter.

#### My inquiry

My inquiry will focus on the concern that your actions have put you in breach of paragraph 14 of the Code of Conduct for Members.

#### 10 The Code of Conduct

In relation to the declaration of interests, paragraph 14 of the Code of Conduct for Members states:

15 “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”

20 Further to the Code, the Guide to the Rules relating to the Conduct of Members states the following at Chapter 1:

#### Requirements of the House

25 2. The House requires new Members, within one month of their election, to register all their current financial interests, and any registrable benefits (other than earnings) received in the 12 months before their election. After that, Members are required to register within 28 days any change in those registrable interests. Such a change includes both the acquisition of a new interest and the ceasing of any registered interest, for example because an employment has ceased or because a holding has reduced in value or  
30 been sold.

...

## **Category 2: Donations and other support for activities as a Member of Parliament**

### **Threshold for registration**

5 15. Members must register, subject to the paragraphs below, support for their activities as a Member, or for candidacy at an election for parliamentary or non-parliamentary office, which has a value of more than £1,500, either as a single donation or in multiple donations of more than £500 from the same source in a calendar year.

### **10 Next steps**

I note your earlier apology to the Registrar, and your comments on the impact of your maternity leave, between April 2019 and October 2019, on the management of your register entry, but I would welcome any further comments from you on these late registrations.

15 In addition, please can you address the following specific questions:

1. Are you now satisfied that your register entry is complete and accurate?
2. What steps have you taken to avoid further late registrations?

20 It would be helpful to receive any supporting evidence you have at the same time as receiving your response to these questions. Any other points you may wish to make to help me with this inquiry would also be most welcome.

### **Outcomes**

There are three possible outcomes to my inquiry:

1. I decide that you have not breached the Code of Conduct for Members and no further action is needed.
- 25 2. I decide that you have breached the Code of Conduct for Members and I am satisfied that the matter is suitable for rectification using the powers available to me under Standing Order number 150.
- 30 3. I decide that you have breached the Code of Conduct for Members, and I decide that the matter cannot be rectified and must be put before the Committee on Standards.

### **Important information**

As you will be aware, my inquiries are conducted in private. Following the decision taken by the House on 19 July 2018, I will not publish the fact that I am conducting an inquiry into an allegation of an alleged breach of the Code of Conduct. My office will not comment to third parties on any aspect of the inquiry. They will answer direct factual questions about the processes I follow and the standards system more generally but will neither confirm nor deny that I have begun an inquiry.

### **Procedure**

I enclose a copy of the Commissioner's Information Note, which sets out the procedure for inquiries. Please note that this has not yet been updated to reflect the changes flowing from the decision of 19 July 2018.

This letter and any subsequent correspondence between us in connection with this inquiry is protected by parliamentary privilege. Until such time as a final report is published, I must ask that you respect that confidentiality and do not disclose the contents of our correspondence to any third party. My decision and all the relevant evidence, including our correspondence, will be published at the end of the inquiry.

I should say now, as a matter of courtesy, that I may seek the advice of the House authorities and others as part of this inquiry. If I do so, I will share that 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 speak with you at any stage if you would find that helpful.

### **Action**

I would be grateful to have your response to this letter as soon as possible and no later than 21 September 2020 please. Due to the current health crisis, my team are working from home only, so I would be grateful if you could please send your response electronically to [standardscommissioner@parliament.uk](mailto:standardscommissioner@parliament.uk).

Thank you for your assistance with this matter.

**Enclosure: Late Registrations, 10 August 2020 edition of the Register of Members' Financial Interests**

*Smith, Chloe (Norwich North)*

2. (a) Support linked to an MP but received by a local party organisation or indirectly via a central party organisation

Name of donor: Computer Service Centre

5 Address of donor: 19 Meridian Way, Norwich NR7 0TA

Amount of donation or nature and value if donation in kind: £4,200 in monthly instalments of £350 from April 2018 to March 2019 (12 months)

Donor status: company, registration 4517529

(Registered 23 July 2020)

10

Name of donor: Computer Service Centre

Address of donor: 19 Meridian Way, Norwich NR7 0TA

Amount of donation or nature and value if donation in kind: IT support from April 2018 to March 2019 (12 months), valued at £13,523.40 (inc VAT)

15 Donor status: company, registration 4517529

(Registered 23 July 2020)

Name of donor: Computer Service Centre

Address of donor: 19 Meridian Way, Norwich NR7 0TA

20 Amount of donation or nature and value if donation in kind: £4,550 received in monthly instalments of £350 from April 2019 to April 2020 (13 months)

Donor status: company, registration 4517529

(Registered 23 July 2020)

25 Name of donor: Computer Service Centre

Address of donor: 19 Meridian Way, Norwich NR7 0TA

Amount of donation or nature and value if donation in kind: IT support from April 2019 to April 2020 (13 months), valued at £14,356.30 (inc VAT)

Donor status: company, registration 4517529

30 (Registered 23 July 2020)

Name of donor: Computer Service Centre

Address of donor: 19 Meridian Way, Norwich NR7 0TA

35 Amount of donation or nature and value if donation in kind: IT support for May and June 2020 (2 months), valued at £2,135.04 (inc VAT)

Donor status: company, registration 4517529

(Registered 23 July 2020)

9 September 2020

## 2. Letter from Ms Chloe Smith MP to the Commissioner, 17 September 2020

40 Thank you for your email of 9th September, regarding five late registration forms which I submitted in July of this year to the House of Commons Registrar.

I fully understand and accept why you have opened an inquiry, and I am replying as you have asked, to be as helpful as possible.

To answer your specific questions first:

1. I am now satisfied that my register entry is complete and accurate.
- 5 2. I have taken considerable steps to avoid further late registrations.

I was keen in July to apologise and correct the record as soon as I had become aware of the error.

10 I am pleased to have the opportunity now to give some further explanation which I hope may help with your enquiry, and perhaps to enable some wider good to come of the episode.

15 I am grateful for the guidance in your email about the confidentiality of your enquiry, and I understand that you publish correspondence at the end of your enquiry. I do not know whether you have any discretion in what you publish. Unfortunately, I will be obliged to reveal significant detail about staff, because it is central to explaining what has happened. Out of respect for staff I would like to request that I provide my further comments to you in a meeting.

*17 September 2020*

### **3. Letter from the Commissioner to Ms Chloe Smith MP, 23 September 2020**

20 Thank you for your letter of 17 September 2020 in response to my decision to open an inquiry into the late registration of several financial interests.

25 I would be happy to meet with you to discuss in greater detail the background to the late registrations in question. However, any such meeting, as with the correspondence we exchange, will form part of the formal record of my inquiry and a note of the meeting will be published in my public decision document. In my decision documents I do routinely redact the names of third parties, but this does not guarantee that individuals cannot be identifiable through other means.

30 Taking into account the information above, please could you let me know by 1 October 2020 whether you would like to proceed with a meeting or, alternatively, you may prefer to provide me with the further details in writing but in general terms.

I hope that this explanation is helpful, but please do contact my colleague, [Investigations and Complaints Manager], on [number redacted], if you would like to discuss the process further.

If you do chose to write to me with the further details, please could you send your response electronically to standardscommissioner@parliament.uk as my team are continuing to work from home due to the current pandemic.

#### 4. Letter from Ms Chloe Smith MP to the Commissioner, 24 September 2020

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Thank you for your email of 23rd September, confirming that either notes of a meeting or a written submission of more detail will be published. Regrettably, that will mean that detail about a staff member will be placed in the public domain. Unfortunately, I can see no alternative to revealing this detail because it is important in explaining to you what has happened, as you request.

I will now do this, in this email.

I reiterate that I fully understand and accept why you have opened an enquiry into five late registration forms which I submitted in July of this year to the House of Commons Registrar. I was keen in July to apologise and correct the record as soon as I had become aware of the error.

I have answered your specific questions already:

1. I am now satisfied that my register entry is complete and accurate.
2. I have taken considerable steps to avoid further late registrations.

I hope the following further explanation will help to conclude your enquiry.

#### 20 **What happened?**

As you know from my proactive email to the Registrar of 8th July, I identified some errors in my 2018, 2019 and 2020 RMFI returns and I wrote as quickly as possible to see how these could be corrected. I apologised to her for the oversight.

Donations and support in kind appear repeatedly in my register entry, from the donor in question to Norwich Conservatives. The donor is an IT firm in my constituency, which provides various hardware and services to my constituency office, and to the Norwich Conservatives office. Where this assistance is a donation or support in kind, it is technically received by Norwich Conservatives and declared appropriately to the Electoral Commission and to the House of Commons where there is a clear link to me.

I have made efforts to accurately represent the complexity of the support in kind – for example, in the register known as 180416 I updated what was logged in the

register of 170717. I had settled on an annual pattern for registering the donations and support so that it was as clear as possible.

It came to my attention this year that no entries were made to show donations and support after March 2018, when both types in fact continued similarly to before.

5 The missing periods were:

1. April 2018 – March 2019
2. April 2019 – March 2020
3. April 2020 – June 2020

10 The procedure in my office is for [job title redacted] to prepare the forms for me to submit to the Registrar (and for the treasurer of Norwich Conservatives to carry out their reporting duties, which they have done).

15 In April 2018, a form was not prepared. In April 2019, I had given birth to my second child, and to cover whilst I was on maternity leave, I had given full delegated responsibility to [job title redacted] to liaise with the Registrar in my absence. A form was not prepared. In April 2020, under huge office pressure from the covid-19 outbreak, and with a new [job title redacted], I regret to say that the omission continued and again a form was not prepared.

I take full responsibility for the oversight, because the Code of Conduct is clear that Members retain ultimate responsibility for a correct record.

20 However, at the same time as discovering the error in my RMFI, other issues came to light.

[redacted - sensitive material concerning third parties]

### **Putting it right**

25 I now employ a new [job title redacted] and we are working assiduously together to ensure that all administrative processes are fulfilled properly.

For example, we have:

1. submitted the appropriate registrations to cover the missing periods
2. ensured that appropriate registrations are being made from now

3. further updated those recent registrations to show VAT consistently, on request from the Assistant Registrar who highlighted that he had made an incorrect assumption and provided a clear statement of what the Registrar requires.

## 5 Wider implications: MPs taking maternity leave

I believe that while I was on maternity leave in particular, having delegated the administrative processes for both IPSA and RMFI, I was let down by this member of staff.

- 10 I am concerned that it is possible that other Members could be vulnerable in the same way, and I have therefore written to the Head of Policy and Assurance at IPSA, the Registrar, and the Speaker, to alert them to this combination of circumstances and to see if policies can be improved to protect the public interest.

### Next steps

- 15 I will be happy to help with any further questions you may have. I also hope that the steps I have now taken may let some wider good come of the episode, and that a line may then be drawn under the set of events I have described.

Once again, I apologise for the error of five late registration forms, and I take full responsibility for a correct record as outlined by the Code of Conduct.

*24 September 2020*

## 20 5. Letter from the Commissioner to Ms Chloe Smith MP, 6 October 2020

Thank you for your letters of 17 and 24 September 2020 in response to my initial correspondence. I have reviewed that information and consequently believe that we can now bring my inquiry to a close.

### My decision

- 25 I have considered the content of our correspondence, and the published rules and guidance concerning the registration of interests, carefully before coming to a decision. I have decided that the late registration of the five financial interests provided by the Computer Service Centre, as listed in my initial letter of 9 September 2020, were breaches of paragraph 14 of the Code of Conduct for Members of  
30 Parliament (“the Code”):

*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.*

## **Rationale**

- 5 Chapter 1 of the Guide to the Rules relating to the Conduct of Members (“the Guide”) places the following obligation on Members:

### **Requirements of the House**

- 10 *2. The House requires new Members, within one month of their election, to register all their current financial interests, and any registrable benefits (other than earnings) received in the 12 months before their election. After that, Members are required to register within 28 days any change in those registrable interests. Such a change includes both the acquisition of a new interest and the ceasing of any registered*  
15 *interest, for example because an employment has ceased or because a holding has reduced in value or been sold.*

I believe it is common ground that all five of the interests were eligible for registration, as their value exceeded the threshold for registration laid down for donations at paragraph 15 of Chapter 1 of the Guide<sup>1</sup>, but were all registered outside  
20 the 28-day window set by the Guide.

I recognise that you accept that this should not have happened and that the rules have been broken. I am also thankful for your timely apology to the Registrar of Members’ Financial Interests and for your further apology to me. I also recognise the constructive steps that you have taken to avoid a repeat of this situation and I  
25 am grateful for your confirmation that your register entry is now complete and accurate.

I acknowledge the detailed mitigating circumstances that you have shared with me in relation to the impact of your maternity leave and the current health pandemic. I am also sorry to learn of the serious situation concerning one of your former staff  
30 members, which impacted significantly on your office management and I am sure has been difficult and stressful to resolve.

## **Next steps**

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<sup>1</sup> Members must register donations that have a value of more than £1,500; either as a single donation or in multiple donations of more than £500 from the same source in a calendar year.

As you may be aware, having decided that the rules have been breached, I can, with the co-operation of the Member concerned, rectify less serious breaches using the powers available to me under Standing Order No 150. For more serious breaches, or in instances where the Member rejects rectification, I would refer the matter to the Committee on Standards.

In light of your mitigation, and your timely apology, I have decided that a referral to the Standards Committee is not necessary or proportionate, and that I can resolve these breaches of the rules through rectification. To do so, the Committee would generally expect the Member to have accepted my decision, acknowledged and apologised for their breach of the rules, and to have taken any steps necessary to rectify their breach. I consider that you have already acknowledged and apologised for your breaches of the rules and that you have taken adequate steps to rectify the breach. I only therefore require you to consider and, if you are content to do so, accept my decision.

If you are content for me to conclude the inquiry in this way, please write to me to confirm that you accept my decision by 13 October 2020. I will then arrange for my inquiry to be closed and for the interests in question to be annotated in the Register of Members' Financial Interests to show that they have been subject to an inquiry (this is my usual practice for inquiries that concern financial interests).

If we are able to rectify and close this matter, I will share my written evidence pack with you, so that you can check its factual accuracy before publication. I will also report the outcome to the Committee on Standards in due course as a matter of routine. You are, of course, entitled to decline my proposed rectification, in which case I will refer this matter to the Committee on Standards for their review.

In the meantime, our correspondence remains protected by parliamentary privilege and I must ask that you continue to maintain the strict confidentiality of the inquiry.

As you know, due to the current health crisis, my team are currently working from home only, so I would be grateful if you could please send your response electronically to [standardscommissioner@parliament.uk](mailto:standardscommissioner@parliament.uk).

*6 October 2020*

#### **6. Letter from Ms Chloe Smith MP to the Commissioner, 9 October 2020**

Thank you for your letter of 6th October. I am grateful that you accept the mitigating circumstances, and my apology, and you recognise the steps I have taken to put the situation right.

I accept your decision and I am pleased that we can now bring the inquiry to a close.

[redacted - sensitive material concerning third parties and material not directly relevant to the inquiry]

5 As an MP I believe I was bound to respond fully to you, which included personal data. I hope you might agree that adverse impact on the individual concerned could now be avoided by redacting those sections of my letter of 24th September.

*9 October 2020*