

Mr Mike Hancock MP: Resolution Letter

Letter to Mr John Mann MP from the Commissioner, 11 January 2011

I have now concluded my consideration of the complaint against Mr Mike Hancock MP which you sent me on 13 December about his entries in the Register of Members' Financial Interests in respect of his position as Councillor and Executive Member of Portsmouth City Council.

In essence, your complaint was that Mr Hancock failed to meet the requirement to register within four weeks the details of his remunerated employment as a Councillor and Executive Member of Portsmouth City Council between May and October 2010, contrary to the rules in respect of the registration of Members' interests.

I have consulted Mr Hancock about this matter and received a statement from Mr Hancock's former parliamentary assistant.

Mr Hancock has immediately accepted that, while his office registered the earnings he received from Portsmouth City Council up to and including April 2010, the payments he received after then were not registered. He had understood that his office was continuing to make the registration entries, but accepts responsibility for not checking the Register to ensure that this was being done. He has checked with his former parliamentary assistant what happened. Her evidence is that she was told by IPSA over the telephone that there was no need to submit monthly letters detailing Mr Hancock's earnings since IPSA had taken over this and other related expenses matters from the House. She now realises that that must have been incorrect. She has said that she should have checked thoroughly the advice from IPSA and that she should have reported her understanding of this change of procedure to Mr Hancock and her colleagues. She has apologised.

On 13 December 2010 Mr Hancock asked my office to make the necessary belated registrations and these were included in the online Register published on 20 December 2010.

Mr Hancock has accepted that he was in breach of the rules of the House in relation to registration by failing to make these entries within the required time. He has sincerely apologised. He has taken action in his office to avoid a recurrence. Taking account of the fact that he had registered the payments he received up until April 2010, I consider that it would be right for me to use the rectification procedure to resolve this matter. Accordingly, Mr Hancock's belated entries will appear in bold type in his Register entry for the next 12 months and in one printed Register, with a footnote explaining that the rectification procedure has been applied to these entries.

Having therefore, upheld your complaint, I consider the matter now closed. I will report the outcome to the Committee on Standards and Privileges. This letter, together with the related evidence, will in due course be published on my House of Commons webpages.

I am copying this letter to Mr Mike Hancock MP.

11 January 2011

Mr Mike Hancock MP: Written evidence

1. Letter to the Commissioner from Mr John Mann MP, 13 December 2010

I note that under section *Remunerated employment, office, profession etc* in the Register of Members' Interests, Michael Hancock MP has not registered any entries since May this year.

I would also bring your attention to Mr Hancock's role as Councillor for Fratton Ward on Portsmouth City Council. The Council's website notes that a councillor is entitled to £10,200 a year.

Mr Hancock is also Cabinet Holder for Planning, Regeneration & Economic Development on Portsmouth City Council. According to the Portsmouth City Council website, a Cabinet Holder earns an additional £7,140 a year.

Omitting £17,340 pro rata from the Register is not acceptable, and I urge you to take steps to investigate and rectify the situation.

13 December 2010

2. Letter to Mr Mike Hancock MP from the Commissioner, 16 December 2010

I would welcome your help on a complaint which I have received from Mr John Mann MP about your entries in the Register of Members' Financial Interests in respect of your position as a Councillor and Executive Member of Portsmouth City Council.

I enclose a copy of the complainant's letter of 13 December.¹ I enclose also a copy of your register entry as at 6 December 2010² and a copy of your revised register entry which will go online next week.³ In addition I enclose an online copy of an article from the *Daily Mirror* of 14 December relating to this matter.⁴

In essence, the complaint is that you failed to meet the requirement to register within four weeks the details of your remunerated employment as a Councillor and Executive Member of Portsmouth City Council between May and October 2010, contrary to the rules in respect of the registration of Members' Interests.

Paragraph 16 of the Code of Conduct for Members of Parliament sets out the requirements in respect of the registration and declaration of Members' Interests as follows:

"Members shall fulfil conscientiously the requirements of the House in respect of the registration of interests in the Register of Members' Interests and shall always draw attention to any relevant interest in any proceeding of the House or its Committees, or in any communications with Ministers, Government Departments or Executive Agencies."

Paragraph 11 of the Guide to the Rules relating to the conduct of Members sets out the Register's purpose as follows:

"The main purpose of the Register of Members' Financial Interests is "to provide information of 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." The registration form specifies twelve Categories of registrable interests which are described below. Apart from the specific rules, there is a more general obligation upon Members to keep the overall definition of the Register's purpose in mind when registering their interests."

¹ WE 1

² WE 3

³ WE 4

⁴ WE 5

Paragraph 13 sets out the duties of Members in respect of registration, including the following:

"... After the initial publication of the Register (or, in the case of Members returned at by-elections, after their initial registration) it is the responsibility of Members to notify changes in their registrable interests within four weeks of each change occurring."

The Guide to the Rules sets out twelve categories of registrable interests. Category 2 is defined as follows:

"Remunerated employment, office, profession, etc: Employment, office, trade, profession or vocation (apart from membership of the House or ministerial office) which is remunerated or in which the Member has any financial interest. Membership of Lloyd's should be registered under this Category"

Paragraphs 24 to 26 of the Guide to the Rules provides further guidance about the interpretation of this category and the form in which registrations should be made.

I would welcome your comments on this complaint in the light of this summary of the rules. In particular, it would be helpful if you could:

1. confirm that you remained Councillor for Fratton Ward on Portsmouth City Council and Cabinet Member for Planning, Regeneration and Economic Development during the period of this complaint – 26 May to 13 December;
2. explain the circumstances in which you allegedly failed to register these interests under category 2 of the Register of Members' Financial Interests during this period;
3. explain the circumstances which led you to make the apparently belated registrations on 13 December 2010;
4. let me know whether you accept your alleged failure to register within the required time period was a breach of the rules in respect of the Registration of Members' Financial Interests and, if so, why that breach occurred.

Any other points you may wish to make to help me with this inquiry would, of course, be very welcome.

I enclose a note which sets out the procedures I follow. I am writing to the complainant to let him know that I have accepted his complaint. In accordance with the motion agreed by the House on 2 December, I will within the next month be publishing on my webpages the fact that I am inquiring into this complaint against you and the general category under which it comes.

I appreciate that we are now close to the Christmas recess, but I would be very grateful if you could let me have a response to this letter by 5 January. If there is any difficulty about this, or you would like to have a word about any matter relating to this complaint, please contact me at the House.

I would be most grateful for your help on this matter.

16 December 2010

3. Extract from the Register of Members' Financial Interests, 6 December 2010

2. Remunerated employment, office, profession etc

Councillor and an Executive Member of Portsmouth City Council. Address: Civic Offices, Guildhall Square, Portsmouth, Hampshire, PO1 2BG.

November 2009, received a basic allowance of £841.58 and a special responsibility allowance as a Cabinet member of £598.08. Hours: 70-80 hrs. *(Registered 1 December 2009)*

December 2009, received a basic allowance of £841.58 and a special responsibility allowance as a Cabinet member of £598.08. Hours: 70-80 hrs. *(Registered 4 January 2010)*

January 2010, received a basic allowance of £841.58 and a special responsibility allowance as a Cabinet member of £589.08. Hours: 70-80 hrs. *(Registered 2 February 2010)*

February 2010, received a basic allowance of £841.58 and a special responsibility allowance as a Cabinet member of £589.08. Hours: 70-80 hrs. *(Registered 3 March 2010)*

March 2010, received basic allowance of £841.58 and a special responsibility allowance as a Cabinet member of £589.08. Hours: 70-80 hrs. *(Registered 3 April 2010)*

April 2010, received basic allowance of £841.58 and a special responsibility allowance as a Cabinet member of £589.08. Hours: 70-80 hrs. *(Registered 26 May 2010)*

6 December 2010

4. Extract from the Register of Members' Financial Interests, 20 December 2010

2. Remunerated employment, office, profession etc

Councillor and an Executive Member of Portsmouth City Council. Address: Civic Offices, Guildhall Square, Portsmouth, Hampshire, PO1 2BG.

November 2009, received a basic allowance of £841.58 and a special responsibility allowance as a Cabinet member of £598.08. Hours: 70-80 hrs. *(Registered 1 December 2009)*

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March 2010, received basic allowance of £841.58 and a special responsibility allowance as a Cabinet member of £589.08. Hours: 70-80 hrs. *(Registered 3 April 2010)*

April 2010, received basic allowance of £841.58 and a special responsibility allowance as a Cabinet member of £589.08. Hours: 70-80 hrs. *(Registered 26 May 2010)*

May 2010, received basic allowance of £850 and a special responsibility allowance as a Cabinet member of £595. Hours: 70-80 hrs. *(Registered 13 December 2010)*

June 2010, received basic allowance of £850 and a special responsibility allowance as a Cabinet member of £595. Hours: 70-80 hrs. *(Registered 13 December 2010)*

July 2010, received basic allowance of £850 and a special responsibility allowance as a Cabinet member of £595. Hours: 70-80 hrs. *(Registered 13 December 2010)*

August 2010, received basic allowance of £850 and a special responsibility allowance as a Cabinet member of £595. Hours: 70-80 hrs. *(Registered 13 December 2010)*

September 2010, received basic allowance of £850 and a special responsibility allowance as a Cabinet member of £595. Hours: 70-80 hrs. *(Registered 13 December 2010)*

October 2010, received basic allowance of £850 and a special responsibility allowance as a Cabinet member of £595. Hours: 70-80 hrs. *(Registered 13 December 2010)*

November 2010, received basic allowance of £850 and a special responsibility allowance as a Cabinet member of £595. Hours: 70-80 hrs. *(Registered 13 December 2010)*

December 2010, received basic allowance of £850 and a special responsibility allowance as a Cabinet member of £595. Hours: 70-80 hrs. (Registered 13 December 2010)

20 December 2010

5. Extract from article from the *Daily Mirror* website, 14 December 2010

Mr Hancock, whose Russian aide faces deportation over suspicions of being a Kremlin agent, is making £17,000 a year as a cabinet member on his local Portsmouth City council.

MPs must register any earnings on top of their £65,000 Commons salary, but he has not declared the money since the general election.

The Lib Dem for Portsmouth South will have pocketed £10,014 since then as the Executive Member for planning, regeneration and economic development.

The MP's breach of Westminster rules comes as his assistant Katia Zatuliveter fights to stay in the country.

Labour MP John Mann, has complained to the Commons' standards watchdog about Mr Hancock's failure to declare his outside earnings saying: *"He has obviously been distracted, but that is no excuse. Being an MP is a full-time job. No wonder he has no idea what his researcher is up to."*

Mr Hancock insisted his council earnings had been logged every month until the election and added: *"I've no excuse. If it's an oversight it's my responsibility."*

But defending the council job which takes up 80 hours a month, he said: *"There are an awful lot of MPs who have second jobs—sometimes they have three."*

Mr Hancock said last night he had fully updated the register.

14 December 2010

6. Letter to the Commissioner from Mr Mike Hancock MP, 13 December 2010, received 20 December 2010

I am writing to you to apologise very sincerely as I have noticed that while I registered my earnings from Portsmouth City Council as a councillor and Executive Member up until April 2010, I did not register them since then - that is since the General Election. I have today registered these interests.

I was of the understanding that my office was registering them but I should of course have checked the register to make sure that they were indeed registered. As you may be aware from parliamentary reports, my parliamentary researcher has had to leave my employment so I cannot check what happened.

I apologise very sincerely indeed for this oversight which I rectified as soon as I noticed it.

13 December 2010

7. Letter to the Commissioner from Mr Mike Hancock MP, 20 December 2010

Thank you for your letter regarding the complaint from John Mann. I am writing to clarify the position.

I am at a loss to understand why my office did not register my interests as they had done meticulously up until this period. I have been unable to find out what happened because as you are probably are aware my parliamentary assistant who is responsible for this, has been in the newspapers highlighting the fact that she was considered to be a risk to national security and she spent some time in detention. She is now on bail but subject to conditions which prevent her from having any communication whatsoever with me. I am not even able to get an answer from her to why this was not done. She had registered them in such an organised way previously and the April 2010 payment was registered after the General Election but not subsequent ones.

As far as I am concerned, I have to accept responsibility for not checking it and I will do that but I really was under the impression that everything was okay and nobody had come to me asking why I had not registered them and I did not check because I simply believed in all honesty that it had been done. It was only when it was brought to my attention by the *Daily Mirror*, that I knew. I immediately put the matter right and submitted a late entry and that is now right up to date.

The circumstances are that I am still a Member of Portsmouth City Council and an Executive Member and the payments are virtually the same as they always were. That is public information which is available from the City Council and I have always meticulously registered interests on these matters when I have spoken on Local Government issues or anything involved the Council, in the Chamber.

All I can do is apologise ... [Material not relevant to complaint.] I therefore ask that you accept this situation and if I can get the information from her I will supply it immediately and update you on the situation.

I was rather disappointed that the *Daily Mirror* told me that they were inviting John Mann to make this complaint against me and I was not surprised that he did. I have explained to the House authorities the position I am in and I have to say they are trying to help me.

If you need anything further, please do not hesitate to contact me.

20 December 2010

8. Statement by former parliamentary assistant to Mr Mike Hancock MP, 19 December 2010

I am writing this letter regarding Mike Hancock MP's monthly returns for his Council earnings for the last 5 months.

I was told by IPSA over the telephone that there was no need to submit the monthly letters stating his earnings, as IPSA took over this activity together with other related expenses matters from the Houses of Parliament. Previously I had every month written a letter stating what Mike Hancock has earned as a councillor for that month but following my conversation with IPSA it was my clear understanding that I no longer had to submit such letters as they were using a different system to deal with returns.

I now realise that the information from IPSA must have been incorrect. I accept full responsibility for not submitting Mike Hancock's monthly earnings as a member of Portsmouth council. I should have checked thoroughly the information provided by IPSA. It has been reported widely in press and it is well known inside parliament that IPSA made many mistakes, especially at the beginning of its existence, often failing to provide the correct information.

It was my oversight not to double check the correctness of the information I received. It was also my mistake not to report my understanding of this "change" of procedure to my boss or colleagues.

I hope you will be able to accept my apology without any implication for Mike Hancock MP.

Unfortunately, I am unable to submit those forms, but I am sure my former colleagues would do so asap, if they have not done it already.

19 December 2010

9. Letter to Mr Mike Hancock MP from the Commissioner, 21 December 2010

Thank you for your letter of 13 December,⁵ which I received here on 20 December, and your subsequent letter of 20 December which you emailed to me about the registration of your earnings from Portsmouth City Council as a

⁵ WE 6

councillor and Executive Member.⁶ I have since also received the statement of 19 December from your former parliamentary assistant.⁷

I was grateful for the explanations which you set out in both your letters and for the further explanation provided by your former parliamentary assistant. I note that she said that IPSA advised her that there was no need to submit monthly details of your earnings. As you have acknowledged that it is your personal responsibility to register your interests, I do not propose to pursue further this separate avenue of inquiry.

Turning to the resolution of this complaint, given that your letters appear to accept that you have breached the rules in relation to registration, the options open to me are to prepare a memorandum to the Committee on Standards and Privileges, or, with your agreement, to resolve the matter through the rectification procedure. That procedure would require me to conclude that your failure to register your interests since April 2010 was minor or inadvertent. You would need to have apologised and to have made the necessary entries (both of which you have done). And you would need to tell me what action you were taking to prevent a recurrence.

I would write to the complainant accordingly and would show you a draft so that you could check its factual accuracy. After I write to the complainant your relevant registrations would appear in bold type with a footnote explaining that they had been subjected to the procedure. They would remain in that form for twelve months and until they had appeared in one printed register so that those consulting the register would be aware that the rectification procedure had been invoked.

I would be grateful, therefore, if you could let me know whether you would wish me to consider using the rectification procedure on the lines set out above; and if so, what action you will take to prevent a recurrence. It would be very helpful if you could let me have a response to this letter by 5 January.

Thank you for your help.

21 December 2010

10. Letter to the Commissioner from Mr Mike Hancock MP, 21 December 2010, received 4 January 2011

Thank you for your letter via email. You asked me to confirm three things.

1. As I did in my previous letters, I apologise for the inadvertent oversight for not registering monthly earnings from being a councillor and Executive Member on Portsmouth City Council. As I explained previously I thought my then parliamentary assistant had been doing this as she had previously. She has explained to you in a letter why she didn't think it necessary due to advice she was given from IPSA. I also accept that it is ultimately the responsibility of the individual MP to make sure that it is indeed done. I therefore apologise most sincerely for this oversight.
2. I am happy for this to be dealt with via the rectification procedure.
3. My office staff have written in my paper office diary a reminder to register the outside earnings at the beginning of the month and as well as set up a computer reminder to register my earnings from the council at the beginning of the month. This should mean that they are registered within a few days of being received and leaving time for it to be done within the required four weeks if it is not. I will also have an office file as a double check to show that there is the paperwork that shows that they have been updated by the middle of the month. If you feel that there is anything else that should be done on this, please let me know.

I hope this provides all the information that you need but if you feel that there is anything else then please let me know. Thank you for your and your staff's time and work on this.

⁶ WE 7

⁷ WE 8

21 December 2010

11. Letter to Mr Mike Hancock MP from the Commissioner, 4 January 2011

Thank you for your letter of 21 December which your office emailed to me on 4 January.

I was grateful for this confirmation of the position. I have noted too the action which you have taken to prevent a recurrence and have nothing further to suggest on this front.

As suggested in my letter of 21 December, I now enclose an extract from the letter which I would propose to send to the complainant about the rectification of his complaint.⁸ While, of course, the content is entirely a matter for me, I would be grateful if you could confirm the factual accuracy of the draft. If you could let me a response within the next week, I will then write to the complainant and close the complaint. I will report the outcome to the Committee on Standards and Privileges at its next meeting and, in due course, the letter to the complainant and the relevant evidence will be published on my parliamentary webpages.

I am grateful for your help and look forward to hearing from you.

4 January 2011

12. Letter to the Commissioner from Mr Mike Hancock MP, 11 January 2011

Thank you for your letter of 4 January 2011 and a copy of the draft extract of your letter that you propose to send to the complainant which you asked me to confirm as factually accurate. As far as I can see this is factually accurate.

Thank you for your and your staff's help and time on this.

11 January 2011

⁸ Not included in the evidence