



Parliamentary Commissioner for Standards

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# Annual Report 2006–07

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## Foreword

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The publication of this, my fifth and final annual report to the House (covering the period 1 April 2006–31 March 2007), occurs later than usual because of the pressure of other business which had to be completed in the run-up to the 2007 summer recess.<sup>1</sup> This is my final report because, on 28 June, Mr Speaker announced that I will be stepping down as Commissioner at the end of the year, consequent on my appointment from 1 January 2008 to a new role as the Prime Minister’s Independent Adviser on Ministerial Interests.

By then I shall have completed almost six years as Parliamentary Commissioner for Standards. So this report provides a natural opportunity to look back at some of the highlights of my period of office, and forward to some of the challenges that will face my successor.

In the introduction to my first annual report, I noted that I had begun my appointment amid anxiety that the way in which my predecessor had left office had called into question public, and some parliamentary confidence in the House’s arrangements for regulating standards of conduct among its Members. I hope that I am able to leave office with that confidence in large measure restored: confidence among the public that expected standards are being upheld effectively; confidence among Members that they are being upheld fairly and proportionately.

Throughout the past five years I have sought to take an approach to my role which is both strategic and proportionate: strategic in the sense that it is proactive and focuses on the key issues; proportionate in that both policy matters and individual cases are handled in a manner appropriate to the intrinsic weight of the issues at stake. This has meant:

- taking opportunities to strengthen the systems for sustaining high standards among Members
- putting more emphasis on preventing problems before they arise – with the aim of fostering a culture of compliance with the House’s rules – rather than simply picking up the pieces afterwards
- being as open as possible about the processes and procedures allowed, while preserving a proper confidentiality about the investigation of individual cases.

In the final section of this report, I summarise some of the progress made in each of these respects over the last five years, and identify some of the remaining challenges.

The past year has seen its fair share of successes and challenges too. Progress was made towards:

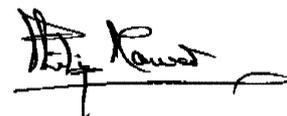
- reviewing and updating the Guide to the Rules relating to the Conduct of Members
  - enabling the future development of a one-stop registration arrangement for Members
  - providing more frequent publication of the Register of Members’ Interests
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<sup>1</sup> Notably the preparation and submission of my memorandum on the Conduct of Mr George Galloway – see the Sixth Report of the Committee on Standards and Privileges of Session 2006–07 (HC 909)

- strengthening the rules relating to the regulation of All Party Groups
- improving regulation of the use of certain facilities and allowances provided to Members by the House.

The principal challenges were created by a significant rise in the number of complaints against Members falling within the scope of the Code of Conduct. A major contributory factor in this was a series of linked complaints by two Members, against an eventual total of 25 other Members, concerning the alleged use of the House’s private dining facilities for the purposes of party fundraising. Ten formal reports (including a major one on this series of complaints) were made to the Committee on Standards and Privileges in the course of the year and ten more minor complaints (mostly concerning the alleged misuse of House stationery) were handled without a formal report under the so-called ‘rectification’ procedure. In addition a major inquiry begun four years ago was pushed near to completion.<sup>2</sup>

2006-07 was therefore an exceptionally busy year for the Committee on Standards and Privileges and for the staff of my own small office. Any progress we made during that year, as in previous years, was due to the efforts of everyone concerned. In presenting this, my final report to the House, it is fitting that I should pay tribute to the Chairman, members and successive Clerks of the Committee, and to my colleagues in my own office and throughout the House, as well as to my predecessors, without whose commitment to the House’s good name and reputation none of the progress described would have occurred.



October 2007

Sir Philip Mawer

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<sup>2</sup> *Ibid*

# 1 Strengthening the Standards System

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## Review of the Guide to the Rules

1.1 In June 2003 the House undertook to review the Code of Conduct and Guide to the Rules once in the lifetime of every Parliament. This decision followed a recommendation of the Committee on Standards in Public Life. On 13 July 2005, following a public consultation exercise, the House adopted an amended Code of Conduct.

1.2 In April 2006, the Committee on Standards and Privileges decided to initiate a revision of the Guide to the Rules. The Guide sets out the House's requirements in relation to the registration and declaration of interests by Members, as well as other important provisions on lobbying for reward or consideration and on the handling of complaints against Members.<sup>3</sup> In July 2006, following initial suggestions put forward by the Registrar of Members' Interests and myself, the Committee published a consultation document setting out possible changes to the Guide.<sup>4</sup> Copies of the document were sent to all Members and to other interested parties (such as the Committee on Standards in Public Life), as well as being made more generally available on the world-wide web.

1.3 The primary purpose of the review was not to revisit the principles of the House's system for ensuring transparency in relation to relevant interests held by its Members, but to ensure that the Guide continues to reflect current practice and guidance in a coherent, comprehensive and accessible way, while at the same time providing a general framework within which suggestions for change, from Members and others, could be examined. Wherever possible the aim was to clarify and simplify the present guidance, for the benefit of Members and the public.

1.4 Experience since the last review of the Guide in 2002 had not suggested that a major revision was required. For the most part, the changes suggested in the draft revision of the Guide published by the Committee reflected changes in the context in which the Rules must be interpreted. Overall, the changes proposed should not increase the regulatory burden on Members but clarify how the Rules apply.

1.5 The period of consultation on the proposals having ended, the Committee is now working on a report to the House which will invite its approval to a revised version of the Guide. I hope that it will be possible for the House to consider and, if it thinks fit, approve the Committee's proposals in the autumn of this year. If so, this will complete the process of review of the Code and the Guide in the current Parliament, enabling the revised texts then to stand for a reasonable period before they are once again reviewed in the next Parliament.

## The Electoral Administration Act 2006

1.6 An additional dimension has been added to the current review by the provisions of the Electoral Administration Act 2006. In my last report I referred to the initiative taken by the

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<sup>3</sup> The current text of the Guide is contained in "The Code of Conduct, together with the Guide to the Rules relating to the Conduct of Members" 2005, (HC 351, Session 2005-06)

<sup>4</sup> Sixteenth Report of Session 2005-06, HC 1580

Chairman of the Committee on Standards and Privileges which had resulted in the addition to the Electoral Administration Bill of a provision (which subsequently became section 59 of the 2006 Act) paving the way for ending the current requirement that Members report donations, gifts and benefits they receive in their capacity as a Member both to the House and to the Electoral Commission.<sup>5</sup> The aim was to end this dual reporting requirement – with its overlapping but, in certain respects, slightly different demands for information about essentially the same set of circumstances – in the interests not only of easing the burden of regulation but of ensuring more effective compliance.

1.7 During the past year, the Registrar continued her conversations with the Electoral Commission about what amendments would be needed to the House’s registration regime if the House were to decide that it wished to align its Rules with the Commission’s requirements in order to create a ‘one stop shop’ registration arrangement for Members. The discussions revealed a complex picture of slightly different requirements and were further complicated by the new requirement, embodied in the 2006 Act, to register certain loans received for political purposes. The outcome of the discussions will be reported to the House alongside the results of the consultation on the review of the Guide to the Rules.

1.8 It will then be for the House to decide whether or not it wishes further to amend the Rules in order to create the ‘one stop shop’. The decision will not, in itself, extend the scope of the information Members are required to make public, being essentially about how information is made available rather than what information is to be provided. Nonetheless it is clear that implementation of a one-stop arrangement will require significant changes in the detail of some aspects of the House’s regime, as well as imposing a significant additional burden on my office in terms of helping Members handle the transition to the new regime.

### **More Frequent Publication of the Register of Members’ Interests**

1.9 In the autumn of 2006, following discussion with the Committee on Standards and Privileges, my office began a pilot scheme of publishing the web edition of the Register of Members’ Interests twice a month while the House is sitting. This has the obvious advantage of enabling Members and the public to be made aware much more rapidly than hitherto of changes in particular Register entries.

1.10 The pilot proved successful and, in the spring of 2007, the Committee agreed that we should continue the practice on a permanent footing. I am grateful to the Registrar and the Executive Assistant for their efforts to make this possible.

### **All Party Groups**

1.11 In my last annual report I mentioned the memorandum I had submitted to the Committee on Standards and Privileges following a complaint by the Editor of the Times which had raised a number of wider questions about the framework of regulation of All-Party Groups laid down by the House.<sup>6</sup> I made several recommendations in that memorandum designed to strengthen the Rules regulating Groups, which had originally

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<sup>5</sup> See paragraphs 1.9-1.13 of my report for 2005-06, HC 1480

<sup>6</sup> Annual Report for 2005-06, HC 1480, paragraphs 4.20-4.22

been adopted by the House in 1985, in the interests of achieving greater transparency and accountability, particularly in relation to those providing support to such groups.

1.12 In its Ninth Report of Session 2005-06,<sup>7</sup> published in May 2006, the Committee indicated its wish to consult about these recommendations before deciding how to proceed. A process of consultation began, which showed broad support for the proposals. The Committee is now reflecting on the results of the consultation and is expected to put forward proposals for revision of the Rules on All-Party Groups for consideration by the House in the autumn of 2007.

## The Use of Allowances and Facilities by Members

1.13 While a good deal of the time of the Committee on Standards and Privileges and myself is inevitably taken up with the handling of individual cases, we have also seen ourselves as having a wider duty to assist the House in strengthening its systems and processes to ensure compliance with high standards and to avoid the damage to its reputation which failure to comply can cause. This is consistent with the responsibilities laid on us by the House under Standing Orders Nos. 149(1) and 150(2) respectively,<sup>8</sup> and with the proactive emphasis on preventing problems wherever possible which we have together adopted. We have therefore both identified scope for improvements when reporting on individual cases and used wider opportunities for change as occasions on which to feed in appropriate suggestions for consideration by other responsible bodies inside and outside the House.

1.14 In the autumn of last year, the Chairman of the Committee and I received an invitation to make a submission to the triennial review of Parliamentary pay, pensions and allowances being conducted by the **Senior Salaries Review Body** (SSRB). Our evidence was published as the Committee's First Report of Session 2006-07.<sup>9</sup> In it we sought to emphasise both the right of Members to be reimbursed reasonable expenses necessarily incurred in performing the duties of their office and the need for reassurance to the public that the allowance regime is fair and reasonable, and effectively policed.

1.15 As I write this the report of the SSRB's review has still to be published. I hope that, when it is published, it will afford an opportunity for a more soundly based public discussion of these matters than is sometimes evidenced. Public comment often overlooks the differences in the nature of the various allowances, and frequently presents them as additional to a Member's salary, part of the 'perks' of the job rather than reimbursement of, for example, the costs of employing staff, running an office, etc which are a necessary part of a Member providing the service their constituents expect. Equally, some Members can on occasion appear overly defensive about these matters, resistant to the application to themselves of disciplines (in terms of accounting for the expenditure of public money) which are accepted as a matter of course in other walks of life.

1.16 I am sure that the answer lies in both paying Members fairly and properly in comparison with others for the work they do and applying to them reasonable disciplines

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<sup>7</sup> HC 1145

<sup>8</sup> The text of these Standing Orders is reproduced at Appendix 1

<sup>9</sup> HC 330

similar to those which apply elsewhere. I hope that the debate which follows the publication of the SSRB's report will result in further steps to treat Members equitably in both these respects.

1.17 On 28 March this year the House approved the introduction from 1 April of a new **Communications Allowance** (CA) for Members. The purpose of the new Allowance is to enable Members to communicate proactively with their constituents. It incorporates some of the features, relating for example to the production of newsletters or Parliamentary reports by Members, which were previously part of Members' Incidental Expenses Provision (IEP).

1.18 I was glad to be able to assist the Chairman of the Committee on Standards and Privileges in contributing some of the benefits of the Committee's experience in dealing with complaints about newsletters and about alleged misuse of House stationery to the discussions preceding the development of the new allowance. The extensive guidance promulgated to Members by the Members Estimate Committee following the introduction of the allowance is to be welcomed, as is the fact that, for the first time, this brought together in one place revised guidance on the use of House stationery and guidance on the new allowance. One consequence of the introduction of the allowance has been the introduction of a financial cap on the amount of House stationery and pre-paid envelopes made available to each Member at no cost to them, which will in practice impact only on a small number of Members hitherto making very free use of this facility. The facility is now not only capped in volume terms but the restriction of its scope to reactive communication with constituents has been reaffirmed (proactive communication being covered by the new allowance).

1.19 Finally, the use by Members of the **facilities** of the House for the purposes of party fund-raising was the subject of two reports published by the Committee in March 2007.<sup>10</sup> I describe these more fully in section 3 of this report. In the second of these reports, the Committee recommended a tightening of the Banqueting Regulations, the rules governing the use of the House's private dining facilities, with a view to ensuring that their use as an indirect as well as a direct means of fund-raising was prohibited. This recommendation is currently under consideration as part of a wider review of the Banqueting Regulations.

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<sup>10</sup> See the Committee's Second and Third Reports of Session 2006-07, HC 429 and 431

## 2 Emphasising Prevention

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### Advising Members

2.1 One of the most important messages I have sought to get over to Members since my appointment has been the value of seeking timely advice on any conduct-related issues which may affect them. Although my office does not log individual requests for advice, my impression, based on conversations with Members, is that the message is gradually getting across. Certainly the Registrar and her Executive Assistant deal with several calls of this nature every day, discussing with me any which raise novel issues or points of interpretation before going back to the Member concerned.

2.2 My office's approach in this area is not, however, purely reactive. If we foresee a particular need for advice, we take the initiative in providing it. If the potential problem affects all Members, we will issue an appropriate advice note or include relevant guidance in the All-Party Whip which circulates to all Members. If it affects only a particular group of Members, we will try to contact those concerned. So, for example, we contacted during last year those who were candidates in particular parties' leadership elections about the need to register and declare as necessary any contributions to their leadership campaigns. We have also contacted former Ministers who, on leaving office, may acquire a range of new outside interests, to remind them of the relevant rules of the House.

### Briefing Members on Changes

2.3 Following the extensive programme of briefings we arranged for Members following the 2005 election – on which I reported last year<sup>11</sup> - we have not had cause to mount a similar exercise more recently. However, the Registrar of Members' Interests has continued to offer briefing to each new Member returned at a by-election and the Assistant Registrar to brief newly arrived staff of Members at the induction sessions regularly put on for them by the House.

2.4 Once the review of the Guide to the Rules has been completed, however, (see paragraph 1.1-1.5 above) and the House has decided whether to proceed with implementation of section 59 of the Electoral Administration Act 2006, there will be a need to issue extensive guidance to Members on the implications for them of the changes. A similar challenge, in terms of briefing Members and others, will arise in connection with any changes in the regulatory regime applying to All-Party Groups (see paragraphs 1.10-1.11 above). The Registrar, Assistant Registrar, Executive Assistant and I will be working on these matters in the autumn of 2007, in order to ensure that, once the House's decisions are known, their implementation, including the preparation of Registers drawn up on the new basis, can proceed as quickly and smoothly as possible. We shall also review, and update in the light of those decisions, the written material in the guidance folders we have previously distributed to Members and their offices.

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<sup>11</sup> Annual Report for 2005-06, HC 1480, paragraphs 2.1-2.4

## 3 Considering Complaints

### Overview

3.1 As the table below shows, the number of specific letters of complaint against a named Member rose significantly in the year covered by this report. However, it is the practice of my office to record separately complaints received from different people against the same Member even when the complaints relate to the same set of circumstances. A large number of the complaints received in 2006–07 (50 in number) related to a series of complaints by two Members about the alleged misuse of Parliamentary dining facilities for the purpose of party political fundraising. So the substantial increase shown in the following table is to a large degree, although not wholly, a reflection of this unusual occurrence.

### Complaints in 2006-07

	Apr-Jun 2006	Jul-Sep 2006	Oct-Dec 2006	Jan-Mar 2007	Total: Apr 06– Mar 07	Total: Apr 05– Mar 06
1. All Matters of Complaint received	50	40	66	58	214	133
2. Specific complaints against a named Member	40	31	63	42	176	129
3. Not proceeded with: reason						
(a) outside remit	34	23	13	17	87	105
(b) other	0	0	2	6	8	1
4. Complaints proceeded with	6	8	48	19	81	23
5. Complaints subject of preliminary inquiry then dismissed	4	5	1	1	11	15
6. Complaints subject of further investigation	2	3	47	18	70	8
7. Complaints dealt with by rectification procedure	1	2	6 <sup>12</sup>	1 <sup>13</sup>	10	0
8. Complaints subject of a report to Committee on Standards and Privileges	1	1	39	12 <sup>14</sup>	53	0

<sup>12</sup> In addition 2 complaints were upheld but were so minor in character that I dealt with them by giving suitable advice to the Member concerned

<sup>13</sup> In addition I dealt with one case of a very minor character by giving suitable advice to the Member concerned

<sup>14</sup> 4 complaints were still the subject of inquiries at the end of the year

3.2 The number of Members who were the subject of a complaint also rose, largely for the same reason, as indicated in the following table:

### Members the Subject of Complaints in 2006-07

	Apr–Jun 2006	Jul–Sep 2006	Oct–Dec 2006	Jan– Mar 2007	Total: Apr 06– Mar 07	Total: Apr 05– Mar 06
1. No. of Members the subject of a specific complaint	35	26	39	31	131	79
2. No. of Members involved in complaints proceeded with	6	8	26	13	53	21
3. No. of Members involved in complaints the subject of further investigation	2	3	25	12	42	8
4. No. of above Members the subject of a report to the Committee on Standards and Privileges	1	1	19 <sup>15</sup>	6	27	0

3.3 Examining in greater detail the table setting out the number of complaints in the past year, it can be seen that my office continued to receive a number of complaints of a general nature in addition to those which made a specific allegation against a named Member. These general complaints can cover matters as disparate as the system for Members' allowances or the actions of the Government. Where such complaints – whether general or more specific in character – clearly relate to the responsibilities of another public body or individual, I always try to point my correspondent towards a more appropriate recipient of their concern.

3.4 When the letter of complaint both names a Member and makes a specific allegation against them, I consider whether the complaint falls within the scope of the House's Code of Conduct. A number do not, usually because they concern the way in which a Member had handled a constituent's case. Other excluded categories of complaint which arise more commonly include:

- complaints about the views or opinions expressed by a Member
- complaints about the actions of a Government minister in his purely ministerial capacity.

<sup>15</sup> One of these Members was the subject of complaints covered in two separate reports to the Committee (subsequently published appended to the Committee's Second and Third Reports of Session 2006-07, HC 429 and 431)

The latter are a matter for consideration by the Prime Minister, advised by the Cabinet Secretary, in relation to the separate Ministerial Code of Conduct.

3.5 A small number of other cases (a total of 8 in 2006-07) do not proceed to investigation for other reasons. For instance, the complaint may not be supported by sufficient evidence, or it may plainly be based on a mistaken understanding of the facts. This latter reason applied in respect of 5 of the 6 cases shown in line 3(b) of the table for the last quarter of 2006-07.

3.6 When a complaint falls within the scope of the Code and is supported by sufficient evidence to suggest that a breach of the House's Rules may have been committed, I make inquiries of the Member concerned. Sometimes those inquiries produce evidence that no breach has occurred, the Member providing a satisfactory explanation of what has happened. Where, however, no satisfactory explanation is immediately forthcoming from the Member concerned, I make further inquiries. These may eventually also lead me to a conclusion that there is insufficient evidence of a breach of the Code. In any such case, I not only report this outcome (and my reasons for reaching it) informally to the Committee on Standards and Privileges but I give the complainant and the Member concerned a clear account of why I have reached the conclusion I have about the case. Where appropriate, I may also offer the Member advice as to how similar complaints in the future might be avoided.

### Use of the Rectification Procedure

3.7 In some cases there has clearly been a breach of the Code but it is a relatively minor one and the Member concerned both acknowledges what has happened and apologises for it. The House has given me delegated authority to handle such cases without a formal report to the Committee, employing what is known as the 'rectification' procedure.<sup>16</sup> In 2006-07 I dealt with a total of 10 cases in this way. Eight of these cases involved minor misuse of House of Commons stationery or pre-paid envelopes and the Member concerned both apologised and repaid the cost of the stationery or postage involved. In the two other cases (one involving a former Member who had left the House at the 2005 General Election) which both involved failure to register an interest, I arranged for appropriate entries to be made in the Register of Members' Interests.

3.8 Unusually, I also considered 3 further complaints during the year which proved, upon examination, to be so minor in character that reporting formally on them to the Committee would have been wholly disproportionate. Accordingly I briefed the Committee on them informally and, with its support, gave suitable advice to the Member concerned for the future.

3.9 Four complaints, all received in the last quarter of 2006-07, were still under investigation when the year ended. The remaining 53 complaints received in the year (embracing a total of 27 Members) were the subject of formal reports to the Committee during 2006-07, as were complaints against 6 other Members all of which had still been the subject of inquiries at the end of the period covered by my previous report. I turn now to

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<sup>16</sup> The rectification procedure is set out in Standing Order No. 150(3).



















































