



House of Commons
Committee on Standards and
Privileges

Jack Dromey

Twenty-second Report of Session 2010–12

*Report and Appendices, together with formal
minutes*

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The Committee on Standards and Privileges

The Committee on Standards and Privileges is appointed by the House of Commons to oversee the work of the Parliamentary Commissioner for Standards; to examine the arrangements proposed by the Commissioner for the compilation, maintenance and accessibility of the Register of Members' Interests and any other registers of interest established by the House; to review from time to time the form and content of those registers; to consider any specific complaints made in relation to the registering or declaring of interests referred to it by the Commissioner; to consider any matter relating to the conduct of Members, including specific complaints in relation to alleged breaches in the Code of Conduct which have been drawn to the Committee's attention by the Commissioner; and to recommend any modifications to the Code of Conduct as may from time to time appear to be necessary.

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Publications

The Reports and evidence of the Committee are published by The Stationery Office by Order of the House. All publications of the Committee (including press notices) are on the Internet at: www.parliament.uk/sandp.

Committee staff

The current staff of the Committee are Eve Samson (Clerk), Lloyd Owen (Second Clerk) and Miss Christine McGrane (Committee Assistant).

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Jack Dromey

Introduction

1. In this Report we consider a memorandum from the Parliamentary Commissioner for Standards, reporting on his consideration of a complaint made against Jack Dromey, the Member for Birmingham, Erdington. The complaint was that Mr Dromey failed to register in time payments made to him in respect of his employment as Deputy General Secretary of the Unite the Union (hereafter ‘Unite’) from May 2010 to October 2010. There was a subsequent, related, complaint that Mr Dromey had failed to declare his interest in several debates where it would have been appropriate to do so. The complaints were made by the Member for North West Leicestershire, Andrew Bridgen.

2. The Commissioner’s memorandum is appended to this Report. In accordance with the established procedure, we supplied Mr Dromey with a copy of the Commissioner’s memorandum and asked him if he wished to give evidence to the Committee, orally or in writing. Mr Dromey has written to the Committee, indicating his willingness to give evidence, but expressing his acceptance of the Commissioner’s findings, and apologising for his breaches of the rules. Those letters are also appended to the Report. We did not consider it necessary to take oral evidence.

The Commissioner’s findings

Registration

3. At the time of his election in May 2010 Mr Dromey was the Deputy General Secretary of Unite. Members are required to register their financial interests and are responsible for notifying changes in their registrable interest within four weeks of each change occurring.¹ The categories of registration most pertinent to Mr Dromey’s case are Category 2, remunerated employment etc, and Category 11, Miscellaneous. Under Category 2 Members must register “the precise amount of each individual payment made, the nature of the work carried on in return for that payment, the number of hours worked during the period to which the payment relates and [...] the name and address of the person, organisation or company making that payment.”²

4. Mr Dromey’s Register entry of 4 June 2010 under the heading of “2. Remunerated employment, office, profession etc” was as follows:

Deputy General Secretary of Unite Union. I am leaving this position and have declined my salary in the meantime.

Mr Dromey had intended to leave the position, and to accept no payment at the time when the Register entry was made. Things then changed. As Mr Dromey told the Committee “the Union asked me to continue my employment to deal with a particular internal matter

1 *Guide to the Rules relating to the Conduct of Members*, HC 735, paragraph 13

2 *Guide to the Rules relating to the Conduct of Members*, HC 735, paragraph 24

of great importance that only I could deal with and this continued longer than we had anticipated and as a consequence I agreed to accept my subsequent salary in the interim.”³

5. Mr Dromey continued to work for the union for between 10 and 15 hours a week (except when on holiday) until 30 October 2010. The Commissioner’s memorandum indicated that during this period, Mr Dromey received payments for his work as follows:

a salary payment in May which Mr Dromey repaid to the union;

on 4 June 2010 a payment of £7,098 for 40–60 hours work in June 2010;

on 6 July 2010 a payment of £13,977 comprising £8,736 for 40–60 hours work in July 2010 and £5,241 for holiday pay for the period January to July 2010;

on 5 November 2010 a payment of £7,098 for 95–135 hours work in August to October 2010; and

on 5 November 2010 an ex gratia payment of £30,000 on leaving his position as Deputy General Secretary of Unite.⁴

Mr Dromey also had use of a telephone and of a car provided by Unite. A sum of £4,145.90 was deducted from the November payment, which represented the price of his car, since “In accordance with the normal practice for Officers leaving the Union with the Union’s consent, Mr Dromey was allowed to purchase his car at a fixed percentage of list price depending upon the age of the car.”⁵

6. Mr Dromey registered the ex gratia payment of 5 November 2010 on 7 July 2011, making a new entry in the Miscellaneous category:

11. Miscellaneous

I received an ex gratia payment of £30,000 on leaving my position as Deputy General Secretary of Unite. (Registered 7 July 2011)

This followed a meeting with the Registrar of Members’ Financial Interests, which Mr Dromey sought at his own initiative. The meeting covered a number of topics. As the Commissioner’s memorandum says, Mr Dromey’s evidence is that at that meeting on 7 July he told the Registrar “he would need to update his Register entry in relation to his employment with the union” and:

The Registrar’s evidence is that at their meeting Mr Dromey’s entry under Category 2 (Remunerated employment, office, profession etc) was not discussed in detail. He told her that he needed to check something in relation to this entry. She considers that Mr Dromey’s exit package from the union was a complex one and she understands why he might have wished to check this information.⁶

3 Appendix 2

4 Appendix 1, paragraph 57

5 Appendix 1, paragraph 27

6 Appendix 1, paragraph 58

After the meeting Mr Dromey requested details of payments received from the union which were not received until the end of August. The entry under Category 2 remained unchanged until 4 October 2011, when Mr Dromey wrote to the Registrar to indicate that it needed to be amended. The amended Register entry read as follows:

2. Remunerated employment, office, profession etc

Deputy General Secretary of Unite Union, 128 Theobalds Road, London WC1X 8TN until 30 October 2010. Between the General Election and 30 October 2010, I received £27,867 in salary which included pay in lieu of notice. (Updated 4 October 2011)

The Registrar advised him that as the arrangement to purchase his company car was normal practice and did not relate to his role as MP it did not need to be registered. The Commissioner's memorandum notes Mr Dromey's explanation that the TUC and Labour Party conferences and the September sitting of the House meant that "September was a very busy month [...] which was why he did not send the revised entry until 4 October 2011."⁷

7. The Commissioner's overall conclusion on registration was:

My overall conclusions, therefore, are that Mr Dromey was in breach of the registration rules of the House by failing to register within the required time period the payments he received from June to October 2010 as a result of his employment with Unite, for failing to register in time the ex gratia payment he received in November 2010, for failing to register the additional benefits he received from his employment, for failing to identify the separate payments he received and the hours he worked and for failing to notify the ending of his employment with Unite within the required time period.⁸

Declaration of interests

8. Mr Bridgen also complained of six occasions on which Mr Dromey contributed to proceedings without declaring a relevant interest. The Commissioner has upheld this complaint in connection with two of these:

Mr Dromey has, however, accepted with hindsight that he should have declared his financial interest in the contributions he made to the debates on 16 September 2010 and on 16 June 2010. The Registrar of Members' Financial Interests agrees with Mr Dromey in respect of the first of these; and would not argue against Mr Dromey on the second, although she believes it to be a more marginal case. My own judgement is that Mr Dromey's interest on account of his employment with Unite was sufficiently relevant to have required him to have declared that interest at the beginning of each of his contributions. He was, therefore, in breach of the declaration rules of the House in not having done so.⁹

7 Appendix 1, paragraph 55

8 Appendix 1, paragraph 72

9 Appendix 1, paragraph 70

9. We note the Commissioner did not uphold the complaint that Mr Dromey had failed to declare a relevant interest in the intervention he made on 22 October 2010 on the Second Reading of the Lawful Industrial Action (Minor Errors) Bill, on the grounds that:

While the Guide to the Rules does not specifically cover this sort of circumstance, I believe it is broadly analogous to a Member asking a supplementary question, where the Member is not required to make any relevant declaration. While I consider Mr Dromey had a relevant interest in relation to the subject matter being discussed, I think to have declared it as he made his brief intervention would have had the effect of unnecessarily impeding the quality and progress of the debate by inhibiting the opportunity for the sort of cut and thrust between Members which his brief intervention demonstrated.¹⁰

Conclusion and recommendation

10. We agree with the Commissioner that failure to register or declare interests is a serious matter. We note the Commissioner has put it on record that:

I consider that it is relevant that Mr Dromey was a new Member seeking to establish himself in the House and in his constituency. Like other Members, he was under considerable work pressures. It is also to his credit that he has co-operated so fully and openly with my inquiry and has taken the first opportunity to accept that he breached the registration rules and to apologise. There is no evidence that the breaches I have identified in respect of both registration and declaration were intentional, and I trust that Mr Dromey will in future ensure that he gives these matters the priority which they require.¹¹

Mr Dromey has co-operated with the Commissioner's inquiry, and apologised for his failure to register at the first opportunity.

11. In his letter to the Committee Mr Dromey says:

I entirely accept that I should have notified the registrar as soon as my circumstances had changed, updating my original registration, but I hope you will accept my failure to do so was entirely unintentional. These were payments were very long-standing employer in a hectic transitional period the end of my employment.

I do not offer for one moment this as an excuse but merely as an explanation. I accept without hesitation that the registration should have been amended, and although I did subsequently update my registration, this was clearly too late and in breach of the rules.

12. We give Mr Dromey credit for taking the initiative to update his registration, but that initial update was incomplete in several respects (see paragraph 7 above). Mr Dromey and the Registrar have since agreed an accurate Register entry:

Category 2: Remunerated employment, office, profession etc

¹⁰ Appendix 1, paragraph 71

¹¹ Appendix 1, paragraph 79

Deputy General Secretary of Unite the Union until 30 October 2010. Address: Unite House, 128 Theobalds Road, Holborn, London, WC1X 8TN. In addition to my salary I had the use of a company car and until 4 September 2010 a mobile telephone.

4 June 2010, received payment of £7,098 for work done in June 2010

Hours: 40–60 hours.

6 July 2010, received payment of £13,977, comprising £8,736 for work done in July 2010, and £5,241 for holiday pay for the period January—July 2010.

Hours: 40–60 hours

5 November 2010, received payment of £7,098 for work done in August—October 2010

Hours: 95–135 hours

Category 11: Miscellaneous

I received an ex gratia payment of £30,000 on 5 November 2010 on leaving my position as Deputy General Secretary of Unite. (See entry in Category 2 above.)

The revision has been held over until our proceedings on this complaint are complete, since we would not expect Register entries to be significantly revised when we were considering a complaint. Such revisions would pre-empt our findings, and make our task more difficult.

13. We consider Mr Dromey’s failure to ensure that the Register gave an accurate picture of his relationship with Unite is serious. The Register entry suggested Mr Dromey was employed by Unite for nearly a year after that relationship ended and failed to record significant payments and benefits from that employment.

14. We note the Commissioner’s description of the work pressures on Mr Dromey, and his acceptance that the breaches were not intentional. We note that Mr Dromey was a new Member. We are satisfied that when the original Register entry was made Mr Dromey had no intention of accepting further payment from Unite, and that Mr Dromey himself took steps to ensure the Register was accurate, although these were belated and incomplete. Nonetheless, we believe Mr Dromey’s failure to ensure his Register entries were updated promptly and fully was a serious breach. There was no question of this being a small payment for occasional pieces of work; by his own evidence, Mr Dromey spent several hours a week on his work for Unite. The payments were significant. The quantity of work he undertook and the scale of the payment should have alerted Mr Dromey to the need to consider his Register entry. While a new Member might not be expected to have the rules at his fingertips, advice was available.

15. We endorse the Commissioner’s view that requiring declaration of interests in interventions would impede the quality and progress of debate (although there may be circumstances in which an interest is so germane that it should be declared even in such interventions). Mr Dromey failed to declare a relevant interest in debates on 16 June and 16 September 2010. The Guide to the Rules is clear that “as well as current interests,

Members are required to declare both relevant past interests and relevant interests which they may be expecting to have”, and specifies that past interests are those held within the previous 12 months.¹² Mr Dromey’s connection with Unite should have been declared whether or not the employment remained current.

16. Mr Dromey was sent a copy of the Commissioner’s memorandum on 13 January; on 16 January he wrote to the Clerk of the Committee, saying “I would first like to place on record my apology to the Committee that the breaches identified by the Commissioner, whose conclusions I accept in full.” Mr Dromey also “accepted the Commissioner’s findings with regard to declaring relevant interest in the two debates” in June and September 2010, and apologised for that breach.¹³

17. This matter was too serious to be resolved through the rectification procedure. We note that “In the case of non-registration, rectification requires a belated entry in the current Register, with an appropriate explanatory note; in the case of non-declaration, it requires an apology to the House by means of a point of order.”¹⁴ This ensures the relevant interest and the failure to declare it is recorded, but is markedly less significant than a personal statement, announced on the annunciator in advance and heard by the House in silence. Mr Dromey has indicated that: “if this case had been rectified by the Commissioner, I recognise that I would have had to make an apology on a Point of Order on the floor of the House. This, I would be happy to do.”¹⁵

18. We acknowledge Mr Dromey’s co-operation with the inquiry, and his immediate and repeated apology. Even so, if Mr Dromey had not been a new and inexperienced Member at the time, we might well have recommended that he apologise to the House by means of a personal statement. As it is, since Mr Dromey has recognised the seriousness of his failure to register and to declare interests we will accept his written apology as an apology to the House. We restrict ourselves to accepting Mr Dromey’s offer to apologise by way of a point of order on the Floor of the House for his failure to declare interests and recommending that he updates his entry in the Register in the terms already agreed with the Registrar of Members’ Financial Interests, with the appropriate explanation.

12 *Guide to the Rules relating to the Conduct of Members*, HC 735, paragraph 73

13 Appendix 2

14 *Guide to the Rules relating to the Conduct of Members*, HC 735, paragraph 108

15 Appendix 2

Appendix 1: Memorandum from the Parliamentary Commissioner for Standards

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Complaint against Mr Jack Dromey MP

Introduction

1. This memorandum reports on my inquiry into a complaint that Mr Jack Dromey, the Member for Birmingham Erdington, failed to register in time payments made to him in respect of his employment as Deputy General Secretary of the Unite union from May 2010 to October 2010; and that he also failed to declare a relevant financial interest over that period.

Background

2. Mr Andrew Bridgen, the Member for North West Leicestershire, wrote to me on 31 October 2011 asking me to investigate this matter.¹ He said: *“In the Registers published up to and including 28 September 2011, Mr Jack Dromey has registered that he is employed as ‘Deputy General Secretary of Unite Union’, but has stated that he is leaving this position and have declined my salary in the meantime”*. Mr Bridgen said *“this appeared to be a perfectly proper registration, until the most recent edition of the register was published.”* He then described Mr Dromey’s entry from the Register of 17 October 2011 as follows: *“Mr Dromey records the above employment, but states that ‘Between the General Election and 30 October 2010, I received £27,867 in salary which included pay in lieu of notice.’”* Mr Bridgen noted that this new registration was made on 4 October 2011.

3. Mr Bridgen believed that it was *“clear from this latter registration that Mr Dromey was in receipt of financial payments from the trade union Unite for up to six months without declaring them in the Register, and he further failed to correctly register the payments for a further year after leaving the post with Unite.”*

4. Mr Bridgen suggested that *“Mr Dromey would have been fully aware of the need to register the payments he was receiving from Unite”*. He said: *“Indeed, Jack Dromey separately recorded an ‘ex gratia payment of £30,000’ from Unite in July 2011. This clearly shows that Mr Dromey was aware of the requirement to declare in the Register payments received from Unite. Yet even after this declaration, his salary from Unite was not declared.”*

5. Mr Bridgen quoted from the rules on registration stating: *“Any Member who has a registrable interest which has not at the time been registered, shall not undertake any action, speech or proceeding of the House (except voting) to which the registration would be relevant until he or she has notified the Commissioner of that interest”*.² He then suggested that *“in the time that the payments from Unite were not registered Mr Dromey spoke in Parliament and asked Parliamentary Questions on a number of issues that would have fallen within the interests of the Unite union.”* Mr Bridgen concluded his letter by asking me to investigate

1 WE 1

2 The Code of Conduct together with the Guide to the Rules relating to the Conduct of Members, Session 2009–10, HC 735, paragraph 14

whether Mr Dromey had made a false or misleading registration of his financial interests, and whether a breach of the Parliamentary rules had occurred.

6. I wrote to Mr Bridgen on 31 October to ask whether it was his intention to make a complaint against Mr Dromey in respect of the non-declaration of a financial interest.³ If so, I said it would be helpful if he could identify the specific occasions when he considered that a financial interest should have been declared by Mr Dromey and why, in his view, such declaration was necessary.

7. Mr Dromey telephoned me on 31 October to discuss the procedure in respect of this complaint about him which had been reported in the media. I told him that I had received a complaint in respect of the registration of his financial interests and was checking with the complainant about the declaration of those interests. Before I received a response from Mr Bridgen Mr Dromey wrote to me on 2 November.⁴ Mr Dromey said that when he was elected in May 2010 as the Member of Parliament for Birmingham Erdington, he was the Deputy General Secretary of Unite. He said that he had transferred with immediate effect his line management duties for 100 employees of the union. Mr Dromey said: *“I had some residual matters to deal with however, and my contract of employment continued therefore.”* He quoted his Register entry of 4 June 2010, which he described as a full and accurate registration at the time, as follows: *“Deputy General Secretary of Unite Union. I am leaving this position and have declined my salary in the meantime.”*

8. Mr Dromey said later that month he had decided that *“I would accept my salary on a monthly basis until formally leaving the employment of the union on 30th October 2010.”* He said that *“I should have declared my monthly salary in the months I received it.”* Mr Dromey said he had met with the Registrar of Members’ Financial Interests on 7 July 2011 *“to seek her advice on four matters.”* He said that: *“In addition, I informed the Registrar that I would need to update my entry to include salary I had received from Unite before formally leaving the employment of Unite on 30th October 2010.”*

9. Mr Dromey said that he wrote to the Registrar on 4 October 2011 as follows:⁵

“Thank you once again for your helpful advice in the Summer. When we spoke, I said I needed to update my entry to include what salary I received from Unite before formally leaving at the end of October 2010. I would, therefore, like to enter the following: ‘My contract with my previous employer, Unite, formally ceased on 30th October 2010. In the period between the General Election and the 30th October, I received, including pay in notice, £27,867 in salary.’”

10. He said that his Register entry had been amended accordingly as follows:

“2. Remunerated employment, office, profession etc

3 WE 2

4 WE 3

5 Not included in the written evidence

Deputy General Secretary of Unite Union, 128 Theobalds Road, London WC1X 8TN until 30 October 2010. Between the General Election and 30 October 2010, I received £27,867 in salary which included pay in lieu of notice. (Updated 4 October 2011)”

11. In summarising Mr Dromey made two points. First, that his original registration on 4 June 2010 had been accurate at the time he had made it. Second, he had then, on 4 October 2011, updated his registration with the salary he had received before his contract of employment with Unite was formally terminated. Mr Dromey concluded by saying that he accepted, however, that he was late in registering the salary he had received. He said he would without hesitation, therefore, apologise and asked my advice on how best he could place on record his apology.

12. Mr Bridgen responded to my letter of 31 October on 2 November.⁶ He said that his primary complaint was the non-registration of an interest. But Mr Bridgen said that Mr Dromey had also “*spoken on matters of interest to Unite without properly declaring his interest.*” Mr Bridgen gave six examples of what he considered were questions asked by Mr Dromey on matters relevant to Unite and its members between the General Election and 30 October 2010. These were:

- *“He spoke in a debate on the Lawful Industrial Action (Minor Errors) Bill on 22 October 2010 (Hansard, 22 October 2010, Col 1260)*
- *He asked about Government assistance to SMEs on 13 October 2010 (Hansard, 13 October 2010, Col. 329W)*
- *He spoke numerous times during the Public Bill Committee’s debate on superannuation on 16 September 2010 (Public Bill Committee: Superannuation Bill, Clause 2, 16 September 2010)*
- *He asked about the loan to Sheffield Forgemasters on 27 July 2010 (Hansard, 27 July 2010, Col. 851)*
- *He has asked numerous times about regional development agencies (For example: Hansard, 8 July 2010, Col. 519)*
- *He spoke in a debate on Government support for industry on 16 June 2010 (Hansard, 16 June 2010, Col. 926 and others).”⁷*

Relevant Rules of the House

13. The Code of Conduct for Members of Parliament provides in paragraph 16 for the registration and declaration of interests as follows:

“Members shall fulfil conscientiously the requirements of the House in respect of the registration of interests in the Register of Members’ Financial Interests and shall always draw attention to any relevant interest in any proceeding of the House or its

6 WE 4

7 WE 5

*Committees, or in any communications with Ministers, Government Departments or Executive Agencies.*⁸

14. Paragraph 13 of the Guide to the Rules sets out the duties of Members in respect of registration as follows:

“Members of Parliament are required to complete a registration form and submit it to the Commissioner within one month of their election to the House (whether at a general election or a by-election). 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.”

15. Members are required to register their interests under specific categories. Under Category 2 (Remunerated employment, office, profession etc) Members are required to register as follows:

“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. ...”

16. Paragraph 24 provides guidance on making an entry under Category 2 as follows:

“All employment outside the House and any sources of remuneration which do not fall clearly within any other Category should be registered here. Members must register under this category the precise amount of each individual payment made, the nature of the work carried on in return for that payment, the number of hours worked during the period to which that payment relates and (except where disclosure of the information would be contrary to any legal or established professional duty of privacy or confidentiality) the name and address of the person, organisation or company making that payment.”

17. The rules in relation to the declaration of Members’ interests are provided in Section 2 of the Guide to the Rules. While the whole of this section is relevant to the declaration of interests, the following extracts are of particular relevance to this case:

“72. In 1974 the House replaced a long standing convention with a rule that any relevant financial interest or benefit of whatever nature, whether direct or indirect, should be declared in debate, or other proceeding...”

74. It is the responsibility of the Member, having regard to the rules of the House, to judge whether a financial interest is sufficiently relevant to a particular debate, proceeding, meeting or other activity to require a declaration. The basic test of relevance should be the same for declaration as it is for registration of an interest; namely, that a financial interest should be declared if it might reasonably be thought by others to influence the speech, representation or communication in question. A

⁸ Resolutions of the House of 22 May 1974, 12 June 1975 as amended on 19 July 1995, 12 June 1975, 17 December 1985, 6 November 1995 as amended on 14 May 2002, and 13 July 1992.

declaration should be brief but should make specific reference to the nature of the Member's interest."

My Inquiries

18. I replied to Mr Bridgen on 3 November accepting his complaint,⁹ although I said I had not accepted for inquiry his suggestion that Mr Dromey had failed to notify the Commissioner of a registrable interest before undertaking any action, speech or proceeding of the House (except voting)¹⁰ since the first Register of the Parliament had recorded Mr Dromey's employment.¹¹

19. I wrote to Mr Dromey on the same day, 3 November.¹² Having summarised the relevant rules, I asked him about the hours he worked; the dates of the salary and ex gratia payments he received; why he had decided to change his financial arrangements during the course of June 2010; and why he had not apparently notified the Registrar of that change. I asked him why, after some 12 months since his initial registration entry, Mr Dromey had decided to meet the Registrar of Members' Financial Interests on 7 July 2011; what advice he recalled the Registrar giving him; whether he had checked his Register entry at any time in the period; and when he had become aware that the entry published in the September 2010 Register had continued unamended until October 2011. In respect of his October 2011 Register entry I asked Mr Dromey for the circumstances which led to him making this registration some three months after meeting the Registrar and what consideration he had given to the detail it gave about his hours and payments. In relation to the complaint about declaration I asked what consideration Mr Dromey had given to declaring the interest arising from his position with Unite and whether he considered that he should have made a declaration in any of the six examples given by the complainant.

20. Mr Dromey responded to my letter on 23 November.¹³ In his letter Mr Dromey said he had worked for Unite and its predecessor unions for 32 years and was elected as Deputy General Secretary in 2003. He said that once elected as an MP his original intention had been to give notice to the Union and to leave after his three month notice period. Mr Dromey said he had intended to decline his salary. However, he said that at the time, he had been dealing with a sensitive matter for the Union and had been asked by them to continue his employment until it was resolved. Mr Dromey said: *"It wasn't clear how long this would take and in the event it continued longer than anyone had anticipated."*

21. Mr Dromey said that he had decided to change the financial arrangements when he had been asked by the Union to continue to serve until he had completed his work. He said: *"I entirely accept that I am at fault in not notifying the Registrar of a change in circumstances promptly."* He said that he was deeply sorry for that. Mr Dromey said that he

9 Not included in the written evidence

10 As required under paragraph 14 of the Guide to the Rules

11 Register of Members' Financial Interests as at 6 September 2010 HC 463

12 WE 6

13 WE 7

had “*actually worked between 10 and 15 hours per week on average between May 2010 and the 30th October 2010*” for Unite.

22. Mr Dromey told me that he did not check his Register entry until June 2011 before his meeting with the Registrar. He said: “*Had I done so, I would have immediately appreciated that it still showed that I was still employed as the Deputy General Secretary whereas in fact I had not been so employed since October 2010.*” Mr Dromey said he had met with the Registrar to seek her advice on the ex gratia payment and his purchase of his company car. He said: “*I also informed her that I had decided to take a salary from Unite despite my initial intention to decline it because of the circumstances, and that I would need to update my registration.*”

23. Mr Dromey said that the advice he had received from the Registrar was that he needed to update his entry to include the salary he had received from Unite. He said he had therefore contacted his former employer but had some difficulty getting the information due to the holiday season. In the end, having contacted the Director of Finance and Operations of Unite directly, Mr Dromey received the information at the end of August. Mr Dromey explained that unfortunately September had been exceptionally busy for him due to the TUC and Labour Party Conferences, as well as two weeks of parliamentary session. He said: “*As soon as I could, I gathered together the information and wrote to [the Registrar] accordingly on 4th October 2011.*” Mr Dromey said that he now appreciated that he should have entered the number of hours he worked and the amount of each individual salary payment.

24. In respect of the requirement to declare his interest Mr Dromey explained:

“I did carefully consider before speaking in any proceedings whether I should declare a relevant interest. Before I left the employment of the Union, I felt that I had not been involved in a debate where I considered it necessary to do so. Having said that, considering the six examples referred to by Mr Bridgen, I would respond as follows:

(a) Lawful Industrial Action (Minor Errors) Bill on the 22nd October 2010

My contribution here was a question to Jacob Rees-Mogg [the Member for North East Somerset], which was a quip about membership of the Carlton Club. In my view I did not think that my position with Unite might be reasonably thought by others to influence this question.

(b) Government assistance to SMEs

I was asking a question about assistance received by SMEs from the Government. I did not consider that my position with Unite was in any way relevant to this.

(c) Public Bill Committee debate on Superannuation

I spoke several times during the Public Bill Committee’s debate and this was generally a discussion about the position of civil servants. With the benefit of hindsight, I feel that it would have been prudent for me to have declared my connection with Unite, as I was drawing on my experience as a trade unionist.

(d) Loan to Sheffield Forgemasters

I asked a question as to whether the Deputy Prime Minister would give an undertaking that a fresh application by the company for a loan would be given priority. I did not think that this question caused any difficulty with my association with Unite.

(d) Regional Development Agencies

I do not consider that my interest in Regional Development Agencies required me to declare my position with Unite.

(e) The debate on Government support for industry

In my contributions to this debate I make clear reference to my experience in negotiating agreements in industry and I was urging investment in industry. Again with hindsight it might have been prudent for me to declare my association with Unite.”

25. Mr Dromey concluded his letter by entirely accepting that he was at fault in not registering his continuing employment with Unite promptly and apologising for this once again.

26. Mr Dromey enclosed with his letter a letter from the Director of Finance and Operations of Unite of 23 November.¹⁴ The Director said that upon his election Mr Dromey had given the union three months notice of his intention to leave his employment. He said that Mr Dromey had “*anticipated that he would be able to leave sooner than that*” but the union had had to hold him to his notice period to deal with a particularly sensitive matter. The Director said that it had not been “*possible to tell how long this would continue but it was not thought likely to take more than a few months (in the event, the matter was not concluded until near the end of October).*”

27. The Director said that Mr Dromey had declined payment for May 2010 following the election but, because of the way in which the Unite payroll operated, the May payment had been sent to him. He said that Mr Dromey had immediately given Unite a cheque to cancel that payment when he realised this. The Director set out the payments Mr Dromey had in fact received as follows:

4 June 2010	£7,097.67 gross (£4,135.37 net).
6 July 2010	£13,976.94 gross (£8,115.22 net). This included holiday pay.
5 November 2010	£7,097.67 gross, plus an ex gratia payment of £30,000 (the net payment was £29,989.47). The sum of £4,145.90 was deducted, which represented the price of his car. In accordance with the normal practice for Officers leaving the Union with the Union’s consent, Mr Dromey was allowed to purchase his car at a fixed percentage of list price depending upon the age of the car.

28. The Director regretted the delay in providing Mr Dromey with the information he needed. He noted that Mr Dromey had not wanted to take advantage of a significant redundancy payment to which he would have been entitled and that it had been the union's decision to make an ex gratia payment of £30,000 to Mr Dromey. The Director said this was "*a fraction of what he was entitled to because of his long service and seniority.*" He said that Mr Dromey had always been known as a man of "*unquestionable integrity*".

29. I responded to Mr Dromey on 24 November.¹⁵ I asked him whether there was any distinct pattern to his weekly working hours and, in particular, whether his working hours had decreased significantly between the July payment and the final payments received at the end of his employment. I asked him whether his salary payments had been in arrears; why the registration he had made on 7 June 2010 said that he had declined his salary when he received a payment of £7,098 on 4 June; and to confirm whether the November payment had included pay in lieu of notice since the Director of Finance and Operations had said Unite had had to hold Mr Dromey to his notice period and Mr Dromey had worked from May to October.¹⁶ I noted that from the information provided in the Director's letter I had calculated the total salary payments as amounting to £28,172 rather than the £27,867 in his October 2011 Register entry.¹⁷ Finally, I asked whether he could suggest any reason why he did not check his Register entry from September 2010 to June 2011 and, given that he had received his ex gratia payment on 5 November 2010, why he had not decided to speak to the Registrar until seven months later, on 7 July 2011.

30. Mr Dromey responded to my letter on 1 December.¹⁸ In respect of the pattern of his working hours Mr Dromey said that his previous estimate of on average between 10 and 15 hours per week remained constant save for August when he had been on holiday for almost 3 weeks. Mr Dromey said that the salary payments were not paid in arrears and he accepted my calculation of the total salary he received. He explained that he had repaid the payment for May and that the payment on 4 June was for the month of June. He said, at the time he made his registration [4 June] he had declined his salary. But by the time he had received and checked his bank statement, he had agreed with the union to stay on. It was not until then that Mr Dromey had realised that he had received a payment on 4 June. Mr Dromey said: "*In fact the payroll of the Union had paid me automatically because they had not been instructed to stop payments by the Personnel Department.*" Mr Dromey said that the November payment—of £28,172—had not ultimately included pay in lieu of notice as he had actually worked throughout the notice period as he was required to do.

31. Mr Dromey said he did not check his register entry from September 2010 to June 2011 because he "*was extremely busy during the relevant period and adapting to my new role. In my first month, for example, I worked in excess of 90 hours a week.*" Mr Dromey said that it was not until he was preparing to seek advice from the Registrar that he had realised his error. He apologised for this. Mr Dromey said he had no explanation to offer for the delay

15 WE 10

16 WE 8

17 WE 8, see paragraph 10 for the full text of Mr Dromey's Register entry of 4 October 2011

18 WE 11

between receiving his ex gratia payment in November 2010 and speaking to the Registrar on 7 July 2011 other than that he was very busy. Mr Dromey said that he should have consulted the Registrar much earlier but, when he had done so, he immediately registered the sum in question.

32. Mr Dromey emphasised that there was no intention on his part at any time not to comply with the “Code of Guidance”. He said: *“I do take my obligations as an MP very seriously and, as you have noted, I did declare my registrable interest.”* Mr Dromey entirely accepted that he was at fault in failing to amend his entry in a timely manner. He appreciated that the payments should have been declared in detail immediately. He said they were not paid to him in his capacity as an MP: *“On the contrary, these were payments made by my longstanding employer for whom I had worked for 32 years in the transitional period following the election. I made the initial declaration in good faith, having given in my notice to my employers. I then repaid the payment I had received for May.”*

33. Mr Dromey said, unfortunately, he had not then focused on the matter again in the way he should have until he took the initiative to consult the Registrar: *“I would also hope that you accept that my taking the initiative to raise these matters with the Registrar demonstrates that I had no intention of wilfully failing to register payments from my former employer that required to be registered. I am at fault, however in being late to register, something sincerely I regret.”* Finally, he said that he had not received payments from any other source.

34. Meanwhile, I had also written to the Registrar of Members’ Financial Interests on 24 November seeking her help and advice on the complaint.¹⁹ I asked her to confirm or otherwise modify the summary which Mr Dromey had given of his meeting with her; for her advice on the application of the rules on registration and declaration; and what a compliant entry should have said. I asked in particular, whether the provision of a company car while Mr Dromey was employed with Unite should have been included in his Register entry; and whether his subsequent purchase of the company car was registrable.

35. The Registrar responded to my letter on 6 December.²⁰ She confirmed that Mr Dromey had asked to meet her to discuss four matters. She said that only two of these matters were directly relevant to my inquiry:

- i. the ex gratia payment Mr Dromey had received from Unite. The Registrar said that Mr Dromey had asked for her advice on how to register this.
- ii. Mr Dromey’s purchase of his company car at a preferential rate when he left Unite. The Registrar said that Mr Dromey had asked her whether this required registration. Given that Mr Dromey had stated that the preferential rates were routinely available to senior officials of the union when they left, and that the terms available to him did not in any way relate to his membership of the House, the Registrar said she had advised him that he was not required to register those preferential terms.

19 WE 9. I also subsequently copied her Mr Dromey’s letter of 1 December 2010, WE 11

20 WE 12

36. The Registrar said that Mr Dromey's entry under Category 2 of the Register (Remunerated employment, office, profession etc) was not one of the four matters about which he had formally consulted her, and it had not been discussed in detail. The Registrar said: *"He told me that he needed to check something in relation to this entry."* She said his letter of 23 November 2011 suggested that Mr Dromey might have checked his figures with the finance director of Unite.²¹ She said: *"Mr Dromey's exit package from Unite was a complex one and I can understand why he might have wished to check this information."*

37. The Registrar confirmed that Mr Dromey's first Register entry after the 2010 General Election had been prepared based on a form he had completed on 4 June 2010, received in the office on 7 June.²² The Registrar said Mr Dromey's entry had been emailed to him on 28 June 2010 with a request to inform the office of his final leaving date so that the entry could be amended at the correct time. The Registrar noted that she had no record of any subsequent contact from Mr Dromey before his request for the meeting which took place on 7 July 2011. After that meeting Mr Dromey had emailed her on 11 July approving the text of his Register entry for his ex gratia payment and adding: *"On updating any Category 2 payments, I will check back with the Union and come back to you next week in Recess."*

38. The Registrar said her next contact with Mr Dromey was on 4 October 2011, when he emailed her in the following terms: *"My contract with my previous employer, Unite formally ceased on the 30th October 2010. In the period between the General Election and the 30th October, I received, including pay in notice [sic], £27,867 in salary."* The Registrar prepared a draft Register entry for Mr Dromey and sent it to him for checking on 11 October. She said she had not asked Mr Dromey for the date of the payment as this was not required. Nor had she asked him for the details of the hours he had worked as she had assumed that the payment was in lieu of notice. Mr Dromey had emailed her on 16 October to confirm that he was content with the amended entry. It was then included in the Register of 17 October 2011.²³

39. In respect of the application of the rules on registration, the Registrar said she considered that, while Mr Dromey's initial registration had been made within the required timescale and he had told me that it accurately represented his situation at the time, he had not met the requirements of the rules in relation to each of the payments which he had received from Unite on 4 June, 6 July and 5 November 2010, which he should have registered within 28 days of receiving each of them. The Registrar said Mr Dromey's register entries should have set out all the information required by the House, including the exact amount of each payment and the hours worked for each payment, and the fact that he had a company car.

40. In relation to the rules on declaration, the Registrar said, having consulted the Official Report of those proceedings quoted by the complainant, that she would have advised Mr Dromey to declare an interest on two occasions. The first was during the Public Bill

21 WE 7

22 See paragraph 7 for the full text of Mr Dromey's Register entry of 4 June 2010

23 See paragraph 10 for the full text of Mr Dromey's Register entry of 4 October 2011

Committee's discussion of the Superannuation Bill on 16 September 2010. She noted that Mr Dromey had said that "*with the benefit of hindsight, ... it would have been prudent for me to have declared my connection with Unite...*" The second was during the debate on the Lawful Industrial Action (Minor Errors) Bill on 22 October 2010. While Mr Dromey's intervention on this occasion had included a quip, as he said, she believed it also included a serious point about the purpose of the Bill. In addition, she noted that Mr Dromey had said that he considered that "*with hindsight it might have been prudent*" for him to have declared an interest during the Opposition Day debate on 16 June 2010. The Registrar said: "*I consider that the arguments in favour of declaration were more finely balanced on this occasion, but would not have attempted to dissuade Mr Dromey from making a declaration, had he consulted me.*" She agreed with Mr Dromey that declaration was not required on the other occasions mentioned by the complainant.

41. The Registrar enclosed an outline text for a possible retrospective Register entry for Mr Dromey which required some additional information from him about the hours worked and what each payment was for.²⁴ The Registrar said that the provision of a company car during his employment should have been included in his Register entry, as should any other employment benefits in kind which he received at that time.

42. I sent Mr Dromey a copy of the Registrar's letter on 7 December and sought his comments on her advice.²⁵ I noted that the Registrar had no record or recall of any discussion about him receiving a salary, although she had noted Mr Dromey saying that he was going to check something in relation to the employment category (Category 2). I asked Mr Dromey for the additional information required to complete his retrospective entry.²⁶ I also asked him to confirm that he had received no registrable benefits other than the company car.

43. Mr Dromey responded to my letter on 19 December.²⁷ With regard to the terms of the revision of his initial registration entry following the payments he received in June, July, and November 2010, Mr Dromey accepted that he was at fault in not notifying the Registrar promptly and apologised again for this. Mr Dromey said that he had continued to have a company car as a benefit of his employment in the transitional period which had continued for much longer than he had originally anticipated and until he had left the Union in October 2010. He accepted that he should also have registered this benefit.

44. Mr Dromey said that the Registrar's comments on these issues were entirely fair and he accepted them "*without hesitation*". In respect of his Category 2 registration, Mr Dromey noted that the Registrar did not say that she had no record or recall of the discussion about him updating his Category 2 registration but that she was absolutely correct in saying that it was not discussed in detail. Mr Dromey noted that the Registrar was "*kind enough to indicate that she understands why I needed to check the information with Unite because my*

24 See WE 17 for the agreed retrospective Register entry

25 WE 13

26 See WE 17 for the agreed retrospective Register entry

27 WE 14

exit package was complex, not least because of the circumstances that meant the transitional period was indeed longer than I had originally anticipated...

45. Mr Dromey enclosed a draft retrospective register entry providing the additional information needed and enquired whether this was satisfactory and whether he should now submit it to the Registrar.²⁸ He said that he had confirmed the hours worked as best he could and the split between work done and holiday pay in the July 2010 payment. He said that the holiday period ran from January to December in any year and so, for these purposes, ran from January to July. With regard to the November payment, Mr Dromey said that although the payments were not normally payments in arrears, this payment had been a final one and was intended to deal with all outstanding matters. It was a payment for work done from August to October 2010.

46. In addition, Mr Dromey said, having consulted the Registrar, *“I would like to record that I continued to use my old mobile phone supplied by the Union up to 5th September...”* He said that Unite had informed him that the bill for that period was £625.48.

47. With regard to the Registrar’s comments that he should have declared his interest during the debate on the Superannuation Bill, Mr Dromey said, that he had *“already accepted that with hindsight it would have been prudent to do so.”* Mr Dromey said he would like me to take into consideration that he did not think that *“anyone could have thought that this would influence [his] speech or representation in these circumstances.”*

48. With regard to his intervention during the debate on Lawful Industrial Action, Mr Dromey noted the Registrar’s views but felt that his contribution was *“genuinely just an off the cuff remark intended as a quip”*. He believed it was accepted as such by his parliamentary colleagues.

49. I wrote to Mr Dromey on 21 December enclosing a revised version of a possible Register entry.²⁹ I said, having consulted the Registrar, that she had noted that Mr Dromey’s draft retrospective Register entry would need to add that, in addition to his salary, he had had the use of a company car *“and mobile telephone”*. I noted that the Registrar assumed at this remove that it was not possible for Mr Dromey to be more specific about the precise hours worked.

50. I asked Mr Dromey to confirm that he had identified all the relevant payments, because the final payment covering the period for August to October appeared to be substantially less than the June and July payments, given the hours. I explained that it would be best to leave any follow-up revision to his Register entry until after the Committee had concluded its consideration of the matter.

51. I said that I hoped I was right in assuming from what Mr Dromey had said that he was content to abide by the judgment he had made in his letter to me of 23 November that, with hindsight, it might have been prudent for him to have declared his association with

²⁸ See WE 17 for the agreed retrospective Register entry

²⁹ WE 15

Unite in the contribution he had made to the debate on Government support for industry on 16 June 2010.

52. Mr Dromey responded on 22 December.³⁰ He noted the amendment to the entry with regard to the mobile phone. He said that he was sorry that he could not be more precise about the exact hours worked, but the circumstances were not those of his normal employment with the Unite union for whom he had worked for 32 years. Mr Dromey confirmed that the payments he had identified previously were the only relevant payments. He said these were corroborated by the Director of Finance and Operations in his letter of 23 November.³¹

53. Mr Dromey confirmed that he was not changing his view with regard to the fact that it might have been prudent with the benefit of hindsight to have declared his association with the Unite union in the debate on Government support for industry. He said: *“I was only asking for it to be taken into consideration that I do not think that anyone could have thought that this would influence my speech or representations in these circumstances.”*

Findings of fact

54. Mr Dromey was elected in May 2010 as the Member of Parliament for Birmingham, Erdington. At the time he was the Deputy General Secretary of Unite. On 4 June 2010 Mr Dromey submitted the following entry for the Register of Members’ Financial Interests under Category 2 (Remunerated employment, office, profession etc): *“Deputy General Secretary of Unite Union. I am leaving this position and have declined my salary in the meantime.”* Mr Dromey’s Register entry was emailed to him on 28 June 2010 with a request that he inform the Registrar of his final leaving date so that his entry could be amended at the correct time. There was no subsequent contact between Mr Dromey and the Registrar until Mr Dromey met with the Registrar at his initiative on 7 July 2011. On that date and following the meeting Mr Dromey added to his Register entry under Category 11 (Miscellaneous) as follows: *“I received an ex gratia payment of £30,000 on leaving my position as Deputy General Secretary of Unite.”* Subsequently on 4 October 2011 Mr Dromey submitted the following entry for the Register of Members’ Financial Interests under Category 2 (Remunerated employment, office, profession etc): *“Deputy General Secretary of Unite Union, 128 Theobalds Road, London WC1X 8TN until 30 October 2010. Between the General Election and 30 October 2010, I received £27,867 in salary which included pay in lieu of notice.”* These payments in fact amounted to £28,173.

55. Mr Dromey’s evidence is that, upon his election, his original intention was to give notice to Unite and to leave after his three-month notice period. He intended to decline his salary. Mr Dromey considers his Register entry of 4 June 2010 to have been a full and accurate registration at that time. Later that month, however, Mr Dromey decided that he would accept a monthly salary until formally leaving the employment of the union. The union had asked him to continue his employment to resolve a sensitive matter. In the

30 WE 16

31 WE 8

event, he did not cease his employment with the union until the end of October 2010. The transitional period had continued for much longer than he had originally anticipated. Mr Dromey did not check his Register entry until June 2011, before he met with the Registrar at his own initiative on 7 July 2011 principally to ask her about the possible registration of the ex gratia payment he had received in October 2010, the purchase of his company car and two other matters. Mr Dromey's evidence is that he did not seek an earlier meeting with the Registrar to discuss his ex gratia payment or to revise his Register entry to take account of his salary payments because he was extremely busy and was adapting to his new role. His evidence is that he told the Registrar on 7 July 2011 that he would need to update his Register entry in relation to his employment with the union. In an email to her on 11 July, approving the wording for the entry relating to his ex gratia payment, Mr Dromey added: "*On updating any Category 2 payments, I will check back with the Union and come back to you next week in Recess.*" Mr Dromey's evidence is that he had some difficulty in getting the information required to register the payments due to holiday periods and conferences and did not receive it from the union until the end of August 2011. September was a very busy month for Mr Dromey which was why he did not send the revised entry until 4 October 2011.

56. The evidence of the Director of Finance and Operations of Unite is that the union had had to hold Mr Dromey to his notice period to deal with a particularly sensitive matter. It had not been possible to tell how long this would continue but it was not thought likely to take more than a few months—in the event, the matter was not concluded until near the end of October. The Director's evidence was that Mr Dromey's post at the union was in fact made redundant and Mr Dromey would have been entitled to a significant redundancy payment. The Director's evidence was that Mr Dromey did not want to take advantage of this and it had been the union's decision to give him an ex gratia payment of £30,000, a fraction of what he had been entitled to because of his long service and seniority.

57. Taking account of the evidence from Mr Dromey and the Director, the evidence is that Mr Dromey received payments for his work as follows:

- a) a salary payment in May which Mr Dromey repaid to the union;
- b) on 4 June 2010 a payment of £7,098 for 40–60 hours work in June 2010;
- c) on 6 July 2010 a payment of £13,977 comprising £8,736 for 40–60 hours work in July 2010 and £5,241 for holiday pay for the period January to July 2010;
- d) on 5 November 2010 a payment of £7,098 for 95–135 hours work in August to October 2010; and
- e) on 5 November 2010 an ex gratia payment of £30,000 on leaving his position as Deputy General Secretary of Unite.

58. The Registrar's evidence is that while Mr Dromey's initial registration was made within the required timescale, he did not meet the requirements of the rules in relation to each of the payments which he received from Unite on 4 June, 6 July and 5 November 2010, which he should have registered within 28 days of receiving each of them. His Register entries

should have set out all the information required by the House, including the exact amount of each payment and the hours worked for each payment, and the fact that he had the use of a company car and mobile telephone. The Registrar's evidence is that at their meeting Mr Dromey's entry under Category 2 (Remunerated employment, office, profession etc) was not discussed in detail. He told her that he needed to check something in relation to this entry. She considers that Mr Dromey's exit package from the union was a complex one and she understands why he might have wished to check this information.

59. In respect of declaration, Mr Dromey's evidence is that he did carefully consider before speaking in any proceedings whether he should declare a relevant interest and that before he left the employment of the Union, he felt that he had not been involved in a debate where he considered it necessary to do so. But having now with hindsight considered all of the six examples referred to by the complainant, Mr Dromey accepts that on two occasions, namely his contributions to the Public Bill Committee's debate on the Superannuation Bill on 16 September 2010 and the Opposition Day Debate on the Government's support for industry on 16 June 2010, it would have been prudent for him to have declared his connection with Unite. In respect of the other four occasions, Mr Dromey did not consider that it would have been necessary for him to have declared an interest. In particular he considered his contribution in a debate on the Lawful Industrial Action (Minor Errors) Bill on 22 October 2010 to have been an off the cuff remark intended as a quip. He believed it had been accepted as such by his parliamentary colleagues.

60. The Registrar's evidence is that she would have advised Mr Dromey to declare an interest on two of the six occasions: one of which differed from Mr Dromey's assessment. She was in agreement with Mr Dromey in respect of the Public Bill Committee's debate on the Superannuation Bill on 16 September 2010. Her evidence is that, in addition to this, she would have advised Mr Dromey to declare his interest when contributing to the debate on the Lawful Industrial Action (Minor Errors) Bill on 22 October 2010. In her view, while Mr Dromey's intervention on this occasion had included a quip, she considered that it also included a serious point about the purpose of the Bill. Finally, the Registrar considered that the arguments were more finely balanced in favour of declaration on the second occasion identified by Mr Dromey, the Opposition Day Debate on the Government's support for industry on 16 June 2010, but she would not have attempted to dissuade Mr Dromey from making a declaration, had he consulted her.

61. Mr Dromey has fully and readily accepted that he was in breach of the rules of the House by failing to register in time the payments he received and use of a company car and mobile phone as a result of his employment with Unite from May to October 2010, and for his failure to declare these interests in the debates on 16 June and 16 September 2010. Mr Dromey considers that the fact that he took the initiative to meet the Registrar demonstrates that he had no intention of wilfully failing to register payments from his former employer which were required to be registered. His evidence is that there was no intention on his part at any time not to comply with the Guide to the Rules relating to Members' conduct. Mr Dromey has apologised fully and repeatedly for his late registration, which he sincerely regrets.

Conclusions

62. The questions I am to resolve are:

- i. Was Mr Dromey in breach of the registration rules by his late and incomplete registration of his paid employment with the Unite union from May to October 2010? and
- ii. Was Mr Dromey in breach of the declaration rules by failing to declare his paid employment with Unite during his contributions to debates from June to October 2010?

Was Mr Dromey in breach of the registration rules by his late and incomplete registration of his paid employment with the Unite union from May to October 2010?

63. Mr Dromey has fully and readily accepted that he was in breach of the rules of the House by failing to register in time the payments he received as a result of his employment with Unite from May to October 2010. Mr Dromey properly identified his employment with Unite at his first registration in June 2010, where he stated that he would not be drawing a salary, but he was clearly and incontrovertibly in breach of the rules from June 2010 to October 2011 by not registering within four weeks the payments he received from the union from June to November 2010. He was also, as he has accepted, in breach of the rules of the House for having failed to register within four weeks the receipt in November 2010 of an ex gratia payment. He did not do so until July 2011.

64. Mr Dromey was in breach of the registration rules of the House in not registering the use of a company car during his continuing employment with Unite from May to October 2010, and the company mobile telephone which he had until September 2010.

65. Mr Dromey was also in breach of the rules for not notifying the ending of his employment with Unite within four weeks of that event. His employment ended at the end of October 2010. He did not record this until October 2011.

66. And, finally, the form of Mr Dromey's late registration entry of October 2011, as well as omitting reference to the company car and mobile phone, also failed to meet the registration requirements since the entry did not separately identify each of the payments he received and the number of hours worked for each payment.

67. Mr Dromey has now, with the help of the Registrar of Members' Financial Interests, prepared a registration entry which I am satisfied is compliant with the rules of the House and which is included in this memorandum.³²

Was Mr Dromey in breach of the declaration rules of the House by failing to declare his paid employment with Unite during his contributions to debates from June to October 2010?

68. The complainant identified six interventions by Mr Dromey in the proceedings of the House from June to October 2010 in which, in his view, Mr Dromey was required by the declaration rules of the House to have declared his interest as a result of his paid employment with Unite.

69. Having carefully considered each of these interventions, I conclude that Mr Dromey's financial interest arising from his employment with Unite was not sufficiently relevant to the contributions he made to the proceedings on 8 July, 27 July and 13 October to require it to be declared.

70. Mr Dromey has, however, accepted with hindsight that he should have declared his financial interest in the contributions he made to the debates on 16 September 2010 and on 16 June 2010. The Registrar of Members' Financial Interests agrees with Mr Dromey in respect of the first of these; and would not argue against Mr Dromey on the second, although she believes it to be a more marginal case. My own judgement is that Mr Dromey's interest on account of his employment with Unite was sufficiently relevant to have required him to have declared that interest at the beginning of each of his contributions. He was, therefore, in breach of the declaration rules of the House in not having done so.

71. The Registrar of Members' Financial Interests considers in addition that Mr Dromey should have declared an interest in the intervention he made on the speech by Mr Jacob Rees-Mogg (the Member for North East Somerset) in a debate on 22 October 2010 on the Second Reading of the Lawful Industrial Action (Minor Errors) Bill. Mr Dromey does not agree, pointing out that his intervention was evidently a "quip". The Registrar says that it was quip with a serious purpose. My own judgement is that Mr Dromey was not in breach of the declaration rules in not declaring an interest when he made his intervention. While the Guide to the Rules does not specifically cover this sort of circumstance, I believe it is broadly analogous to a Member asking a supplementary question, where the Member is not required to make any relevant declaration. While I consider Mr Dromey had a relevant interest in relation to the subject matter being discussed, I think to have declared it as he made his brief intervention would have had the effect of unnecessarily impeding the quality and progress of the debate by inhibiting the opportunity for the sort of cut and thrust between Members which his brief intervention demonstrated.

Overall conclusions

72. My overall conclusions, therefore, are that Mr Dromey was in breach of the registration rules of the House by failing to register within the required time period the payments he received from June to October 2010 as a result of his employment with Unite, for failing to register in time the ex gratia payment he received in November 2010, for failing to register the additional benefits he received from his employment, for failing to identify the separate

payments he received and the hours he worked and for failing to notify the ending of his employment with Unite within the required time period.

73. I therefore uphold this aspect of the complaint.

74. I have found also that Mr Dromey was in breach of the declaration rules of the House by failing to declare his relevant interest as a result of his employment with Unite in the debate on 16 June 2010 and in the debate on 16 September 2010. I do not consider that he was in breach of the declaration rules of the House in the four other interventions identified by the complainant. I therefore partially uphold this aspect of the complaint.

75. I consider that failures to register Members' financial interests, including registering those interests within the required time period, are serious matters, as too are failures to declare relevant interests in debates. The House and the public need to have an assurance that the Register is accurate and up to date, if they are to have confidence in the information it provides. Members and the public should expect Members to declare an interest where it is relevant to the parliamentary proceedings in which they are taking part.

76. It is, in my view, unfortunate that Mr Dromey did not remember the terms of his initial registration of 4 June 2010 when making the decision, later that month, to accept his salary payments—particularly as my office had sent Mr Dromey a copy of his initial entry around that time. It is unfortunate that he did not follow the guidance in that note that he should inform the Registrar when his employment ended, so leaving an inaccurate entry in the Register for twelve months.

77. It is equally unfortunate that Mr Dromey did not check his Register entries at any time from June 2010 until preparing for the meeting he had requested with the Registrar a year later. That meeting was partially to allow him to seek advice on the registration of the ex gratia payment which he had received in November 2010. He should have sought a meeting to discuss this at that stage and not left it for nearly eight months. While it was understandable that, following the meeting in July 2011, he needed to check with the Unite union about the details of his remuneration package, it was in my view not acceptable that he should have taken from July to October 2011 to have resolved this (albeit that the entry he then made was incomplete).

78. I consider, therefore, that Mr Dromey should have given much higher priority to correcting his registration entry. Had he done so, he would have avoided leaving his misleading entry in place for an unnecessarily long time. I consider also that Mr Dromey should have shown more awareness of the declaration provisions, given that in the early months of the new Parliament, from May to October 2010, he was in paid employment by a trade union at the same time as he was taking part in some relevant debates.

79. Against that, however, I consider that it is relevant that Mr Dromey was a new Member seeking to establish himself in the House and in his constituency. Like other Members, he was under considerable work pressures. It is to his credit that he has co-operated so fully and openly with my inquiry and has taken the first opportunity to accept that he breached the registration rules and to apologise. There is no evidence that the breaches I have

identified in respect of both registration and declaration were intentional. I trust that Mr Dromey will in future ensure that he gives these matters the priority which they require.

12 January 2012

John Lyon CB

Written evidence received by the Parliamentary Commissioner for Standards

1. Letter to the Commissioner from Mr Andrew Bridgen MP, 31 October 2011

I wish to bring to your attention, and ask you to investigate, a possible failure by a Member of Parliament to properly register a financial interest.

In the Registers published up to and including 28 September 2011, Mr Jack Dromey has registered that he is employed as “*Deputy General Secretary of Unite Union*”, but has stated that he is “*leaving this position and have declined my salary in the meantime*”. This appeared to be a perfectly proper registration, until the most recent edition of the register was published.

In the new Register, dated 17 October 2011, Mr Dromey records the above employment, but states that “*Between the General Election and 30 October 2010, I received £27,867 in salary which included pay in lieu of notice*”. This new registration was made on 4 October 2011. (Just six days later he was appointed Shadow Housing Minister).

The Parliamentary Code of Conduct states that “*it is the responsibility of Members to notify changes in their registrable interests within four weeks of each change occurring*”. Yet, it is clear from this latter registration that Mr Dromey was in receipt of financial payments from the trade union Unite for up to six months without declaring them in the Register, and he further failed to correctly register the payments for a further year after leaving the post with Unite.

As a former Labour Party Treasurer and with a wife, Harriet Harman, who has been an MP since 1982, Mr Dromey would have been fully aware of the need to register the payments he was receiving from Unite.

Indeed, Jack Dromey separately recorded an “*ex gratia payment of £30,000*” from Unite in July 2011. This clearly shows that Mr Dromey was aware of the requirement to declare in the Register payments received from Unite. Yet even after this declaration, his salary from Unite was not declared.

The Parliamentary Code of Conduct goes on to state that “*Any Member who has a registrable interest which has not at the time been registered, shall not undertake any action, speech or proceeding of the House (except voting) to which the registration would be relevant until he or she has notified the Commissioner of that interest*”. Yet, in the time that the payments from Unite were not registered Mr Dromey spoke in Parliament and asked Parliamentary Questions on a number of issues that would have fallen within the interests of the Unite union.

I would be grateful if you could investigate whether Mr Dromey made a false or misleading registration of his financial interests, and whether a breach of the Parliamentary rules has occurred.

31 October 2011

2. Letter to Mr Andrew Bridgen MP from the Commissioner, 31 October 2011

Thank you for your letter of 31 October with your complaint against Mr Jack Dromey MP about the possible failure by him to register a financial interest.

You refer in the penultimate paragraph of your letter to Mr Dromey’s involvement in certain parliamentary proceedings. As you will know, in such circumstances Members are subject to the separate rules on the declaration of interests. I am not completely clear from your letter, however, whether it is your intention also to make a complaint against Mr Dromey in respect of the non-declaration of a financial interest. If so, it

would be helpful if you could identify the specific occasions when you consider that a financial interest should have been declared by Mr Dromey and why such a declaration was, in your view, necessary in accordance with the relevant rules.

It would be very helpful if you could let me have a response to this letter within the next two days so that I can consider further whether to initiate an inquiry into your complaint.

31 October 2011

3. Letter to the Commissioner from Mr Jack Dromey MP, 2 November 2011

Further to our helpful discussion on Monday 30th October, I am writing to you on the matter of my late registration in the Register of Members' Interests.

When elected in May 2010 as the Member of Parliament for Birmingham Erdington, I was the Deputy General Secretary of Unite. I transferred with immediate effect my line management duties for 100 employees of the Union. I had some residual matters to deal with however, and my contract of employment continued therefore. I declared on 4th June as follows:

"Deputy General Secretary of Unite Union. I am leaving this position and have declined my salary in the meantime."

At the time that was a full and accurate registration.

However, later that month, I decided that I would accept my salary on a monthly basis until formally leaving the employment of the union on 30th October 2010. I should have declared my monthly salary in the months I received it. On 7th July 2011, I met with the Registrar of Members' Interests [name] to seek her advice on four matters. In addition, I informed the Registrar that I would need to update my entry to include salary I had received from Unite before formally leaving the employment of Unite on 30th October 2010.

On 4th October 2011, I wrote to the Registrar as follows:

"Thank you once again for your helpful advice in the Summer. When we spoke, I said I needed to update my entry to include what salary I received from Unite before formally leaving at the end of October 2010. I would, therefore, like to enter the following: 'My contract with my previous employer, Unite, formally ceased on 30th October 2010. In the period between the General Election and the 30th October, I received, including pay in notice, £27,867 in salary.'"

The register was amended accordingly as follows:

"2. Remunerated employment, office, profession etc

Deputy General Secretary of Unite Union, 128 Theobalds Road, London WC1X 8TN until 30 October 2010. Between the General Election and 30 October 2010, I received £27,867 in salary which included pay in lieu of notice. (Updated 4 October 2011)"

In summary, I would like to make two points:

- My original registration on 4th June 2010 was accurate at the time I made the declaration.
- I then, on 4 October 2011, updated my registration of the salary I received before my contract of employment with Unite was formally terminated.

I accept, however, that I was late in registering the salary received. I would without hesitation, therefore, apologise. I would be grateful if you could advise how best I place on record my apology.

2 November 2011

4. Letter to the Commissioner from Mr Andrew Bridgen MP, 2 November 2011

Thank you for your letter dated 31st October. My primary complaint is the non-registration of an interest. He has also spoken on matters of interest to Unite without properly declaring his interest.

Examples of questions asked by Jack Dromey on matters relevant to Unite and its members between the General Election and 30 October 2010:

- He spoke in a debate on the Lawful industrial Action (Minor Errors) Bill on 22 October 2010 (Hansard, 22 October 2010, Col, 1260).
- He asked about Government assistance to SMEs on 13 October 2010 (Hansard, 13 October 2010, Col. 329W).
- He spoke numerous times during the Public Bill Committee's debate on superannuation on 16 September 2010 (Public Bill Committee: Superannuation Bill, Clause 2, 16 September 2010).
- He asked about the loan to Sheffield Forgemasters on 27 July 2010 (Hansard, 27 July 2010, Col. 851).
- He has asked numerous times about regional development agencies (For example: Hansard, 8 July 2010, Col. 519).
- He spoke in a debate on Government support for industry on 16 June 2010 (Hansard, 16 June 2010, Col. 926 and others).

2 November 2011

5. Extracts from the Official Report: 16 June, 8 and 27 July, 16 September, 13 and 22 October 2010

HC Deb, 22 October 2010, col 1260, *Lawful Industrial Action (Minor Errors) Bill*

[...]

Jacob Rees-Mogg: My hon. Friend is spot-on. We had a discussion about that on this side of the House. My hon. Friend the Member for Dover (Charlie Elphicke) elucidated for us what was meant by “substantial”, and said that in law, it meant an 80:20 level. I am not lawyer, but I was interested by that.

Jack Dromey (Birmingham, Erdington) (Lab): The hon. Gentleman's knowledge of members is presumably that of the Carlton club and his knowledge of the shop floor presumably that of Fortnum and Mason. Does his knowledge of the law lead him to understand the jurisprudential concept of *de minimis non curat lex*?

[...]

HC Deb, 13 October 2010, col 329W, *Business: Government Assistance*

Jack Dromey: To ask the Secretary of State for Business, Innovation and Skills how many small and medium-sized enterprises received assistance from the public purse in the form of (a) grants, (b) tax relief, (c) investment allowances and (d) other financial assistance in (i) 2008–09 and (ii) 2009–10; and what the average grant made under each category was in each such year. [16367]

HC Deb, 16 September 2010, cols 78 to 107, Extracts from *Superannuation Bill Public Bill Committee 16 September 2010*

[...]

Jack Dromey (Birmingham, Erdington) (Lab): The hon. Member for Birmingham, Yardley is right that, in the best traditions of Public Bill Committee hearings, evidence given is evidence that should be assessed in reaching a decision on the proposals in the Bill.

After the public hearings earlier this week, I was contacted by a long-serving civil servant who works in what is called the Joint Support Chain Services in Plymouth—it used to be the Defence Storage and Distribution Agency. He is employed in the explosives business trade. I know Plymouth well; I have been there 100 times. It is a city with great naval traditions. It is the city of Drake and of Devonport dockyard. It was bombed fiercely by Hitler's bombers during the war, but gave outstanding service to the Crown then and has done ever since. Those who work in the Ministry of Defence regard themselves very much to be servants of the Crown and the armed forces.

That individual, who is employed in vital work in processing ammunition for the front line in Afghanistan, said:

"I am nearly 50 years of age. I have a wife and two dependants aged 12 and 15. Our family has never incurred any credit card debts. We pay our mortgage faithfully each month on time, never having missed a payment. We have no other outstanding debts; we are in many ways old-fashioned in that we purchase only that which we can afford. I do my job to the best of my ability, as do my work colleagues. I was due to receive £60,000"—

many of those employed in Plymouth now face redundancy—

"less tax, when I lose my job. I would have used this money to pay off the remainder of my mortgage. The rest would have cushioned my family until I found other work. But what work will there be in such a place as Plymouth, left abandoned by the Westminster-centric-driven politicians? Nowadays I feel ashamed to say that I'm a Civil Servant. I believe that people will think that I'm lazy, inept, incompetent, a waster, that this country is burdened by the likes of me and the sooner I'm rid of the better. I am not responsible for, nor have I contributed to the greed, that has so damaged our country. Yet it is the likes of me that will pay."

In the debate on Tuesday, a Government Member referred to public perceptions. The problem is that public perceptions, many of which are myths, have been fed because of a lack of leadership by Government. It is important, therefore, that the evidence before Committee is properly assessed when we reach a decision. The notion that civil servants are well paid, with gold-plated pensions, and in secure jobs is simply not true.

Reference was made on Second Reading and in the debate on Tuesday to public sector comparisons. That is wrong, because the civil service is at the lower end of the public sector. A crude, public-private comparison is therefore not appropriate. There has also been a failure to understand the nature of employment in the civil service. For example, there are many more low-paid jobs in the private sector, and many of those at the bottom end of the civil service have already been contracted out.

[...]

Claire Perry (Devizes) (Con): ... Ignoring the wider compensation structure issues, which both sides would like to discuss, does the hon. Gentleman agree that in the specific case of redundancy pay, which is what the Bill addresses, there is a relatively large discrepancy in favour of civil service sector workers?

Jack Dromey: The hon. Lady has drawn a misleading comparison, because it is not right to focus on but one part of the total package of terms and conditions of employment. That is why, on Second Reading, I quoted an excellent senior army officer, who spoke to me when I first dealt with the Ministry of Defence many years ago. He said that although staff were paid little, at least they could look forward to a decent pension and they would probably be supported if they were made redundant. We must therefore consider the matter in the round. If the hon. Lady wishes to draw comparisons, I, too, am happy to do so.

In the civil service employment structure there are many more graduate jobs—they comprise more than 20%, compared with 15% in the private sector. Graduates who are working in the private sector get 3.4% more than

those who are employed in the civil service. We heard on Tuesday that workers in call centres in the private sector get 14.3% more than people who are working in the civil service.

In the debate earlier this week there was a suggestion that the civil service has been inured to these tough times, but nothing could be further from the truth. On pay, the comparisons are clear. In the year to March 2010, the Office for National Statistics Figures show a 3.6% increase in the private sector, but a 2.8% increase in the public sector. Predictably, there was a 5.2% increase in the finance sector. The Incomes Data Services estimates for the year ahead show that pay will rise in the private sector.

The Chair: Order. I am always reluctant to curtail remarks, particularly when I have, effectively, given hon. Members a free rein, but the debate concerns superannuation and redundancy; it is not about pay. The time has come for me to ask the hon. Gentleman to confine himself to discussing clause 1.

Jack Dromey: I have no problem with that, because I hope that in the debate thus far, we have cleared the undergrowth of myth that has been fed by the Government in their seeking to justify this shameful measure. It is simply not true that civil servants somehow enjoy a privileged existence that should be brought to an end during tough times.

I come straight to the amendment. I found the debate the other day interesting, because, after Second Reading, I sensed that there was genuine hope on both sides of the House that an agreement could be reached at the next stages that would prevent the dangerous precedent of unilaterally, by way of a statute of Parliament, altering the terms and conditions of employment to their detriment. I hope that the “blunt instrument”, in the unfortunate words of the Minister for the Cabinet Office and Paymaster General, will not be used against civil servants during the next stages.

If Government Members mean it, and if the Government mean it, we are on test. I ask the Minister to facilitate negotiations in the way that the amendment seeks to do, and then to put the unions on test in those negotiations. My judgment, as somebody who handled such issues for many years, is that if there is support on both sides of the House for a move of that kind at this stage—putting the offer that was made in February of this year back on the table—that would lead to a quick negotiation, perhaps a reconfiguration of the package, because the point has been fairly made about the interests of the lower-paid, and a settlement then being reached. I ask the Minister, “Why not?”

We need an act of good faith on behalf of the Government. A clear message has been sent that change is necessary and that the current arrangements need reform, which has been embraced on all sides. My judgment is that all six unions would respond to an initiative of that kind.

In conclusion, it is a serious matter. The lasting damage that will be done to the morale of the good men and women who serve the Crown, and who are proud of the job that they do, should not be underestimated for one moment. It will be a stain on Parliament if we do not take the initiative now. I stress again: if there is a genuine view on both sides that that package might form the basis of a settlement, let us allow that to happen.

[...]

Mr Hurd: ...The Bill, as we have clearly stated, is not where we expect to end up. It represents a de minimis position, from which we expect to move forward and which we are now negotiating in very good faith.

Jack Dromey: Reference was made by Government Ministers and Back Benchers side earlier this week to a genuine desire to reach agreement. Reference was also made to the retabling of the February 2010 package. As a genuine move towards reaching agreement, would the Government be prepared to table that offer, on the basis that they expect a settlement to be quickly reached?

[...]

Mr Hurd: ... In a response to a query from the hon. Member for Cumbernauld, Kilsyth and Kirkintilloch East, my right hon. Friend the Minister for the Cabinet Office set matters out with some caution and showed where there is some flexibility around the terms for voluntary compensation. The key issue, which is at the core of

these amendments and at the core of all the concerns expressed by the House on Second Reading, is the treatment of the lower-paid.

Jack Dromey: The Minister made reference to asking a direct question, and both he and other Government Members were entitled to ask a direct question of the unions on Tuesday. May I then ask him a direct question? When several of his hon. Friends suggested that if the package on offer this February were put back on the table it might form the basis of a settlement, did they mean it?

[...]

Harriett Baldwin: During our proceedings, we have been asking a lot of questions about the current state of the negotiations. Both sides have told us consistently that as they are in negotiations, they are not able to give us much detail. The amendment would create an incentive for the unions to carry on negotiating for a long period, because the current rules would remain in place until clause 1 came into force. Given that both sides in the discussion have agreed that the current arrangements need to be altered, implementing the amendment would cause a problem.

Jack Dromey (Birmingham, Erdington) (Lab): On Tuesday, the hon. Lady asked this question:

“If the February 2010 deal were now offered again to your members do you think that they would vote to accept it at this point?”—[Official Report, Superannuation Public Bill Committee, 14 September 2010; c. 56, Q124.]

Am I right that the clear suggestion inherent in the question is that the hon. Lady believes that the February 2010 deal should be put back on the table?

[...]

Mr Hurd: ... The main point was made by the right hon. Member for Wythenshawe and Sale East, which is that the end game must be a negotiated settlement. That is the urgent priority. It is urgent, because after the spending review on 20 October, we will be months—arguably weeks—away from a situation in which managers will have to take very difficult decisions about head counts.

Jack Dromey: On the end game, the Minister said in Committee on Tuesday,

“May I push you a little further, Mr Lewtas, on what has been a common theme of Committee members’ questioning? Let me put it more explicitly today. Would you, as an executive, recommend to your members acceptance of the February package?”—[Official Report, Superannuation Public Bill Committee, 14 September 2010; c. 64, Q146.]

It could not be clearer. I take it that the hon. Gentleman meant that the Government might be prepared to re-table the February package.

[...]

Mr Hurd: The powers under clause 2 are necessary, particularly if we cannot reach a quick agreement. We must avoid finding ourselves back in the current situation. The House and the Committee have reached a common view that the current scheme is unaffordable and inappropriate. If, however, changes were quashed in ways that we cannot predict, and we were forced to revert to the current scheme, the ability to extend the sunset clause, which was the focus of the right hon. Gentleman’s inquiry, increases the incentive to reach an early agreement. That is the fundamental point and that is what we want to deliver. The Government’s ability to revive the measure, if necessary, may mean that the legislation can be repealed sooner than it otherwise might have been. Without that power, it is possible to argue that the Government could be minded to allow the Bill’s effects to continue until there is no risk at all that any future scheme would be quashed.

Jack Dromey: May I ask the Minister two questions arising from what he has said? First, does the suggestion that the clause is necessary in the event of the provisions of the Bill being quashed suggest uncertainty on his

part as to what might happen in the event of a legal challenge? Secondly, are there any circumstances in which, once an agreement is reached, the provisions of the Bill might be used on a second occasion to change for the worse the terms and conditions of employment for civil servants?

[...]

HC Deb, 27 July 2010, col 851, *Oral Answers to Questions, Deputy Prime Minister, Topical Questions*

[...]

T3. [11084] Jack Dromey (Birmingham, Erdington) (Lab): On 22 June, the Deputy Prime Minister told the House that the decision not to proceed with the loan to Sheffield Forgemasters was a consequence of the reluctance of the shareholders to dilute their shareholding. Today, a written statement from the Business Secretary clarifies that it was an issue of affordability. The Government have announced a £1 billion regional growth fund. Were the company to make a fresh application, will the Deputy Prime Minister give an undertaking to the House that it will be considered as a matter of priority, and will he support it as a Sheffield Member of Parliament?

[...]

HC Deb, 8 July 2010, col 519, *Oral Answers to Questions, Business, Innovation and Skills, Topical Questions*

[...]

T2. [6704] **Robert Halfon** (Harlow) (Con): Following the excellent plans for apprenticeships, is my hon. Friend the Minister aware that the local apprenticeship scheme run by Essex county council and Harlow college has agreed to place an Essex apprentice in my office from October? Will he also look into boosting apprentices in Whitehall and Westminster, and through Government contracts?

The Minister of State, Department for Business, Innovation and Skills (Mr John Hayes): My hon. Friend has been a champion of apprenticeships since he arrived in the House and before. I congratulate him on his initiative in that respect. He will know that this Government have already transferred £150 million into the apprenticeship budget to create 50,000 more apprenticeships. I can announce today that one of them will be joining my office in Whitehall, and I invite other Ministers to do the same.

Jack Dromey (Birmingham, Erdington) (Lab): Can the Secretary of State clear up the confusion on the future of regional development agencies that has arisen out of conflicting statements? On the one hand, there is an apparent open-mindedness on the part of the Secretary of State; on the other, his counterpart in the Department for Communities and Local Government has taken a more hard-line and ideological approach. If there is a desire in any region, including the west midlands, for the retention of a strong regional structure—albeit with sub-regional arrangements, including local employment partnerships—will the Secretary of State be open to the retention of a strong regional development agency there?

[...]

HC Deb, 16 June 2010, cols 926 to 930, *Extracts from Opposition Day Debate, Industry (Government Support)*

[...]

Jack Dromey (Birmingham, Erdington) (Lab): First, I congratulate you, Madam Deputy Speaker, on your election and the hon. Member for Bracknell (Dr Lee) and my hon. Friends the Members for Bolton West (Julie Hilling) and for Wansbeck (Ian Lavery) on their witty and wise maiden speeches.

In 1981, I was one of the organisers of the people's march for jobs—500 unemployed men and women from the ages of 16 to 60 who marched with dignity to London, such as the mother and her son from Whaley

Bridge and the 150 people who joined the march from Birmingham and the midlands. They were the victims of a Conservative Government who stood back and said that unemployment was a price worth paying. That was an error of historic proportions, which severely weakened our manufacturing base, with catastrophic consequences still being felt to this day, including in the poorest parts of my constituency—Birmingham, Erdington.

All that stands in stark contrast to the wise decisions that were taken by a Labour Government in the depths of an unprecedented global economic crisis to embrace industrial activism. Short-term measures were taken such as the scrappage scheme on the one hand and strategic investments in Sheffield Forgemasters, Nissan, Airbus, General Motors and others on the other hand. As a consequence, the scrappage scheme alone created 400,000 jobs, with tremendous benefits for the supply chain in the automotive industry. Those strategic investments have built firm foundations in areas of growth: the nuclear industry and renewables, aviation and the car industry. Nissan is a classic example, with £20 million of public investment levering in £420 million of investment by the company, 50,000 new cars and 60,000 batteries—a good deal for Britain.

We now have the right hon. Member for Tatton (Mr Osborne). He is the Private Frazer of Downing street. “We’re doomed. Doomed,” is his daily refrain. “Labour mismanaged the economy,” is the moan that we constantly hear from Ministers. It could not be further from the truth. By 2007 we had reduced borrowing and debt to beneath the levels that we inherited from a Conservative Government. Then, in a global economic crisis, we borrowed to invest, to boost the economy and the order books of the companies in my constituency, such as those in the machine tool industry—companies such as Dana, Guhring and Micro. All those benefited from the wise and brave leadership given by our Government.

Mr Brian Binley (Northampton South) (Con): Will the hon. Gentleman explain why, when Labour came to office, Northampton was 440th in the long list of areas of low unemployment. We rose to 132nd in that list under Labour. What do the people of Northampton have to thank a Labour Government for, in that respect?

Jack Dromey: A Labour Government in the most difficult times did not do what a Conservative Government did in the 1980s—abandon people to their fate. The Labour Government stood on the side of ordinary people and took the necessary strategic long-term decisions to rebuild our manufacturing economy.

Christopher Pincher (Tamworth) (Con): I am obliged to the hon. Gentleman. We are both Members of Parliament in the west midlands, and he waxes eloquent about public investment being the only panacea for the problems that we have in the west midlands. There is an organisation that he will know about called Advantage West Midlands. I am sure the shadow Secretary of State also knows about it, because he appointed the board when he was a Minister. I have business men in Tamworth queuing up to tell me how inefficient and how ineffective that organisation is. One of them is a former Labour councillor who went to AWM, asked for investment, did not get it and lost his business—

Mr Deputy Speaker (Mr Nigel Evans): Order. Interventions should be short.

Jack Dromey: I will come to the truth about Advantage West Midlands in a moment. The truth is the opposite of what has just been said.

What we are hearing is the politics of the alibi, camouflaging an ideological objection on the part of the Con-Dem alliance to what its members call big government. It fails to understand the critical role of Government in boosting manufacturing in Britain. Of course it is true that good companies are those that help themselves. I have been involved in negotiating ground-breaking deals in the nuclear industry, the food industry, dockyards and the defence sector—ground-breaking deals that have transformed what were failing companies, working with the employers by way of a change and investment agenda.

I know from my experience in the real world of work, not the world of the trading floors, that time and again, with good employers, we have had to go to central Government, local government and the regional development agencies. Only last year I was involved in an exercise together with Scottish Enterprise and the Scottish Government with a leading food manufacturer. Had it not been for partnership, we would not have got the investment, which in turn levered in further investment from the company, securing the future of 500 jobs in an area of high unemployment.

Gordon Birtwistle: Can the hon. Gentleman explain to me where the 400,000 jobs came from, as a result of the car scrappage scheme? He gave a list of machine tool manufacturers. How many are based in the UK and manufacture in the UK?

Jack Dromey: First, the reference was to 400,000 cars. Secondly, the companies are British-based world class manufacturers of machine tools who, when I was at their exhibition last Friday and met many of them, said with one voice, “For us to succeed, we look to support from and partnership with Government.” Those are precisely the companies that were rescued from the brink by the car scrappage scheme.

The lesson from experience in the real world of work is that industry best flourishes in partnership with Government, with a framework provided by good government, and sustained and strategic investment underpinned by a determined national will. One need only look at Germany’s enduring strengths in manufacturing, which exist precisely because there is that national will. I am proud of the fact that a Labour Government embraced industrial activism. Now is absolutely not the time to pull back from that, because it would be an error of historic proportions. The decisions we make now will decide whether we grow or decline in the future-whether we condemn another generation to no hope. It is therefore essential that we invest to grow and act to rebalance our economy, which had become too heavily dependent on the finance sector.

That is why, for manufacturing, capital allowances matter because they incentivise investment in machinery and plant. That is why, for manufacturing, the patent box matters, with its 10% reduction in corporation tax to encourage innovatory companies to locate intellectual property and manufacturing here in Britain. That is why, for manufacturing, it matters that there is support for research and development. I hope that in refocusing current support, it is not so severely circumscribed as to avoid support for world-beating companies such as Jaguar Land Rover. The Jaguar plant in my constituency is at the heart of a hub of 150,000 people in the midlands who depend on the motor industry for their livelihoods. I will look to the Government to work with me, as the Member for Erdington, in respect of the Jaguar plant, and the hon. Member for Solihull (Lorely Burt), in respect of the Land Rover plant, to secure the future of those two beacons of manufacturing excellence.

That is also why regional development agencies matter. What we have heard today is ill-informed prejudice that flies in the face of the history of, in particular, the successful RDA that is Advantage West Midlands. I have seen that at first hand. After the crisis at Rover in 2000, the supply chain became less dependent on Rover, thanks to the work of Advantage West Midlands. As a consequence, when Rover collapsed in 2005, the supply chain did not collapse, as might otherwise have been the case. The manufacturing technology centre and the manufacturing advisory service are prized by manufacturing employers in the midlands, and that is because of what Advantage West Midlands has done.

Let me issue a challenge to the Secretary of State: necessary as it is to move beyond myths, will the Government now publish the independent evaluation of regional development agencies ordered by the Labour Government before the election? Will he confirm that that demonstrates that Advantage West Midlands is one of the best two RDAs; that for every pound of public money invested, £8.14 of wealth is created in the regional economy; and that it has scored the maximum possible score and has been deemed to be performing strongly? In this new era of openness, will that report now be published?

Birmingham is historically the laboratory of manufacturing and of the genius and enterprise of the British people; too often, now, it is British genius but made in China. Our single biggest task is the renaissance of manufacturing in our country. That will not happen if Government once again abandon British manufacturing.

6. Letter to Mr Jack Dromey MP from the Commissioner, 3 November 2011

I would welcome your help on a complaint which I have received from Mr Andrew Bridgen MP about the registration and declaration of your interests in respect of your position as Deputy General Secretary of the Unite union.

I enclose a copy of the complainant's letter to me of 31 October; my initial response to him of the same date; and his letter to me of 2 November. I was grateful too for your initial response to this matter which you sent me on 2 November following your telephone call to me on 31 October when I told you that I had received a complaint in respect of registration and was checking with the complainant about declaration.

In essence, the complaint is that you failed to register in time the payments made to you in respect of your employment as Deputy General Secretary of the Unite union from May 2010 to October 2010; and that you also failed to declare a relevant financial interest over that period.

I have not accepted the complainant's suggestion that you failed to notify the Commissioner of a registrable interest before undertaking any action, speech or proceeding of the House (except voting) as required by paragraph 14 of the Guide to the Rules, since the first Register of this Parliament, published in September 2010, recorded your employment as Deputy General Secretary of Unite, while noting that you were leaving the position and had declined your salary in the meantime.

The Code of Conduct for Members of Parliament provides in paragraph 16 for the registration and declaration of 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 13 of the Guide to the Rules sets out the duties of Members in respect of registration as follows:

"Members of Parliament are required to complete a registration form and submit it to the Commissioner within one month of their election to the House (whether at a general election or a by-election). 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."

Under Category 2 Members are required to register as follows:

"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. ..."

Paragraph 24 provides the following guidance in making an entry under category 2 as follows:

"All employment outside the House and any sources of remuneration which do not fall clearly within any other Category should be registered here. Members must register under this category the precise amount of each individual payment made, the nature of the work carried on in return for that payment, the number of hours worked during the period to which that payment relates and (except where disclosure of the information would be contrary to any legal or established professional duty of privacy or confidentiality) the name and address of the person, organisation or company making that payment."

The rules in relation to the declaration of Members' interests are provided in section 2 of the Guide to the Rules. While the whole of this section is relevant to the declaration of interests, the following extracts may be of help.

"72. In 1974 the House replaced a long standing convention with a rule that any relevant financial interest or benefit of whatever nature, whether direct or indirect, should be declared in debate, or other proceeding..."

73. The rule relating to declaration of interest is broader in scope than the rules relating to the registration of interests in three important respects. As well as current interests, Members are required to declare both relevant past interests and relevant interests which they may be expecting to have. In

practice only interests held in the recent past, i.e. those current within the previous twelve months, need normally be considered for declaration...

74. It is the responsibility of the Member, having regard to the rules of the House, to judge whether a financial interest is sufficiently relevant to a particular debate, proceeding, meeting or other activity to require a declaration. The basic test of relevance should be the same for declaration as it is for registration of an interest; namely, that a financial interest should be declared if it might reasonably be thought by others to influence the speech, representation or communication in question. A declaration should be brief but should make specific reference to the nature of the Member's interest."

I would welcome your comments on this complaint in the light of this summary of the relevant rules. In particular, taking account of the letter which you helpfully sent me on 2 November, it would be helpful to know:

1. The number of hours you worked each month from May 2010 to 30 October 2010 in your role as Deputy General Secretary of Unite and the dates of the salary payments you received;
2. Why you decided to change your financial arrangements during the course of June 2010 and why, in making that decision so soon after your initial registration, you did not apparently notify the Registrar of this change;
3. Whether you checked your Register entry at any time from September 2010 to October 2011 and when you became aware that the entry published in the September 2010 Register had continued unamended until October 2011;
4. When you received from Unite the ex gratia payment referred to by the complainant and which you registered on 7 July 2011;
5. Why, after some 12 months since you provided the initial registration entry, you decided to meet the Registrar of Members' Financial Interests on 7 July 2011 to discuss your registration entry and, to the best of your recollection, the issues which you raised with her, including the terms in which you recall you informed her about the change in the arrangement under which you took your salary;
6. What advice you recall the Registrar giving you, and the circumstances which led you to write to her some three months later to register the total salary you had received from May to October 2010;
7. What consideration you gave in October 2011 to including in your Register entry the number of hours you had worked and the amount of each individual salary payment received in the light of paragraph 24 of the Guide to the Rules;
8. Whether you have at any time considered whether your involvement in any of the proceedings of the House required you to declare a relevant interest arising from your position with Unite and, if so, whether you declared such an interest;
9. Whether you consider any of the six examples given in the complainant's letter of 2 November were cases where you had a relevant interest, as a result of your position with Unite, which you should have declared and, if not, why not.

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

I enclose a note which sets out the procedure which I follow. I am writing to the complainant to let him know that I have accepted his complaint. I know the Committee on Standards and Privileges will appreciate the apology which you have tendered at the start of this inquiry in respect of the late registration of your financial interests. This will of course be taken into account when this matter is concluded.

In due course I will publish on my parliamentary webpages that I am conducting this inquiry and the general category in which it comes. I will not be commenting further on its progress.

It would be very helpful if you could let me have a response to this letter within the next three weeks, or earlier if that is convenient. If there is any difficulty about this, or you would like a further word about the process, please contact me again at the House.

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

3 November 2011

7. Letter to the Commissioner from Mr Jack Dromey MP, 23 November 2011

Thank you for your letter of the 3rd November.

Before responding to your specific questions it might be helpful if I set out the nature of my employment with Unite. I served with first the Transport and General Workers Union and then, after its merger with Amicus, Unite for 32 years. I was elected as Deputy General Secretary in 2003.

Once elected as an MP, my original intention was to give notice to the Union and to leave after my three months notice period. I intended to decline my salary.

However, at the time, I was dealing with a sensitive matter for the Union and they asked me to continue my employment until this matter was resolved. It wasn't clear how long this would take and in the event it continued longer than anyone had anticipated.

Dealing with your specific questions I would respond as follows using the same numbering:-

1. I actually worked between 10 and 15 hours per week on average between May 2010 and the 30th October 2010. I enclose a letter from [name], the Financial Director of Unite confirming the dates of the payments.
2. I decided to change the financial arrangements when I was asked by the Union to continue to serve until I had completed that very sensitive [matter]. I entirely accept that I am at fault in not notifying the Registrar of a change in circumstances promptly. For that, I am deeply sorry.
3. I did not check my register entry until June 2011 before I met with [the Registrar]. Had I done so, I would have immediately appreciated that it still showed that I was still employed as the Deputy General Secretary whereas in fact I had not been so employed since October 2010.
4. The ex gratia payment of £30,000 from Unite was received on the 5th November 2010.
5. I met with the Registrar of Members' Financial Interests to seek her advice on the ex gratia payment and whether I needed to register the fact that upon leaving Unite I had been able to buy my company car. In addition to these items, I also informed her that I had decided to take a salary from Unite despite my initial intention to decline it because of the circumstances, and that I would need to update my registration.
6. The Registrar confirmed that I needed to update my entry to include the salary I had received from Unite. I therefore contacted my former employer but had some difficulty getting the information. This was no doubt due to the fact we were into the holiday season and the staff were not available. In the end I contacted [the Director of Finance and Operations, Unite] directly and upon his return from holiday, at the end of August, he sorted matters out and I was provided with the information. Unfortunately September was exceptionally busy for me because both the TUC and the Labour Party Conferences took place in that month, as well as Parliament meeting for two weeks in session. As soon as I could, I gathered together the information and wrote to [the Registrar] accordingly on 4th October 2011.
7. I now appreciate that I should have entered the number of hours I worked and the amount of each individual salary payment.

8. I did carefully consider before speaking in any proceedings whether I should declare a relevant interest. Before I left the employment of the Union, I felt that I had not been involved in a debate where I considered it necessary to do so.

9. Having said that, considering the six examples referred to by Mr. Bridgen, I would respond as follows:

(a) Lawful Industrial Action (Minor Errors) Bill on the 22nd October 2010.

My contribution here was a question to Jacob Rees-Mogg [the Member for North East Somerset], which was a quip about membership of the Carlton Club. In my view I did not think that my position with Unite might be reasonably thought by others to influence this question.

(b) Government assistance to SMEs.

I was asking a question about assistance received by SMEs from the Government. I did not consider that my position with Unite was in any way relevant to this.

(c) Public Bill Committee debate on Superannuation.

I spoke several times during the Public Bill Committee's debate and this was generally a discussion about the position of Civil Servants. With the benefit of hindsight, I feel that it would have been prudent for me to have declared my connection with Unite, as I was drawing on my experience as a trade unionist.

(d) Loan to Sheffield Forgemasters.

I asked a question as to whether the Deputy Prime Minister would give an undertaking that a fresh application by the company for a loan would be given priority. I did not think that this question caused any difficulty with my association with Unite.

(d) Regional Development Agencies.

I do not consider that my interest in Regional Development Agencies required me to declare my position with Unite.

(e) The debate on Government support for industry.

In my contributions to this debate I make clear reference to my experience in negotiating agreements in industry and I was urging investment in industry. Again with hindsight it might have been prudent for me to declare my association with Unite.

I entirely accept that I am at fault in not registering my continuing employment with Unite promptly and I would like to apologise for this once again.

I hope this information is sufficient for your purpose, but please do not hesitate to contact me if there is anything further that you require.

23 November 2011

8. Letter to the Commissioner from the Director of Finance and Operations, Unite the Union, 23 November 2011

I am the Financial Director of Unite the Union and Jack Dromey has asked me to check and confirm the dates of payments made to him from May 2010.

It may help if I give a little background to the payments to aid understanding.

Upon his election as an MP, Jack gave the Union three months notice of his intention to leave his employment. He anticipated that he would be able to leave sooner than that but we had to hold him to his notice period because we required him to stay until a particularly sensitive [...] matter was completed in which he played a major part. It was not possible to tell how long this would continue but it was not thought likely to take more than a few months (in the event, the matter was not concluded until near the end of October).

Jack declined payment for May 2010 following the election but, because of the way in which our payroll operated, the May payment was sent to him. When he realised this, he immediately gave me a cheque to cancel that payment.

The payments he in fact received were as follows:

- On the 4th June he received the gross sum of £7,097.67 (the net payment was £4,135.37).
- On the 6th July he received the sum of gross sum of £13,976.94 (the net payment was £8,115.22). This included holiday pay.
- It was agreed that he would then receive a final payment upon leaving which was paid on the 5th November when he received a gross sum of £7,097.67 plus an ex gratia payment of £30,000 (the net payment was £29,989.47). I should mention that the sum of £4,145.90 was deducted, which represented the price of his car. In accordance with the normal practice for officers leaving the Union with the Union's consent, he was allowed to purchase his car at a fixed percentage of list price depending upon the age of the car.

I regret the delay in providing Jack with that information and any confusion that the Union may have caused to him in how the information was provided to him. The above is an accurate record of what he received.

Jack's post of Deputy General Secretary was in fact made redundant and he would have been entitled, under the voluntary severance/retirement scheme open to all Union employees, to a significant redundancy payment. To his credit, Jack did not want to take advantage of this. It was the Union's decision to make him an ex gratia payment of £30,000.00, a fraction of what he was entitled to because of his long service and seniority.

I would be happy to give any further information necessary with regard to the payments made. Jack Dromey has always been known as a man of unquestionable integrity and I would be happy to confirm this if necessary including how he conducted the financial affairs of the Union and his own personal financial circumstances.

23 November 2011

9. Letter to the Registrar of Members' Financial Interests from the Commissioner, 24 November 2011

I would welcome your help and advice on a complaint which I have received against Mr Jack Dromey MP in respect of the registration and declaration of financial interests arising from his employment with the Unite union from May to October last year.

In essence, the complaint is that Mr Dromey failed to register in time the payments made to him in respect of his employment as Deputy General Secretary of the Unite union from May 2010 to October 2010; and that he also failed to declare a relevant financial interest over that period.

I enclose the relevant correspondence.

As you will see, Mr Dromey has accepted that he made a late registration of his salary from Unite, that the wording of that registration should have included the hours worked and the amount of each individual salary payment, and that, on two occasions in 2010, he should have declared an interest in the course of his contribution to two parliamentary debates. He refers also to a meeting he had with you on 7 July 2011.

I would be very grateful if you could:

1. Confirm or otherwise modify the summary which Mr Dromey has given me of his meeting with you on 7 July 2011 and the advice which you gave him;
2. Let me have your advice on the application of the rules on registration and declaration in the light of Mr Dromey's response;
3. Given what Mr Dromey says about the terms of his entry, let me know what you consider a compliant entry should have said;
4. Let me know whether, in your view, the provision of a company car while Mr Dromey was employed with Unite should have been included in his register entry;
5. Let me know whether, in your view, Mr Dromey's subsequent purchase of the company car under the terms detailed in the letter from the Director of Finance and Operations could be held to be a benefit relating in any way to his membership of the House or to his political activity as required under Category 5 of the Guide to the Rules.

I am writing to Mr Dromey to raise some other points of clarification, and I will let you have his response when I receive it, but, to avoid delay, I thought it would be helpful if you were now to consider the matters raised in this letter. If it were possible to let me have a response to this letter within the next two weeks, that would be most helpful.

24 November 2011

10. Letter to Mr Jack Dromey MP from the Commissioner, 24 November 2011

Thank you very much for your letter of 23 November responding to mine of 3 November about this complaint. I was most grateful for this full and clear response. I was grateful too for the letter to me from the Director of Finance and Operations at Unite, which I shall be acknowledging separately.³³

I am now writing to the Registrar of Members' Financial Interests, for any comments she may wish to make on your meeting with her on 7 July 2011 and for her advice on the various points affecting the rules on registration and declaration raised in your letter, including the late registration of both your salary and the ex gratia payment, the terms of your entries, the arrangements for your company car and your analysis of the declaration requirements, for which again I was most grateful. When I hear back from the Registrar, I will be back in touch. In the meantime, it would be most helpful if you could help me on the following points:

1. Thank you for letting me know the average number of hours a week you worked for Unite from May to October 2010. Clearly there would have been variations around the average, but could you tell me whether there was any distinct pattern to these variations—in particular, did the number of hours worked decrease significantly between the July payment and the final payments received at the end of your employment and, if so, what were the hours in that period?
2. Were your salary payments in arrears—in other words, was the payment you received on 4 June for your work in May?
3. Can you help me on why the registration you made on 7 June 2010 said that you had declined your salary, when you received a payment of £7,098 on 4 June?
4. Can you suggest any reason why you did not check your Register entry from September 2010 to June 2011?

5. Could you confirm whether the £27,867 (or £28,172 according to my own calculations, based on the information supplied by Director of Finance and Operations) which you received from Unite between June and November 2010 did in fact include pay in lieu of notice, as set out in your registration of 4 October 2011? I note that the Director of Finance and Operations says in the third paragraph of his letter "...we had to hold him to his notice period", and the fact that you worked from May to October might suggest that there was time for you to work your three month notice.
6. Given that you had received your ex gratia payment on 5 November 2010, could you help me on why you did not decide to speak to the Registrar until seven months later, on 7 July 2011?

If you could let me have a response within the next week, I would be most grateful since that would enable me to show it to the Registrar as she comes to complete her response to my letter to her. Thank you again for your help.

24 November 2011

11. Letter to the Commissioner from Mr Jack Dromey MP, 1 December 2011

Thank you for your letter of 24th November. I am of course happy to clarify the matters you have requested.

With regard to the points you mention in your letter I would respond as follows:

1. Prior to the election, I worked very long hours for the Union and would regularly work about 70 hours a week. Following the election, I was primarily occupied with the matter I mentioned to you in my previous letter [a sensitive matter]. The estimate of the hours worked, on average between 10 and 15 hours per week, that I gave you in my previous letter remained constant, save for August when I was on holiday for almost 3 weeks.
2. The salary payments were not paid in arrears. As I explained in my previous letter, I repaid the payment for May. The payment on 4th June was for the month of June.
3. At the time I made the registration, I had declined my salary. By the time I had received and checked my bank statement, I had agreed with the Union to stay on whilst the matter of the [sensitive] matter was resolved. It was not until then that I realised that I had received a payment in June. In fact the payroll of the Union had paid me automatically because they had not been instructed to stop payments by the Personnel Department.
4. I was extremely busy during the relevant period and adapting to my new role. In my first month, for example, I worked in excess of 90 hours a week. It was not until I was preparing to seek advice from the Registrar that I realised my error and I apologise again for this.
5. I was not clear from the Guidance whether the sum to be declared was net or gross but I assumed that it was gross. The information I received from the Union was a little confusing and I entirely accept that your arithmetic is accurate. You are also quite correct that this did not ultimately include pay in lieu of notice as I actually worked throughout the notice period as I was required to do.
6. Again, I have no explanation to offer other than that I was very busy, working 7 days a week, typically between 70 and 80 hours a week. I should have consulted the Registrar much earlier but, when I did so, I immediately registered the sum in question.

Please accept my assurance that there was no intention on my part at any time not to comply with the Code of Guidance. I do take my obligations as an MP very seriously and, as you have noted, I did declare my registrable interest.

I entirely accept that I was at fault in failing to amend my entry in a timely manner, but, as stated above, as soon as I discussed matters with the Registrar, I took steps to remedy the situation.

I appreciate that the payments should have been declared in detail immediately but, as I have explained, they were not paid to me in my capacity as an MP. On the contrary, these were payments made by my longstanding employer for whom I had worked for 32 years in the transitional period following the election. I made the initial declaration in good faith, having given in my notice to my employers. I then repaid the payment I had received for May.

Unfortunately, I did not then focus on the matter again in the way I should until I took the initiative to consult the Registrar. I would also hope that you accept that my taking the initiative to raise these matters with the Registrar demonstrates that I had no intention of wilfully failing to register payments from my former employer that required to be registered. I am at fault, however in being late to register, something sincerely I regret.

I have not received payments from any other source.

Please do not hesitate to contact me if you need any further clarification and I look forward to hearing from you when you have heard from the Registrar.

1 December 2011

12. Letter to the Commissioner from the Registrar of Members' Financial Interests, 6 December 2011

Thank you for your letter of 24 November in which you ask for information and advice on connection with this complaint against Mr Jack Dromey MP. Thank you too for the relevant enclosures and for forwarding Mr Dromey's letter of 1 December. I shall respond to your questions in the order in which you asked them.

1. As Mr Dromey says, he asked to meet me to discuss four matters. The meeting took place at 3.30pm on 7 July 2011 and lasted just under one hour. Only two of the matters under discussion are directly relevant to your inquiry.

These were:

- the ex gratia payment Mr Dromey had received from Unite. Mr Dromey asked how to register this, and I advised registration under Category 11: Miscellaneous. I afterwards prepared a relevant entry for Mr Dromey, which I emailed to him with confirmation of my advice (email enclosed).³⁴
- Mr Dromey's purchase of his company car at a preferential rate when he left Unite. Mr Dromey asked if this required registration. If the preferential rate in any way related to Mr Dromey's membership of the House or to his political activity—and it exceeded the relevant financial threshold—the rules of the House would have required it to be registered under Category 5 of the Register. Mr Dromey told me however that these preferential rates were routinely available to senior officials of the union when they left, and that the terms available to him did not in any way relate to membership of the House. On that basis I advised that he was not required to register these preferential terms.

Mr Dromey's entry under Category 2 of the Register (Remunerated employment, office, profession etc) was not one of these four matters about which he formally consulted me, and was not discussed in detail. He told me that he needed to check something in relation to this entry. His letter to you of 23 November 2011 suggests that he may have checked his figures with the finance director of Unite. Mr Dromey's exit package from Unite was a complex one and I can understand why he might have wished to check this information.

34 Not included in the written evidence

Mr Dromey's first Register entry after the 2010 General Election was prepared based on a form he completed on 4 June 2010, received here on 7 June. The item under Category 2 (Remunerated employment, office, profession etc) read as follows: "Deputy General Secretary of Unite Union, 128 Theobalds Road, London WC1X 8TN. I am leaving this position and have declined my salary in the meantime." We emailed his entry to Mr Dromey on 28 June 2010 with a request to inform us of his final leaving date so that we could amend the entry at the correct time.

I have no record of any subsequent contact between Mr Dromey and this office before his request for the meeting which took place on 7 July 2011, during which we discussed the registration of his ex gratia payment. I emailed Mr Dromey later on the same afternoon, suggesting the following form of words for a new Register entry under Category 1 (Miscellaneous) "I received an ex gratia payment of £30,000 on leaving my position as Deputy General Secretary of Unite." Mr Dromey approved this by email on 11 July, adding: "On updating any Category 2 payments, I will check back with the Union and come back to you next week in Recess."

My next contact with Mr Dromey was on 4 October 2011, when he emailed me in the following terms: "My contract with my previous employer, Unite formally ceased on the 30th October 2010. In the period between the General Election and the 30th October, I received, including pay in notice [sic], £27,867 in salary." I prepared a draft Register entry for Mr Dromey and sent it to him for checking on 11 October. I did not ask Mr Dromey for the date of the payment as this is not required for entries in the employment categories, although some Members do include this as it provides helpful context. Nor did I ask him for the details of the hours he had worked as I assumed that the payment was in lieu of notice. Mr Dromey emailed me on 16 October to confirm that he was content with the amended entry. It was then included in the Register of 17 October 2011.

The new entry, which replaced Mr Dromey's original entry under Category 2, said: "Deputy General Secretary of Unite Union, 128 Theobalds Road, London WC1X 8TN until 30 October 2010. Between the General Election and 30 October 2010, I received £27,867 in salary which included pay in lieu of notice."

2. (a). You asked about the application of the rules on registration. The Guide to the Rules says in paragraph 13 that "Members of Parliament are required to complete a registration form and submit it to the Commissioner within one month of their election to the House... it is the responsibility of Members to notify changes to their registrable interests within four weeks of each change occurring." Members are required to register financial interests under twelve Categories. Under Category 2, Remunerated employment, office, profession, etc, Members must register the following: "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..."

The House resolved on 30 April 2009 that the information to be provided to the Registrar under this Category should include the following:

- (a) "the precise amount of each individual payment made in relation to any interest,
- (b) the nature of the work carried out for that payment,
- (c) the number of hours worked during the period to which the payment relates, and except where disclosure of the information would be contrary to any legal or established professional duty of privacy or confidentiality, the name and address of the person, organisation or company making the payment..."

I consider that, while Mr Dromey's initial registration was made within the required timescale and, he has told you, accurately represented his situation at the time, he did not meet the requirements of the rules in relation to each of the payments which he received from Unite on 4 June, 6 July and 5 November 2010, which he should have registered within 28 days of receiving each of them. His register entries should have set out all the information required by the House, including the exact amount of each payment and the hours worked for each payment, and the fact that he had a company car.

(b) Turning to the rules on declaration, Members are advised that they should declare an interest “if it might reasonably be thought by others to influence the speech, representation or communication in question.” (Guide to the Rules, paragraph 74). Having consulted the Official Report of those proceedings quoted by the complainant, I can say that I would have advised Mr Dromey to declare an interest on two occasions. The first was during the Public Bill Committee’s discussion of the Superannuation Bill on 16 September 2010. I note that he says that “with the benefit of hindsight, ... it would have been prudent for me to have declared my connection with Unite...” The second was during the debate on the Lawful Industrial Action (Minor Errors) Bill on 22 October 2010. While Mr Dromey’s intervention on this occasion included a quip, as he says, it also included a serious point about the purpose of the Bill. In addition, Mr Dromey says also that he considers that it “with hindsight it might have been prudent” for him to have declared an interest during the Opposition Day debate on 16 June 2010. I consider that the arguments in favour of declaration were more finely balanced on this occasion, but would not have attempted to dissuade Mr Dromey from making a declaration, had he consulted me. I agree with Mr Dromey that declaration was not required on the other occasions mentioned by the complainant.

3. I attach an outline text for a possible retrospective entry for Mr Dromey in the Register.³⁵ It would need Mr Dromey to complete the entry by confirming the hours worked for each of these payments (which the Finance Director has given gross, as is required) and by explaining, for the 6 July payment, the split between salary for work done and holiday pay, and the period to which the latter related (he told you he was on holiday for three weeks in August 2010). In addition it would need him to clarify what was covered by the 5 November salary payment of £7,098. (He has told you that his salary payments were not made in arrears, and he has also said that he left Unite on 30 October 2010.)
4. I confirm that the provision of a company car while Mr Dromey was employed by Unite should have been included in his Register entry under Category 2 (Remunerated employment, office, profession etc), as should any other employment benefits in kind which he received at that time. Paragraph 24 of the Guide makes clear that under Category 2 Members are required to register “All employment outside the House and any sources or remuneration which do not fall clearly within any other Category ...” This is amplified by paragraph 19 of the Guide, which provides: “In this Category, and in others, “remuneration” includes not only salaries and fees, but also the receipt of any taxable expenses, allowances or benefits, such as the provision of a company car.”
5. For the reasons I have set out in (1) above, I do not believe that the preferential terms on which Mr Dromey purchased his company car required registration as a gift or benefit which related in any way to his membership of the House.

13. Letter to Mr Jack Dromey MP from the Commissioner, 7 December 2011

I have now heard back from the Registrar of Members’ Financial Interests with her advice on this complaint.

I enclose a copy of the Registrar’s letter to me of 6 December, together with a possible retrospective Register entry which, in her judgement, would meet the rules of the House.³⁶ As you will see, the Registrar has no record or recall of any discussion about you receiving a salary, although she noted you saying that you were going to check something in relation to the employment category (Category 2). In any event, the effect of the Registrar’s advice is that you were in breach of the rules of the House in not revising your initial registration entry of June 2010 within four weeks of you receiving your first payment on 4 June 2010 and again with the subsequent payments on 6 July and 5 November 2010. You should also have registered in time the ex gratia payment you received on 5 November 2010. And, on the assumption that you had a company car during this period, you should also have registered that benefit. These also, therefore, constituted breaches of the registration rules.

³⁵ See WE 17 for the agreed retrospective Register entry

³⁶ See WE 17 for the agreed retrospective Register entry

In relation to declaration, the Registrar considers that you should have declared your interest during the debate on the Superannuation Bill on 16 September 2010 (which you have accepted) and in your intervention during the debate on the Lawful Industrial Action (Minor Errors) Bill on 22 October 2010. It is therefore, in her judgement, a breach of the declaration rules not to have done so. She considers that the arguments are more finely balanced in respect of the declaration of your interest in the debate on 16 June 2010, although, in accordance with your view that you would have done so, she would not have sought to dissuade you from this.

I would welcome your comments on the Registrar's advice. In particular, it would be helpful if you could let me have the additional information which the Registrar suggests, at point three in her letter, would be needed to complete your retrospective entry, namely confirmation of the hours worked for each of the payments, how the July 2010 payment was split between work done and holiday pay; what were the periods of the holiday pay; and what the November payment covered, given that the monthly payments were not made in arrears and you ceased working for the union at the end of October 2010. I am finding it a little difficult to apportion what I assume was your monthly payment of £7,098 over the months from June to October. Could you also confirm that you received no registrable benefits other than the company car?

I will need to come to my own judgement on whether you were required to declare an interest during any of the six instances identified by the complainant and any comments you may wish to make on the Registrar's advice on this would be most welcome.

Subject to any final points arising from your response, I would hope that would bring me to the end of this inquiry. I am minded at this stage to prepare a memorandum reporting on this inquiry to the Committee on Standards and Privileges. In those circumstances, I would show you the factual sections of the memorandum so that you can comment, if necessary, on their factual accuracy. I would then add my own conclusions and submit my memorandum to the Committee. I would tell you and the complainant when I have done so. The Committee Clerk would let you have a copy of the full memorandum so that you can make any comments you may wish on it or ask to give oral evidence to the Committee before it comes to consider the matter.

I am most grateful for your help on this matter, which has enabled me to have the information I need to reach a conclusion in reasonable time. If you could let me have a response to this letter within the next two weeks, that too would be most helpful. If you would like a word about the process, do let me know.

7 December 2011

14. Letter to the Commissioner from Mr Jack Dromey MP, 19 December 2011

Thank you for your letter of the 7th December and I have carefully noted the letter from the Registrar.

With regard to my failure to revise my initial registration entry within four weeks of the payments received in June, July, and November, I confirm that I do accept that I am at fault in not notifying the Registrar promptly and once again I would like to apologise for this.

It is correct that I continued to have a company car as a benefit of my employment in the transitional period which continued for much longer than I had originally anticipated and until I left the Union in October 2010. I accept that I should have registered this benefit also.

The Registrar's comments on these issues are entirely fair and I accept them without hesitation. On my Category 2 registration, I note that she does not say that she has no record or recall of the discussion about me updating my Category 2 registration but says that it was not discussed in detail which she is absolutely correct in saying. She is kind enough to indicate that she understands why I needed to check the information with Unite because my exit package was complex, not least because of the circumstances that meant the transitional period was indeed longer than I had originally anticipated, principally, the [sensitive matter].

With regard to the information needed to complete my retrospective entry, I enclose a draft and perhaps you would be kind enough to let me know if you consider this to be satisfactory and, if so, if I should now submit it to the Registrar?³⁷

You will see that I have confirmed the hours worked as best I can and the split between work done and holiday pay in the July 2010 payment.

The holiday period runs from January to December in any year and so, for these purposes, ran from January to July.

With regard to the November payment, although the payments were not normally payments in arrears, this payment was a final one and was intended to deal with all outstanding matters and so was a payment for work done from August to October 2010.

I hope that all this is clear from the attached draft.

In addition, I have checked on any other potentially registrable payment from my former employer in the transitional period. Having consulted the Registrar, I would like to record that I continued to use my old mobile phone supplied by the Union up to 5th September 2010 when I took out a new contract for my current [mobile phone]. Unite informs me that the bill for that period was £625.48.

With regard to the Registrar's comments that I should have declared my interest during the debate on the Superannuation Bill, as you indicate I have already accepted that with hindsight it would have been prudent to do so. However I would like to ask you to take into consideration that I do not think that anyone could have thought that this would influence my speech or representation in these circumstances.

With regard to my intervention during the debate on Lawful Industrial Action, I note the Registrar's views but I feel I must say that my contribution was genuinely just an off the cuff remark intended as a quip and I believe it was accepted as such by my Parliamentary colleagues.

Thank you for taking the time to explain the process to me which was much appreciated. I look forward to hearing from you with regard to the next step and, if you require any further information in the meantime, please do not hesitate to contact me.

9 December 2011

15. Letter to Mr Jack Dromey MP from the Commissioner, 21 December 2011

Thank you very much for your letter of 19 December responding to mine of 7 December about this complaint.

I was most grateful for this response. You kindly attached a possible revised retrospective Register entry. I have consulted the Registrar and she has noted that it would need to add at the end of the first paragraph that, in addition to your salary, you had the use of a company car "and mobile telephone". She assumes at this remove that it is not possible for you to be more specific about the precise hours worked.

I enclose a revised version of a possible Register entry.³⁸ I would be grateful if you could just confirm that you have identified all the relevant payments. I ask because the final payment covering the period for August to October appears to be substantially less than the June and July payments, given the hours.

³⁷ See WE 17 for the agreed retrospective Register entry

³⁸ See WE 17 for the agreed retrospective Register entry

You ask whether the Registrar should now be invited to make this revised entry in the Register. Since this entry, however, arises out of an inquiry, it provides further detail to an entry which you have already made, and since I will be submitting my conclusions to the Committee on Standards and Privileges, I think it would be best to leave any follow-up revision to your Register entry until after the Committee has concluded its consideration of the matter.

Thank you too for your response on the declarations, which I will carefully take into account. I hope that I am right in assuming from what you have said that you are content to abide by the judgment you made in your letter to me of 23 November that, with hindsight, it might have been prudent for you to have declared your association with Unite in the contribution you made to the debate on Government support for industry on 16 June 2010.

Subject to any immediate points you may wish to make on this matter and to you confirming as soon as possible the registration matter I raise in the third paragraph above, I consider that I have completed this inquiry. I am now preparing the draft factual sections of my memorandum and, in accordance with the procedure set out in my letter to you of 7 December, I will send them to you in draft form so that you can comment, if necessary, on their factual accuracy. I will then add my own conclusions and submit the full memorandum to the Committee. I will inform you and the complainant when I have done so. The Committee Clerk will then send you a copy of the full memorandum for any comments you may wish to make or for you to ask to give oral evidence to the Committee. I would hope to send you the draft factual sections early in the new year.

Thank you again for your help on this matter.

21 December 2011

16. Letter from Mr Jack Dromey MP to the Commissioner, 22 December 2011

Thank you for your letter of the 21st December and I am grateful for your speedy response.

I note the amendment to the entry with regard to the mobile phone.

I'm sorry that I cannot be more precise about the exact hours worked but, as you will appreciate, the circumstances were not these of my normal employment with the Union for whom I had works for 32 years but concerned the period of transition when this was coming to an end and I was dealing with a specific matter for the Union. I confirm that the payments I have identified previously are the only relevant payments as corroborated by [the Director of Finance and Operations] in his letter to you of the 23rd November 2011.

I note your advice that the follow-up revision to my entry in the Register should wait until the outcome of the Committee's response and I am grateful for your guidance.

You are correct that I am not changing my view with regard to the fact that it might have been prudent with the benefit of hindsight to declare my association with the Union in the debate on Government support for industry. I was only asking for it to be taken into consideration that I do not think that anyone could have thought that this would influence my speech or representations in these circumstances.

I hope that the above answers all the points you have raised and once again I would like to thank you for dealing with this so speedily.

17. Agreed retrospective Register entry for Mr Jack Dromey MP

Category 2: Remunerated employment, office, profession etc

Deputy General Secretary of Unite the Union until 30 October 2010. Address: Unite House, 128 Theobalds Road, Holborn, London, WC1X 8TN. In addition to my salary I had the use of a company car and until 4 September 2010 a mobile telephone.

4 June 2010, received payment of £7,098 for work done in June 2010

Hours: 40–60 hours.

6 July 2010, received payment of £13,977, comprising £8,736 for work done in July 2010, and £5,241 for holiday pay for the period January—July 2010.

Hours: 40–60 hours

5 November 2010, received payment of £7,098 for work done in August—October 2010

Hours: 95–135 hours

Category 11: Miscellaneous

I received an ex gratia payment of £30,000 on 5 November 2010 on leaving my position as Deputy General Secretary of Unite. (See entry in Category 2 above.)

Appendix 2: Letters to the Clerk of the Committee from Jack Dromey

Letter to the Clerk of the Committee from Jack Dromey, 16 January 2012 (1)

Thank you for your letter of the 13th January with the enclosed memorandum by way of the outcome of the Inquiry by the Commissioner.

I would first like to place on record my apology to the Committee for the breaches identified by the Commissioner, whose conclusions I accept in full.

It may assist the Committee, however, if I explained again the background to the breaches, for which I accept full responsibility.

I had been employed by Unite the Union (formerly the Transport and General Workers Union) for 32 years and was elected as Deputy General Secretary in 2003.

Upon being elected as an MP, I declared the fact that I was employed by the Union but it was my intention at that time, having given in my notice, to leave immediately after my notice period and, initially, I declined my salary in the meantime.

However the Union asked me to continue my employment to deal with a particular internal matter of great importance that only I could deal with and this continued longer than we had anticipated and as a consequence I agreed to accept my subsequent salary in the interim.

I entirely accept that I should have notified the Registrar as soon as my circumstances had changed, updating my original registration, but I hope you will accept that my failure to do so was entirely unintentional. These were payments from a very longstanding employer in a hectic transitional period at the end of my employment.

I do not offer for one moment this as an excuse but merely as an explanation. I accept without hesitation that the registration should have been amended, and although I did subsequently update my registration, this was clearly too late and in breach of the rules.

I accept the Commissioner's findings with regard to declaring relevant interest in the two debates he mentions. I would emphasise that this breach too was entirely unintentional and at the time I genuinely did not consider that my position with the Union might be reasonably thought by others to influence my contribution. Having considered the matter carefully and with the benefit of hindsight and the Commissioner's advice, I can see that it would have been prudent for me to have done so and I apologise for this also.

I do not request the right to give oral evidence before the Committee but I am happy to appear if the Committee would like me to do so. Once again, through you to the Committee, I would like to place on record my apology.

I await hearing from you and please do not hesitate to let me know if there is any further information you require from me.

Letter to the Clerk of the Committee from Jack Dromey, 16 January 2012 (2)

Further to my letter to you of earlier today, Monday, 16th January 2012, and upon further reflection, if this case had been rectified by the Commissioner, I recognise that I would have had to make an apology on a Point of Order on the floor of the House. This, I would be happy to do. I hope that this will assist the Committee in its deliberations.

Formal Minutes

Tuesday 17 January 2012

Members present:

Mr Kevin Barron, in the Chair

Sir Paul Beresford	Oliver Heald
Annette Brooke	Julie Hilling
Mr Tom Clarke	Heather Wheeler
Mr Geoffrey Cox	Dr Alan Whitehead
Matthew Hancock	

Draft Report (Jack Dromey), proposed by the Chair, brought up and read.

Ordered, That the Chair's draft Report be read a second time, paragraph by paragraph.

Paragraph 1 read and agreed to.

Paragraph 2 read, amended and agreed to.

Paragraphs 3 to 17 read and agreed to.

Paragraph 18 read, amended and agreed to.

Two papers were appended to the Report.

Resolved, That the Report, as amended, be the Twenty-Second Report of the Committee to the House.

Ordered, That the Chair make the Report to the House.

[Adjourned till Tuesday 31 January at 9.30 am