HOUSE OF LORDS

Committee for Privileges and Conduct

9th Report of Session 2010–12

The Conduct of Lord Hanningfield

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The Committee for Privileges and Conduct
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THE CONDUCT OF LORD HANNINGFIELD

Background

1. The Committee has considered a report by the Commissioner for Standards on the conduct of Lord Hanningfield. The Committee has also considered a report by the Sub-Committee on Lords’ Conduct, which, in light of the Commissioner’s report, recommended a sanction.

2. The procedure followed in this case has been that described in the Guide to the Code of Conduct, which was adopted by the House in March 2010. According to this procedure, the Commissioner is charged with investigating allegations against Members. He reports his findings to the Sub-Committee, which, if the Commissioner has found against the Member, recommends any action that the Member concerned should take and any sanction that the House should apply. Although the Sub-Committee may comment on the Commissioner’s report, it does not reopen the Commissioner’s findings, which are reported without amendment to the Committee for Privileges and Conduct. The Member may then appeal to the Committee for Privileges and Conduct against the Commissioner’s findings, the Sub-Committee’s recommended sanction, or both.

Summary of the case

3. On 26 May 2011 Lord Hanningfield was found guilty at Chelmsford Crown Court on six counts of ‘furnishing false information relating to accounts’ contrary to section 17 (1) (b) of the Theft Act 1968. On 1 July 2011 he was sentenced to a total term of nine months’ imprisonment. He was released under licence on 8 September, after serving about a quarter of this sentence.

4. The charges against Lord Hanningfield related to claims made under the Members’ Reimbursement Scheme. It was alleged, and proved in the criminal trial, that Lord Hanningfield dishonestly claimed night subsistence expenses in respect of a number of sitting days when he in fact did not stay overnight in London but returned to his home in Essex.

5. It follows that Lord Hanningfield was, in respect of the claims to which the charges against him related, in breach of the rules of the Members’ Reimbursement Scheme, under which, in the words of the accompanying General Guide, “claims for night subsistence [were] only permissible in respect of nights actually spent in London”.

6. No complaint against Lord Hanningfield was received prior to his conviction, and in accordance with the House’s sub judice resolution no internal investigation was begun until after the case against him was brought to a close by his sentencing. However, following his conviction and before sentencing, the Commissioner for Standards had sought and received the agreement in principle of the Sub-Committee on Lords’ Conduct to his beginning an investigation at the first possible opportunity. The investigation began accordingly on 1 July 2011, the day Lord Hanningfield was sentenced; in accordance with paragraph 111 of the Guide to the Code of Conduct, paragraphs 122–137.

1 Guide to the Code of Conduct, paragraphs 122–137.

2 Guide to the Code of Conduct, paragraph 103.
On the basis of evidence heard at the trial, and his own interview with Lord Hanningfield, the Commissioner concluded that Lord Hanningfield had no entitlement to claim night subsistence at any stage in the period from 1 July 2007 to April 2009, when the last such claim was made. During this period Lord Hanningfield made, in the Commissioner’s words, “false claims” for night subsistence expenses totalling £30,254.50. Lord Hanningfield confirmed, in oral evidence to this Committee, that he accepted this finding (Q 2).

Lord Hanningfield had previously, in December 2009, voluntarily repaid £1,800 to the House. Although he is in difficult financial circumstances, he confirmed in oral evidence that he would repay the money in full before returning to the House following any suspension: “I will definitely repay that before I participate in the House again. I would guarantee that” (Q 2).

The Sub-Committee’s recommended sanction and Lord Hanningfield’s appeal

The Sub-Committee on Lords’ Conduct considered the Commissioner’s report on Lord Hanningfield on 12 October 2011. They state that they do “not believe that it would be appropriate, in this case, for any period of suspension to last for a period less than the remaining period of Lord Hanningfield’s sentence, i.e. until 31 March 2012.” Their final recommendation is that Lord Hanningfield “be suspended from the service of the House for 9 months, starting on the date on which any suspension motion is agreed by the House”.

Lord Hanningfield subsequently appealed against the recommendation of the Sub-Committee. He made it clear that he did not dispute the Commissioner’s findings, and acknowledged that he had “transgressed the law” and “submitted false claims”. However, he drew attention to his imprisonment, his loss of reputation and his co-operation with the investigation into his conduct. He sought the Committee’s help in “rebuilding” his life by reducing the period of suspension.

We acknowledge the hardship suffered by Lord Hanningfield, but we also consider that, as stated by the Sub-Committee, the trial judge “took into account all mitigating factors” when sentencing him to nine months’ imprisonment; we also agree with the Sub-Committee that his actions, both in making fraudulent claims and later in pleading not guilty, have brought the House into disrepute. **We therefore do not uphold Lord Hanningfield’s appeal against the length of suspension recommended by the Sub-Committee.**

The verdict of the court

This case and that of Lord Taylor of Warwick are the first in which Members have been subject to internal disciplinary proceedings in respect of actions which have also been the subject of criminal prosecution. Both Members have been found guilty, and have been punished with prison sentences.

It was for the court to hear all the evidence in Lord Hanningfield’s case, to weigh it and reach a verdict. The judge’s sentencing remarks set out the factors that weighed with him in determining that a sentence of nine months’
imprisonment was appropriate. We agree with the Sub-Committee that Lord Hanningfield should not be eligible to return to the House before the whole sentence imposed by the court has run its course.

Suspension and repayment

14. The Sub-Committee, in the concluding paragraphs of their report, have invited us to reconsider the link between the repayment of money wrongly claimed and the length of any suspension imposed upon a Member of the House. We note that this issue is, given Lord Hanningfield’s undertakings regarding repayment, academic in the present case. We also remain of the view that the decision reached by the House on 21 October 2010, namely that the recovery of money wrongly claimed “is not a disciplinary matter, and so is not a matter for this Committee”, is correct in principle.

Conclusion

15. We acknowledge that Lord Hanningfield has acceded to requests not to attend the House since his conviction in May, but agree with the Sub-Committee that it would not be appropriate for his suspension to last for a period less than the remainder of his sentence. Taking all the circumstances into account, we uphold the Sub-Committee’s recommendation that Lord Hanningfield be suspended from the House for nine months, and recommend that the nine months should be deemed to have commenced on the date he was sentenced, 1 July 2011.

16. We recommend that Lord Hanningfield be suspended from the service of the House for nine months, with effect from 1 July 2011.
APPENDIX 1: REPORT FROM THE SUB-COMMITTEE ON LORDS’ CONDUCT

The conduct of Lord Hanningfield

Introduction

1. We have received a report from the Commissioner for Standards on the use of the members’ reimbursement scheme by Lord Hanningfield.

2. Lord Hanningfield was found guilty on 26 May 2011 of six counts of ‘furnishing false information relating to accounts’, specifically relating to claims for night subsistence and travelling expenses, contrary to section 17(1)(b) of the Theft Act 1968. On 1 July 2011, he was sentenced to a total term of nine months’ imprisonment.¹

3. No complaint was made about the conduct of Lord Hanningfield. With our agreement, the Commissioner commenced an investigation into his use of the members’ reimbursement scheme on 22 July under paragraph 103 of the Guide to the Code of Conduct. Paragraph 103 recognises that in “exceptional circumstances” the Commissioner may, with the agreement of the Sub-Committee on Lords’ Conduct, “start an investigation in the absence of a complaint, either at the request of the Member concerned, or if, by other means, he becomes aware of evidence sufficient to establish a prima facie case that the Code of Conduct has been breached.”

The Commissioner’s findings

4. The Commissioner found that Lord Hanningfield did not act in good faith and submitted false claims under the members’ reimbursement scheme. He wrongfully claimed a total of £30,254.50 for night subsistence to which he was not entitled, not having stayed in London.

5. The Commissioner further found that Lord Hanningfield submitted a mixture of false and legitimate claims for travelling expenses and that these claims were intended to corroborate his claims for overnight subsistence. However, the Commissioner did not believe the quantum involved justified detailed research by his office to determine which claims were false. The full amount claimed by Lord Hanningfield over the period in question was £2,808.

6. The Commissioner stated that Lord Hanningfield had sought to co-operate with his investigation.

Lord Hanningfield’s response

7. Lord Hanningfield, in interview, accepted that he had made false claims for night subsistence. He disputed the Commissioner’s original assessment of the amount owed in respect of the false travel claims.

8. Lord Hanningfield voluntarily refunded £1,800 to the House of Lords in December 2009. No offer of further repayment has been received to date (12 October). We note that Lord Hanningfield has other outstanding claims from April and May 2011 amounting to £2,100.

¹ The trial of Lord Hanningfield took place at Chelmsford Crown Court. He was sentenced by Mr Justice Saunders sitting at Maidstone Crown Court.
Conclusion

9. We are impressed with the thoroughness and fairness with which the Commissioner for Standards conducted his investigation and prepared his report. We agree with the Commissioner’s finding that Lord Hanningfield breached the rules of the members’ reimbursement scheme by wrongfully claiming a total of £30,254.50 for night subsistence to which he was not entitled.

10. We further agree that the quantum involved in the claims for travelling expenses made by Lord Hanningfield do not justify the Commissioner conducting detailed research to determine which were false and which were legitimate.

11. In considering what sanction to apply, we have taken into account the following factors:

   • Lord Hanningfield was sentenced to a period of nine months’ imprisonment of which he has served just over two months. He has been released on licence until 31 March 2012.
   • Lord Hanningfield co-operated with the Commissioner’s investigation.
   • Lord Hanningfield has not repaid the majority of the sums wrongfully claimed.
   • Lord Hanningfield has voluntarily absented himself from the House.

12. We consider that Mr Justice Saunders took into account all relevant mitigating factors, including Lord Hanningfield’s record of public service and the state of his health, in determining the prison sentence for the criminal conviction. We do not believe that it would be appropriate, in this case, for any period of suspension to last for a period less than the remaining period of Lord Hanningfield’s sentence, i.e. until 31 March 2012.

13. We believe that Lord Hanningfield’s actions in wrongfully claiming sums to which he was not entitled and in later pleading not guilty brought the House into disrepute.

14. We emphasise that the need to co-operate with investigations by the Commissioner is itself a requirement of the Code of Conduct (paragraph 20).\(^1\) Co-operation with the Commissioner is of the utmost importance in order to enable the Commissioner to investigate complaints in a timely, thorough and fair manner. That Lord Hanningfield largely complied with this requirement is a significant factor in our determination of the period of suspension which we recommend.

15. We also recognise that Lord Hanningfield has voluntarily absented himself from the House since his conviction.

16. We recommend that Lord Hanningfield be suspended from the service of the House for nine months, starting on the date on which any suspension motion is agreed by the House.

17. At the time of our meeting to consider what sanction to recommend, Lord Hanningfield had not repaid in full the sums which he wrongfully claimed. We recognise that he may make a full or partial repayment prior to any decision by the Committee for Privileges and Conduct or consideration of any suspension motion.

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\(^1\) See also para 117 of the Guide to the Code of Conduct.
18. It may be the case, however, that Lord Hanningfield does not make any such offer of repayment.

19. In our report on the conduct of Baroness Uddin we recommended a period of suspension for a period of three years “or until she has repaid the amount wrongly claimed, whichever is the later.” The Committee for Privileges and Conduct decided that, as a point of principle, “the length of suspension should not be determined by reference to the time of repayment.” The Select Committee stated that they were “not in a position to comment on” the financial circumstances of Baroness Uddin and that our recommended sanction “risks having the effect of preventing her indefinitely from returning to the House ... [which] could exceed the powers of the House.” The Select Committee also noted that there was “a possibility that an indefinite suspension would result in the money never being recovered.”

20. We acknowledge that the Select Committee distinguished between the two issues of sanction and repayment. We also recognise that the House has no power to suspend a Member beyond the length of the current Parliament. However, we do not consider that a Member should be able to return to the service of the House while repayment of amounts which were wrongfully claimed is still due. This risks bringing the House into further disrepute, especially if the Member concerned is then able to claim further attendance allowances from the public purse.

21. We continue to believe that our earlier recommendation for any period of suspension to last until the amount owing has been repaid was correct in principle. We therefore invite the Committee for Privileges and Conduct to reconsider this issue. In any future case we would, of course, have regard to any guidance which the Select Committee were able to provide concerning the extent to which, and the way in which, we should have regard to a Member's ability to repay.

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2 Ibid. para 2.
3 Ibid. para 56.
APPENDIX 2: REPORT FROM THE HOUSE OF LORDS
COMMISSIONER FOR STANDARDS

Summary of the initial complaint

1. My investigation into the conduct of Lord Hanningfield breaks new ground, in that it is the first investigation conducted by virtue of the ‘exceptional circumstances’ provision contained at Paragraph 103 of the ‘Guide to the Code of Conduct.’

2. Lord Hanningfield was the subject of a police investigation which resulted in his eventual conviction on six charges of false accounting.\(^1\) The charges concerned false claims made under the Members’ Reimbursement Scheme.\(^2\) Lord Hanningfield’s contested trial, conviction and imprisonment received widespread coverage in the media. That coverage highlighted that the offences related to his abuse of the Members’ Reimbursement Scheme. However, no complaint was received by either my office, or that of the Clerk of the Parliaments, in respect of Lord Hanningfield’s conduct. Thus, we faced a situation where a Member had been convicted in a court of law for offences directly involving his membership of the House of Lords and that misconduct was widely publicised. Yet, no complaint had been submitted in accordance with the provisions of the current ‘Code of Conduct and Guide to the Code of Conduct.’ Paragraph 103 recognises that in ‘exceptional circumstances’ I may, with the agreement of the Sub-Committee on Lords’ Conduct, start an investigation in the absence of a complaint, either at the request of the Member concerned, or if, by other means, I become aware of evidence sufficient to establish a \textit{prima facie} case that the Code of Conduct has been breached.

3. Lord Hanningfield was convicted on 26 May 2011 with a sentencing hearing set for 1 July. I wrote to the Sub-Committee on 27 June and sought your agreement to initiate an investigation on 1 July. I was advised on 14 July that you had granted your approval, subject to the issue of an appeal being completed prior to my investigation commencing.

4. I am grateful for your approval, as I feel the facts in this case clearly fall within the ‘exceptional circumstances’ envisaged when the current complaints regime was approved. I should comment that I intend to operate on the basis of a rebuttable presumption that a criminal conviction grounded in an abuse of the financial support provided to Members, will normally result in my seeking the agreement of the Sub-Committee for an investigation. I am very conscious that the Sub-Committee is committed to a process which not only conforms to the principle(s) of ‘natural justice’ but which also treats all Members in an equitable manner. Thus, in this case my investigation followed on from an independently mounted criminal prosecution and conviction.

Key Facts

5. My investigation focused on the four year period preceding Lord Hanningfield’s sentencing on 1 July 2011. During the relevant period (1 July 2007 to 30 June 2011), he submitted 18 claim forms for ‘attendance expenses’, prior to his being charged. Six claims formed the basis of the criminal charges brought

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1 Section 17(1)(b) Theft Act 1968
2 Prior to April 2009, this was known as the Members’ Reimbursement Allowance[s] Scheme.
against him and he was convicted on all six counts at Southwark Crown Court on 26 May 2011. He was subsequently sentenced to nine months imprisonment by Mr Justice Saunders, sitting at Maidstone Crown Court, on 1 July.

6. I commenced communication with Lord Hanningfield on 22 July 2011 and subsequently interviewed him at HMP Standford Hill on 16 August. I was accompanied by the Clerk to the Sub-Committee and the interview was recorded. A transcript is attached. Following that interview I wrote to Lord Hanningfield on 23 August setting out a ‘financial support analysis’ and invited him to comment on my analysis and to highlight any errors or omissions and to supply additional factual information which seemed relevant to him.

7. In essence, my analysis suggested that he had made false claims as follows:

   Night Subsistence: £30,254.50
   Travel: £2,808.00

8. It should be noted that Lord Hanningfield voluntarily refunded £1,800 to the House of Lords in December 2009. In addition, Lord Hanningfield submitted claims in respect of attendance in April and May 2011, which have not to date been paid by the Finance Department. These claims amount to £2,100.

9. Following receipt of my letter dated 23 August, Lord Hanningfield made contact with my office by telephone and accepted and agreed the analysis in respect of the ‘Night Subsistence’ claims. However, he did not feel my analysis was correct in relation to his travel claims. He asked me to review the trial transcript as he felt the travel issue was resolved in court. I responded in a letter dated 1 September, making it clear that I could not find the clarity or consensus he suggested. I again invited him to supply further information in relation to his travel claims by 19 September.

10. In the event, an email was received from Lord Hanningfield’s solicitors dated 29 September. Mr Spragg (Consulting Solicitor) argued in the email that they had conducted a partial reconciliation exercise in the context of the criminal trial, seeking to show that Lord Hanningfield did actually incur travel costs. He supplied some figures which purport to show examples of actual travel expenditure. Mr Spragg states, ‘it would take many hours to examine the bank records and driver records for each of the 36 months to produce a finite record of travel expenses incurred but we would be confident there would be many.’

11. In my opinion the travel claims originally submitted to the Finance Department by Lord Hanningfield were undoubtedly a mixture of legitimate claims together with entirely false claims submitted to corroborate his claims for ‘Night Subsistence’. I do not believe the quantum involved justifies detailed research by either Lord Hanningfield or this office. I would suggest that the Sub-Committee focus exclusively on the ‘Night Subsistence’ claims, in view of the quantum and clear acceptance that they were entirely without legitimate justification.

12. Lord Hanningfield in interview accepted that he did breach the rules governing the Members’ Reimbursement Scheme.

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1 See Appendix 3.
Findings

13. On the basis of the criminal convictions and crucially Lord Hanningfield’s own admission to me, I have no hesitation in finding that he did not act in good faith and submitted false claims for ‘night subsistence’. I am conscious that the false claims relate to a period prior to the application of the current Code of Conduct. Thus, the Code of Conduct which was in operation at the relevant time did not make specific reference to financial support for Members. However, in the context of the current Code of Conduct, Lord Hanningfield’s behaviour would without doubt also constitute a clear breach.

14. The question of reimbursement and/or of other action to regularise the position is not one for me. However, my analysis at paragraph 7 above may be of some assistance to the Sub-Committee. The amount falsely claimed in respect of ‘Night Subsistence’ has been accepted by Lord Hanningfield but he disputes the figure for travel. I would simply highlight Mr Justice Saunders’ sentencing remarks in this regard: “While the claims for overnight allowances were substantial, the false claims for travel were for comparatively small amounts and were made to fit in with the false claims for overnight accommodation so that Lord Hanningfield could avoid detection.”

15. Lord Hanningfield did not act in good faith and, in so doing, undermined public confidence in the integrity of Members of the House of Lords. His criminal defence is reflected in the judge’s sentencing remarks and in my interview with him; Lord Hanningfield seemed to ascribe his failings to inattention. In fairness to him, I should state that Lord Hanningfield has sought to cooperate with my investigation, promptly acknowledging communications from my office and openly accepting his failings.

3 October 2011
Lord Hanningfield: To start with, I obviously have press problems. I have problems with the media—all the time they want to put in the newspapers exactly what I am doing. I have not told anyone about your letter or about the inquiry. Obviously people might surmise it but presumably we will keep this interview quiet. I am not going to tell anyone and hopefully you will not tell anyone either. I know that you are doing a report, but that will be done in due course.

The Commissioner for Standards (Mr Paul Kernaghan): That is a very valid concern, which has been raised by numerous Members of the House. Judith and I have been going round speaking to all the groups. Confidentiality is very sensitive to a lot of Peers and we totally understand that. It is on the public record that I am conducting an investigation into you. I will subsequently submit a report. That will not be public; it goes to the sub-committee. The sub-committee will then make its own decisions about publicity, but I can assure you that nothing will go in the media tomorrow or the next day.

Lord Hanningfield: That is fine. Particularly when I go out on a tag, which is likely to be 8 September, the press will be very interested in me and the media will be at the gate here. You know that I was leader of Essex County Council, so I have a lot of local publicity. The media will be in my garden and I am not going to say anything about what is happening in the House of Lords. When I come out I want to go back there but I am not going to say anything about it. Lord Taylor has been asking my advice. I have not said that I am seeing you today. He has told me that you have now said that you will see him. I have not said anything at all; I have just been non-committal about my own situation. It is up to him to resolve his situation. I have not said anything about you seeing me. I am not going to lie; I am just going to say, “Well, I am talking,” or something. I am not going to lie about it but I am not going to tell him that I have seen you today. I do not want to get confused with Lord Taylor.

The Commissioner for Standards: Exactly. This is important and I just say again that I appreciate the approach that you are indicating. This interview is unique and confidential between us and you. Any investigation that we conduct with another Member of the House of Lords is unique between us and that individual and confidential and I will not be telling Lord X or Lord Y that I have spoken to you.

Lord Hanningfield: And I will not say that I have seen you. He has asked me what I am doing and I have just said that I am in discussion with you. I will continue to use that line rather than saying that I have seen you. As I say, it is up to him what he does. He tends to say to me that he does not want to do anything until he gets out, but anyway that is up to him. He has walked past me about three times this morning, so I have had to quickly hide the paper with the House of Lords heading.

The Commissioner for Standards: Please be assured that, in so far as it is within our gift, we will respect confidentiality. That is the way we operate. In essence, what I would like to do is to say a few words formally to set the scene for the interview and then invite you to respond. We will very much go where the interview takes us. I wrote to you on 22 July—I am conscious that you have it in front of you—advising you that I was conducting an investigation in accordance
with the Code of Conduct and the guide to the Code of Conduct, specifically setting out those areas of the Code of Conduct that I feel you may have breached and providing you with appropriate evidence. The guide provides you with an opportunity to give a full and accurate account of the matters in question. It says—and I am conscious of all the publicity surrounding your case and indeed of the health issues—that I should give you the opportunity to do it by way of face-to-face interview if you felt that that was better.

**Lord Hanningfield:** That is very kind of you.

**The Commissioner for Standards:** I am very open about that. I am looking for your view in respect of the factual matters that I have supplied to you in terms of evidence. There is also one other issue that I will mention to you. It is not strictly speaking, under the code and the guide, within my remit. My remit is to investigate and make a view to the Sub-Committee on Lords’ Conduct. When it then discharges its responsibilities, it has to look at what is called regularising the position. In one context it could be paying back money et cetera. Whether you wish to even touch on that is a matter for you—explaining or saying to us what you are doing in terms of regularising the position. I stress that that is not strictly speaking a matter for me as the commissioner, but it may be useful, so I just flag that up.

In essence, Lord Hanningfield, I provided evidence to you indicating that on the basis of conviction et cetera I believe you have breached the Code of Conduct, specifically in terms of personal honour and under paragraph 10(c) of the code in respect of the rules around financial support to Members. This is very much an opportunity for you to explain matters. My remit is very much to be objective and independent and to submit a report to the Sub-Committee on Lords’ Conduct. As far as I am concerned, that is open. I am not here to secure a conviction. I am not here to operate as, if you will, your defence counsel. I am here to be an objective investigator, so I am not just interested in statements of admission saying that you are guilty. If there is something by reason of explanation, that is, I think, appropriate and valid and I can incorporate that into my report to the sub-committee. That is very much my agenda this morning and on that basis I invite you to address the points in my letter and basically to say whatever you feel is appropriate.

**Lord Hanningfield:** To start with, could I just ask about the process?

**The Commissioner for Standards:** Please.

**Lord Hanningfield:** I know that there is the sub-committee and that the sub-committee receives your report. From what I have picked up from other similar cases, I gather that the Peer in question normally has a friend or something. I do not know the technicalities, but is that right? Lord Fowler has asked to come. I know Lord Fowler; I went to school with him, so I have known Norman Fowler all my life. He is down to come to see me in due course and I did not know whether I should talk to him about it, ask his advice or ask him to be my friend when it comes to me. I realise that your report goes to the sub-committee, but then it goes to the larger committee. I know that one is not supposed to have legal representation. My solicitor knows that I am seeing you, but he is the only person who does. He does not know exactly what day I am seeing you, but I told him that I would see you.

**The Commissioner for Standards:** You have a right of appeal in the sense that whatever I submit to the sub-committee—you are quite right about this—then goes to the full committee and you have a right of appeal. I can think of previous
hearings where someone has challenged and, yes, they have had a friend or perhaps a legal representative, but I think that the guidance is very clear: you can have whomever you want there but only you can speak. You can consult privately with whom you will, but I would not accept an answer from any legal representative; I am empowered to accept an answer only from the Peer—the Member themselves—and that is the way that I would seek to operate. As I said, I provided you with a full copy of the code and the guidance and you have a right of appeal as the process proceeds, so in a sense I am not the final court. I am an independent investigator and I will submit my views to the Sub-Committee on Lords’ Conduct, but you have a right of appeal after that stage. As I say, it will be a matter for you to take counsel, in the informal sense of that word, at that stage. I am very much looking at the facts with a view to submitting a report to the sub-committee.

**Lord Hanningfield:** Okay. Shall I go through my story?

**The Commissioner for Standards:** Please.

**Lord Hanningfield:** That is probably the best thing to do for now. I suppose that the problems that I have go back to around 2003. I became leader of Essex County Council in 2000 when there was a minority administration. I became a Peer in 1998 and an active one in 1999. I was not particularly active to start with but in 2003 I was asked to be a Front Bencher by the Conservatives and I got busier and busier. First of all, I was a Whip, working with various other Peers who took the lead. Then I became a lead on education, local government and transport, which is a very busy portfolio. Ultimately, because all this was happening, Tom Strathclyde moved me across to the business and industry side. The period when I was transport spokesman was very busy and at times I had to be on the Front Bench every day of the week, doing Questions, legislation, the dinner break debate or something or other. From 2003, I just got busier and busier.

I was not that busy before 2003 but in 2003 I started renting a flat in London. I had two flats: one in Westminster and one in Pimlico. It was not very economic. Because of my activities in Essex, I could not attend the Lords on days when I was not busy there, so my attendance was around 100 days a year. When you are paying nearly £20,000 a year to rent a flat and only attending for 100 days, you are very much out of pocket, as you are paying a lot more money for the flat than you can claim. Anyway, I was obviously not breaking any rules or anything at that stage.

At that time, I was using where necessary a county council car. I have been doing that for over 20 years. I was chairman of the education committee at the Association of County Councils and then I was leader of the Conservative group at the Association of County Councils. This was before we had the Local Government Association—I was one of the originators of the Local Government Association. I was leader of the Conservative group on the LGA and vice-chairman of the LGA to Jeremy Beecham. Education has been my main thing for most of my local government career and I was chairman of what was called CLEA—the Council of Local Education Authorities. I was also leader of the committee that negotiated teachers’ pay and all that sort of stuff, so I have been using a car back and forwards to London for over 20 years as one of the leading lights of Essex County Council. It was nothing unusual. In fact, I was in London as much in those days as I was when I became a Peer.
I have never been married, so I lived with my parents the whole time. Both my parents died, which was quite traumatic. My mother died of dementia and my father went to pieces after she died. He had been looking after her but he died in 2004. Therefore, it was rather a problem having a flat in London. I had a big dog and I still have things at home. I was a farmer originally—my background is totally in agriculture. I became very prominent in local government. I spent years in local government. Before all this, I had been on the county council for 40 years. I have been on police committees and things like that—I think that you are a former policeman—and I have been involved in local government for 40 years in a voluntary way. We did not get paid at all.

I started to go back home a bit more because of the circumstances there—the house, the dog, the chickens and everything else. I realise now that I made a grave mistake, which is of course why I am here. I am very sad that I am here because I have given my whole life service to the community. It is very unfortunate and at 70 this is all having an effect on my health. To a certain extent it has been quite a good year, because I am having a rest. That is one of the advantages of being in prison—you can have a rest.

I just got busier and busier, with no family support, and it is quite difficult living by yourself, actually maintaining a house and shopping and organising cleaners and dog walkers and everything associated with that. I had to try to maintain myself, so I gave up the flats in London and commuted much more back to Essex.

I made a grave mistake, really, in not taking the whole thing seriously enough. I carried on claiming in the way that I had claimed before. That was my grave mistake—what I should have done is rethought it all. I filled in the forms in two minutes each time. I just carried on claiming in the way that I had. I do not want to talk about other Peers, but 85 per cent were claiming the full expenses; I am not going to name names but I know a lot of Peers who were claiming for nights that they were not in London. It was seen by a lot of people as a sort of living outside London allowance, in a way. I know that has been all through a trial and everyone says no and everything else. But we are going back before the expenses scandal and everything else, quite honestly. I am not going to name names but I know several Peers on whom you have not have had to do any inquiries who were doing exactly the same thing as I was. I should not have done it; I should have talked to our panel and should have reassessed what I was claiming and what I was doing.

One of the problems was that I was employing someone in the Lords. I was sharing his salary with Tom Strathclyde and therefore I was paying out a salary. It was to Giles Roca, who is very good. I paid him for two years. So I had my expenses in the House of Lords, plus the tremendous amount of entertaining that a Front-Bench spokesman has to do; I did a lot for Essex County Council but that was paid for by Essex County Council. Being transport spokesman, you have all sorts of transport groups and everything else. You have to buy lunches, give drinks and everything else, and it is all quite an expensive thing. I am actually, even with the claiming, seriously out of pocket by it all. In fact, I am the only one of the six people who were taken to court who did not claim legal expenses. So I have had the enormous legal expenses, which I have had to remortgage my house to sort out. I am a farmer—I do not know if you know much about farming—and farming is up and down; I was in a partnership and I did not come out of the farming thing with very much money. Quite honestly I have spent all that on doing my job in both Essex County Council and the House of Lords. Even the judge says that I did not get very much remuneration for what I was doing. Other people got much more.
Anyway, I enjoyed what I was doing. The real problem was that I was so busy that I was not really thinking about things like expenses or anything; I was just getting on with my job—to grave effect, really. Now I regret it all, because if I had remortgaged my house then and borrowed more money I could have carried on—it would have meant that I was subsidising, as I did anyway, but I could have subsidised what I was doing and carried on doing it. It would have been likely that I would have become a Minister in the current Government. I have been told that by lots of people and that would have been a nice finale to my career instead of being in prison. It is all pretty traumatic, really.

Anyway, what happened was, in my local government role, there was a reorganisation of schools in Colchester. The MP for Colchester is Bob Russell and he and I bitterly disagreed. Fortunately I do not face a lot of hatred from people but he seems to hate me totally. He even said on the train one day that he absolutely hated me, in front of lots of other people. We had a big disagreement over the reorganisation of schools. I was trying to improve good schools in line with both Labour and Conservative policies, and I closed bad schools. He disagreed with it, for his own election reasons, I think, and he did some investigation. I had not kept it a secret that I was going home a lot because the car was outside the House of Lords and people could see my expenses. I had not actually camouflaged it in anyway; what I was doing was all fairly open. He obviously knew that I was using a car and he saw my claims. First of all he made a speech in the Commons. When you make speeches about other people, you are supposed to tell them. He did not tell me and the Speaker stopped him. But he went to the police. I think that he is still the only complainant against me. I do not think that there are any other complainants against me in the House of Lords. The only thing is that he went to the police.

I did not really have a chance to reassess or pay back or anything like that at that stage, as others had done. I know because I spoke to Lord Bassam, Steve Bassam, whom I have known for a long while because he was the leader of a local authority, the leader of Brighton and Hove—I knew him before he became a Peer or the Whip in the Labour Party. I spoke to him about what the Labour Party was doing and he said that they had advised all their Peers to pay as much back as possible. I know, for example, that Lord Prosser paid back £20,000 or something. If I had had a chance to reassess—but because he had gone directly to the police it did not give me the chance to do very much. I went and saw Michael Pownall and had a long discussion with him. He said that if I paid a lot back at that stage it would look like admitting guilt. I thought, because of what I have said to you, that I would not be found guilty because, quite honestly, I am not a criminal. If I thought that I was breaking the law I would not have done it. I realise now that I did not take the expense forms as seriously as I should have done. I realise now because all this has happened to me, but at that stage I was not taking it seriously and thinking I was just doing the same as lots of other Peers were doing. When I spoke to Steve Bassam, he said, “You should pay back as much as you can.” So I went and asked Michael Pownall how much I should pay back and he said, “Look, if you pay a lot back, you look as if you are admitting guilt,” and that if they were going to take this far as they did in the end it would look like admitting guilt.

But there were some obvious ones. Given the speed with which I did the forms, there were some obvious ones that I should not have claimed because they were not overnight expenses in the way that I was seeing myself as living outside London—they were ones where I had done other things like got on a plane and gone to India. Clearly I had neither gone home nor stayed in London that night—I had got on a plane. Michael Pownall said, “Well, you could have put that down as
parliamentary expenses.” I could have done because I was actually meeting parliamentarians in India, although I was doing it for Essex County Council, but perhaps I should have done. Anyway, some of the things like that, some obvious ones, I paid back. I paid around £2,000 back at that stage, which is obviously part of the whole thing. That did not come out very clearly in the court case. They were obvious ones that I should not have claimed—I had not even gone back to Essex that night, but I had done other things like gone off to a conference or something like that. I talked to Lord Strathclyde about it and he said, “Well, we all make mistakes on these forms. There cannot be one Peer who has not made a few mistakes,” and told me not to worry too much about it.

The whole thing, of course, was rather different from that because it was about my going home most nights rather than actually staying in London. If the police had not been investigating it all, I would have paid back much more of it at that stage, but because it was in the hands of the police and then the CPS, I was expecting more investigation by the police. I had one interview under caution around August 2009 and then I did not hear any more. My solicitor was in correspondence with them. We thought that they were going to ask more questions, and more questions of my staff and people who supported me, but I did not hear anything. They had quite a lot of my bank account showing my expenditure; they did not have a lot of credit card stuff at that stage.

I am not very good at this. Because I was always rushing around, I tended to have a cheque in my wallet, fill it out for a bill and then not go home and put in the stub. I was not really worried about expenditure. It was a hell of a job, quite honestly, to show my expenditure. I still do not have them all. We had to get copies of cheques. Years ago, they used to send your cheques back with your statements. Now they do not; they just send you a cheque number and an amount of money. We tried to chase a lot of my cheques. We managed to get about 50 per cent of them. I do not know whether there is a trial report yet, but we were able to show—we did a lot of work on this—that I had spent more than I had claimed in the House of Lords on one thing or another, although it might have been in the wrong categories. We still have not completed all that work.

It was easy to get hold of the credit card details. Credit cards obviously show what you have spent money on, whereas bank statements do not. We did all that work and Bob Russell was still pursuing me vigorously. To our surprise, the next thing we knew was that it had been referred to the CPS without much more discussion with the police. Both my solicitor and I were surprised about that. We did not think that there had been a thorough investigation by the Met of my expenses. Clearly it had just relied on the car records and the fact that I had gone home by car. That was the main thing when it came to trial. I did not expect it to happen like that all the time. That is why I paid for my own defence. I thought it would all disappear and was horrified when it did not.

Here I am. That is my story. I am horrified by the whole thing. As the judge said at the trial, he was amazed that someone in his late 60s started committing criminal offences. If I thought I was committing a criminal offence, I would have done something totally different. I did not dream that I was doing something that might end up with me in prison. It was all very unfortunate. I have had two terrible years. To a certain extent it has been a relief to be in prison. I had two terrible years of not knowing what was going to happen, with the media constantly around, in my garden.

Because I have been leader of Essex County Council, there has been much more local press interest. Unfortunately, daily local newspapers have to have a story
every day. I will get it again when I get out in early September. The press will obviously be very interested in what is happening with regard to you and all that. It will happen all over again. To a certain extent, this has been a bit of peace. My solicitor and others have been followed by the press while I have been in here. For example, they want to know where my dog is. He is quite well known; he is a big Burmese mountain dog and has been on television several times. There is a county council by-election going on because I have sadly lost my county council seat. There is a campaign to have the dog as candidate. The big story is, “Where is Jefferson?” He is named Jefferson after the American president. He is hidden or people would be trying to photograph him. It will pretty awful when I get out of here on 8 September.

That, really, is my story. It is very unfortunate. It is my own fault. I should like to get back into the House of Lords. I think I still have something to contribute, not least on prison. Having been in prison, I am an expert on prisons now. I have to give lots of people advice here. I am more like a consultant in here. People come up to me the whole time saying, “Can you read this for me?” or, “Can you write this for me?” or, “I’m having problems”. They think I am an expert on legislation but I am not. My thing was education or transport. I have been treated very well in prison by both the warders and the prisoners. It has not been that bad an experience, although the food is absolutely terrible. It was not very nice being in Elmley. In here you wander around and have more visitors than anyone else. It has been a rest, as I said. Now I shall have to face everything again outside, not least my financial problems, which I have made much worse by paying for my own defence.

The Commissioner for Standards: Thank you; that is helpful. It is useful that you have been able to articulate in your own words the saga that you have lived through and your reasoning, to a certain degree. That is helpful. We both have the taped record of it and both Judith and I have been taking notes. I should like to focus on one or two points.

Lord Hanningfield: Could I just say that I have paid back £2,000? I did not attend very much in the latter stages before all this but I think there is around £2,100 outstanding to me. I do not know what that is. That can obviously go towards any repayment, plus the £2,000 I have paid. I am willing to pay back anything that should be paid back. It might take me a month or two once I am out to sort out my financial affairs but I am prepared to pay that back.

The Commissioner for Standards: You have raised that, and it is the ideal situation. I do not want to put words in your mouth but, from what you have just said, there are the expense claims, with which you have been supplied, that were the basis of the six charges of which you were found guilty. Is it your intention to repay the amounts specified in those six expense claims back to the House of Lords?

Lord Hanningfield: Because you were taking four, I was not sure whether you meant that I should pay four or six back?

The Commissioner for Standards: This is a matter for you. I want to stress—

Lord Hanningfield: I have not consulted anyone on that. I am not in much of a position. It is very difficult. I have not had a visit from my solicitor. I will take some advice on that. He knows the situation; I spoke to him on the phone. It is not easy to communicate here unless you have a visit. Phone calls are very short because you are allowed only around £6 or £7 a week for the telephone. Mostly we speak on mobiles, which seems to be more expensive than using a land line.
The Commissioner for Standards: Can I push you a little? I take the point; you are absolutely right to say that you should always take legal counsel in respect of legal matters. However, my perspective here is that you are a Member of the House of Lords. You have indicated very clearly that it is your intention to resume sitting and participating in the work of the House of Lords. In a sense, legal advice may be relevant to certain legal considerations. This is more about you going forward as a Member of the House of Lords. I think it would be appropriate for me to say that I have no doubt that the Sub-Committee on Lords’ Conduct would be interested to know about the situation in respect of money you obtained inappropriately from the House of Lords. Please answer as you see fit: is it your intention to repay the money identified in the six charges on which you were convicted? I am focusing on the four within the time limit of my investigative remit, which is limited to four years. It so happens that there are four counts. However, you were convicted on six charges. I simply ask the awkward question.

Lord Hanningfield: I think I shall probably say that, yes, I will pay back the money from the six charges. As I say, there is probably £4,000 of it around somewhere—the £2,000 I have paid back and the £2,000 I have not had. That reduces the amount of money that I shall have to pay back.

The Commissioner for Standards: That is entirely a matter between you and the House authorities. I just flag it up to you that it would be relevant if you were to repay that money. I suggest that it would be of interest to the Sub-Committee on Lords’ Conduct whether you had repaid it when it comes to consider your case.

Lord Hanningfield: I see. When is it likely to consider it?

Clerk to the Commissioner (Judith Brooke): That depends on the timing of the report from the commissioners to the sub-committee. They will expedite it. As soon as the sub-committee receives the report, it will want to consider it in good time.

Lord Hanningfield: I cannot do anything at all about it until I get out. You cannot even sign a cheque in here.

The Commissioner for Standards: I recognise that. I simply suggest that, since you have indicated that you will get out in early September, you might wish to look at that as soon as you can.

Lord Hanningfield: Looking at that will be the first thing that I do. As I say, it is virtually impossible here. You cannot sign anything other than one or two things that my solicitor has managed to send me. I have signed them and sent them back. However, I did not want to give people power of attorney. I had a car accident a week before I was sentenced. Everyone suggested that I should not go to jail, including the probation service, my medical reports and everything else. I did not really think that I would go to jail. In the end, it was obvious that I was and that it had been decided ages ago. However, my insurance will not sort everything out until I get out of prison. Unless I give power of attorney, they will not even repair my car. I cannot even get my car repaired. I thought that while I was in prison, I could at least get my car repaired but I cannot do that. You are totally in limbo. That is something that I shall talk about because it is harmful. It is not as bad for me as it is for some other people in rehabilitation. You cannot do anything to sort yourself out for afterwards.

The Commissioner for Standards: I recognise that.

Lord Hanningfield: That is one thing that I should like to speak about a bit.
The Commissioner for Standards: Moving on, there is a matter between you and the House authorities in respect of regularising the position. However, I am specifically looking at whether you breached the Code of Conduct. I am not interested in the criminal law per se, although it is obviously relevant to a degree. This is about the Code of Conduct that governs the lives of Members of the House of Lords. There are specifically two areas on which I invite you to respond. I put it in these terms: on the basis of your conviction, there appears to be clear evidence that you did not act on your personal honour and, specifically, that you breached the rules agreed by the House in respect of financial support for Members. I note that, in essence, you have said that you were self-evidently a very busy person. You have accepted openly that you did not, perhaps, pay attention to filling out forms, etc., to the degree that you should have.

Lord Hanningfield: If you are talking about forms, they are all identical.

The Commissioner for Standards: I have to put it to you in very clear language that you did not comply with the rules that the House set out. The rules in respect of night subsistence were clear. If you had a second residence or were staying in a hotel, you were entitled to claim because your place of residence was self-evidently Kent. That did not apply in your case, yet you were still claiming. Therefore, I have to ask you: do you accept, perhaps with the benefit of hindsight, that that was a breach of the rules?

Lord Hanningfield: Yes, I do accept that in hindsight. I would not have breached the rules if I thought I was breaching the rules at the time, because I am not a person who would have done that. I have lived my whole life, or 40 years, putting in expenses claims. I have done the Further Education Funding Council, and I was a member of the National Farmers Union executive. For all those things, I have been claiming expenses, one way or another, for 50 years, because I started on my public career when I was 20. So if I thought I was breaking the law, I would have never done it. But I accept now, in hindsight, I was breaching the rules, yes.

The Commissioner for Standards: Thank you for that. Now that you have explained the background and accepted clearly on the record that you did breach the rules governing support to Members, is there anything that you would like to say that would assist me in my work in submitting a report to the sub-committee?

Lord Hanningfield: Well, I think that I have said quite clearly that I did not think I was at the time. Lady Wilcox said that I was naive; that was the word that she used to describe me. I think even the judge said that at one stage—rather than thinking I was a criminal, I was more naive about it all. I should have done much more work and thought about it much more. I also should have, as it was going to cost me money—it was a bit stupid to say, when I accepted a peerage—I did not have to be a Front-Bencher. You can accept a peerage and go to the House of Lords without doing too much and without spending a lot of money. The fact that I was a very active Front-Bencher, one of the most active, doing a lot and entertaining a lot, is why I spent so much money. Therefore, with hindsight, I would have done it totally differently. I enjoyed being a Front-Bencher. When you are doing bits of legislation and putting forward 100 amendments, it means work over the weekend. People do not understand that, I do not think. It has been very difficult. In here, people do not understand what the House of Lords is. Everyone in here thinks I am an MP; they have never heard of the House of Lords—it is all MPs. Even the doctor here that I had to see said, “Did you have a duck house, and what about a moat?” Those are the things that are much more focused in
people’s minds—the duck houses and the moat—although nothing happened in a
criminal way about them.

The whole thing four or five years ago was nothing like this. It is the publicity of it
all, and we come back again to the hacking and the riots. So it was not in the
forefront of my mind. I realise now that I should have reorganised my affairs
totally differently. I am very sad about it, because I did enjoy participating in the
House of Lords; that is why I want to go back again. I know I will not be a
Minister now or a Front-Bencher, but I think I have quite a lot to contribute,
given my work over many years in government and other things—farming and now
being an expert on prisons. I think I can contribute a fair bit to the House of
Lords. I suspect that there will be a suspension or something, but I would like to
get back and be involved. Although I have had bad health, if I rest a bit when I get
out—I am obviously not on the county council any more—I hope I can contribute
in the House of Lords. I regret it all, really, because it has ruined my life. It is
extraordinary. Basically I see it as a small thing. Here, I feel as though I am doing a
project. I do not feel as if someone has sent me to prison. It is funny but I feel,
because I have to keep talking to people about things and because I ask people a
lot of questions here, as if I am doing a project on prisons. It is a funny experience,
and I am going to write about it; I might write a book, a bit like Jonathan Aitken
and Jeffrey Archer. I feel as if I am in limbo. Perhaps I am not getting myself over
clearly to you, but I have gone through very strange experiences, as you might
imagine, in the past few months.

The Commissioner for Standards: I can well imagine.

Lord Hanningfield: To start with it was terrible, when I was first taken to
Elmley, which is obviously a big category prison, where you were shut up in your
cell for 22 hours a day. But I was in there for two weeks. Fortunately, the people I
was with were not bad people; I was surprised by how many quite nice people
were in prison. They had all committed crimes, of course. It was an interesting
experience. But that does not help you. I just regret it and I would have done it
differently. I would have talked to people such as Michael Pownall and others
years ago—that was a big mistake—or even with my own colleagues. The subject
of expenses was not discussed very much four or five years ago; it is only because
of the much more recent thing. You did see of course what other people were
claiming, because it was all published.

The Commissioner for Standards: I take what you are saying but, equally, I
would have to come back to you and say, “Excuse me, you had to fill the form out.
You had a very distinguished public service career, you are a literate and educated
individual and you were signing and certifying certain expense claims that were not
valid.”

Lord Hanningfield: Yes, I accept that now, but I did not put the importance on
them that I should have done at that time. I accept that.

The Commissioner for Standards: Judith, are there any points you would like
to have covered?

Clerk to the Commissioner: No, I think we have covered everything.

Lord Hanningfield: You do not know the timetable of when you report? It will
go to the sub-committee initially, obviously.

The Commissioner for Standards: What I can say to you, Lord Hanningfield,
is that I will seek to submit my report to the sub-committee within the next
fortnight.
Lord Hanningfield: I see, yes.

The Commissioner for Standards: I take the very clear view, both in fairness to you and in fairness to the corporate reputation of the House, that I want to expedite this matter.

Lord Hanningfield: I agree with that, yes.

The Commissioner for Standards: You will know better than I when the House is in recess, when the sub-committee will be able to reconvene and when it will be able to receive my report formally and deliberate on it. But I will safely say to you that within the next fortnight I will submit my report to the sub-committee.

Lord Hanningfield: Do I get a copy of that?

The Commissioner for Standards: Interestingly, if I was going to dispute issues of fact, I would share a draft of those parts of the report dealing with those issues of fact, so you would have an opportunity to comment on it. I will do that, but on the basis of this morning’s interview I do not think that there will be any disparity. I think you have accepted the issues of fact—that you were convicted on the six counts and, with the benefit of hindsight you would have filled in the forms with more care. But you do accept that you were wrong to fill the forms out and, therefore, you did breach the code. I will send you a draft of those particular parts, but I do not think that there will be an issue in respect of fact. As soon as you get back to me with an acknowledgement of receipt, I can submit my final report.

Lord Hanningfield: If you do it while I am still here—I still have two and a half weeks or three weeks here—will you send it under recorded post?

The Commissioner of Standards: Yes.

Lord Hanningfield: The advantage of recorded post as well is that I have to sign for it and I open it. Obviously, if there was something in it they wanted—when it comes like that, they do not even look at it. They just let me open the recorded letter, whereas they open all the other letters.

The Commissioner for Standards: You will have it within the next fortnight, without doubt. As I say, I am very keen to finalise this matter, in fairness both to the House corporately and you as an individual, so that people can get on with their lives. So it will be done rapidly. I will say to you now—and I do not think that this will come as any surprise to you—that I will be reporting to the sub-committee that I believe you have breached the code of conduct with respect of personal honour and financial support. But I take on board the context in which you have put your breaches to me. My report will reflect that, and it will be a matter for the sub-committee, which is composed—no double entendre meant—of your peers. They will decide what they feel is appropriate. But you will again be involved in that process.

Lord Hanningfield: I think most people thought I did a reasonable job in the House of Lords, so I hope they will want to see me back there participating. I have had a lot of support from all parties—you know, comforting support from lots and lots of Peers, and more so from the Lords than from the county council, in a way. It has all been very sad.

The Commissioner for Standards: For your information, because it touches on the point that you have just asked about, I would just say that I submit my report to the sub-committee and the sub-committee makes a report, and their report and mine go to the Committee for Privileges and Conduct. At the same time as the report is made to the committee, a copy is sent to the Member concerned.
Lord Hanningfield: I see.

The Commissioner for Standards: So you then get a copy of both my report and the sub-committee’s report. You are given a deadline and you could appeal the findings of the sub-committee, or you could accept them. So I hope that gives you the information you require. I will let you know matters of fact, then the sub-committee will consider my report, deliberate, and make recommendations. Then you get a copy of both my full report and their report, which is submitted to the full committee.

Lord Hanningfield: Yes, I understand that. I have got that clear.

The Commissioner for Standards: You could appeal at that stage if you were so minded.

Lord Hanningfield: Okay. All right.

The Commissioner for Standards: Unless there is anything else you would like to say, I would like to terminate the interview. Thank you for your time. I do recognise the strange experiences that you have been living through, as you have said, but it is helpful that you have been willing to meet us.

Lord Hanningfield: Well, thank you very much for coming, because it is very much better than my trying to write. The facilities in here for doing that sort of thing are not good, and it was much better for me to talk to you than to try to put all that down on paper. I did a sort of résumé of my life, if you like, for my solicitor and my barristers. If you wanted a copy of that, you could have one.

The Commissioner for Standards: I appreciate that, but I have the transcript of the trial proceedings.

Lord Hanningfield: You have, right.

The Commissioner for Standards: I am conscious of your background, et cetera. I am grateful for that, but I think I am in a position to submit a comprehensive report.

Lord Hanningfield: Okay. Thank you.

The Commissioner for Standards: I terminate the interview at 10.20 am.
APPENDIX 4: APPEAL BY LORD HANNINGFIELD TO THE COMMITTEE FOR PRIVILEGES AND CONDUCT

1. I do not intend to dispute the findings of the House of Lords Commissioner for Standards in his report of 3 October 2011. I accept that I transgressed the law and did not act in good faith and submitted false claims for overnight allowances.

2. I do wish to appeal against the recommendation of the Sub Committee on Lord’s conduct that I be suspended from the House for 9 months from the date of pronouncement of suspension by the House. I would like to take the opportunity to address the Committee for Privileges and Conduct on Monday 31 October 2011.

3. My case attracted widespread publicity – none of it of my making. I kept a dignified silence in the face of extreme adverse media scrutiny. This has clearly affected the minds of people approaching my case although I am confident that it will not have played any part in the findings of the Commission for Standards.

4. However, the intense media scrutiny did affect the preparation of my defence and I was unable to make good a number of the assertions I put forward to the police in interview. Having said this, I do, as I said to the Commissioner, accept that I should not have made the claims that I did make for overnight subsistence and I truly regret that I did make those claims.

5. It is striking that no complaint has been made to the House about my conduct. The police did receive a complaint from the other House and did investigate. I offered to refer myself to the Commissioner during the course of the police investigation but was told by the Clerk of Parliaments that there was no mechanism for doing so. I assessed my own claims and, as the Committee will know I did make a repayment of claims I had already made. I tried to engage with the Finance Department over further repayments but was not assisted, presumably because of the police investigation.

6. The police investigation led to my prosecution. Unlike all others who suffered similarly I did not resort to public funds (Legal Aid) to pay for my defence. I was informed I was eligible to apply for and receive Legal Aid but I chose to fund my lawyers myself. I am still struggling to pay but I will do so.

7. I gave evidence to the court and answered all questions fully and frankly. My defence did not involve anyone else and no blame was attached by me to any other person. Although I did plead Not Guilty, I accepted the consequences of my own actions and I do not believe that exercising my right to plead Not Guilty brought the House into disrepute. Having been found Guilty I only have myself to blame and attach no blame to any other person.

8. The case against me did not involve any allegations of the creation of false invoices or the creation of false alibis. The invoices I did submit were wrong but did not refer to any other documents specially created by me or anyone else to further the crime.

9. I have been tried in a criminal court and my reputation has been ruined. I have lost the job that I loved and I have been unable to contribute to the work of the House which I also loved. I was essentially doing two full time jobs but enjoyed every minute. Even without being in prison I have suffered more than most people might have done.
10. The Judge, in sentencing me, recognised that I was in a different category to others charged and found guilty of similar offences. It is not to be assumed that because I was sentenced to 9 months’ imprisonment but released after 9 weeks that I was accorded any special treatment. I was not. All prisons are considered for early release on tag at a particular point and the Judge would have known exactly how long I was to serve behind bars. I am still under curfew.

11. As the Committee knows, I have absent myself from the House since my trial. I do not believe that I should be punished again for the same offence now by this House. I have been punished in accordance with the law of the land and that should be sufficient. It would be unfair to suspend me from the House for any longer than I spent in prison. If the Committee feels that some additional sanction should be imposed then I urge the Committee not to recommend suspension for any longer than the extent of my original sentence, that is, until March 2012.

12. As regards repaying the subsistence I claimed, I agree that this must be repaid fully and in a timely manner. The law provides for this too and I face a hearing in December at which the question of confiscation of my assets will be considered. I am hopeful of making arrangements to repay the House before then so that the Court need not be troubled with that as an issue at the hearing. I feel an intense obligation to pay this money back just as soon as I am able. My finances are not good, having lost my job, and facing large legal bills too. With compassion I will ensure all will be repaid.

13. I am anxious to start rebuilding my life as everyone who has been to prison knows is not an easy task. I seek the help of the Committee in this task rather than further punishment.
APPENDIX 5: LORD HANNINGFIELD’S ORAL EVIDENCE BEFORE THE COMMITTEE FOR PRIVILEGES AND CONDUCT, 31 OCTOBER 2011

Members present:
Baroness Anelay of St Johns
Lord Brabazon of Tara (Chairman)
Lord Brooke of Sutton Mandeville
Lord Eames
Lord Howe of Aberavon
Lord Laming
Lord Mackay of Clashfern
Lord McNally
Baroness Royall of Blaisdon
Baroness Scotland of Asthal
Lord Scott of Foscote
Lord Strathclyde

Witness: Lord Hanningfield, a Member of the House, examined.

Q1 The Chairman: Lord Hanningfield, good afternoon and thank you for coming to this meeting to speak to your appeal against the sanction recommended by the Sub-Committee on Lords’ Conduct. You probably know all the Members of this Committee, but if not we have provided nameplates for the Members. The two Members of the Select Committee who also sit on the Sub-Committee, Lord Irvine of Lairg and Baroness Manningham-Buller, are not taking part in this hearing or considering your appeal; they are not here. We are, of course, holding this meeting in private, but the Hansard reporter will be preparing a transcript for publication with our report. You have, I see, brought your adviser with you. You are welcome to consult him in the course of the meeting before answering any questions, but, as you are aware, you will be expected to speak on your own behalf. We have your written appeal, which I hope all Members of the Committee have read. The purpose of this meeting is not to cross-examine you in detail, but to give you a chance to present your appeal in person and to give Members of the Committee the opportunity to clarify any uncertainties that they may have as to your grounds for appealing. I expect this meeting to be relatively short, although of course there is no strict time limit. Would you like to start by making any opening remarks?

Lord Hanningfield: Thank you, my Lord Chairman. I would like to introduce Mr Mark Spragg, who is my solicitor and my adviser. He recognises that he cannot say anything. I also apologise, as you will have seen, that I have grown a beard while I have been out, which I will leave for the moment.

First of all, I would like to thank you for seeing me today. I would also like to thank the Commissioner's Office for the work they have done over the last few weeks with me. Obviously, this is very new to me, but I have had a lot of assistance from their office in the way that it operates, and therefore I am pleased to have the opportunity to be with you this afternoon.
You will have seen my appeal. There are a few things I would like to add to it. I have been going through a nightmare for over two years. It started in June 2009, at the time of all the publicity about parliamentary expenses. It has gone on from June 2009 until now and it is not finished yet, because I am here today. So, I have had over two and a half years of it. Several, including some around this table, will know what it is like with the media and the press. I have had a nightmare of that, with them camping outside my house and being there from 6 in the morning and still persistently challenging me even now. It has gone on for so long. I have co-operated with everyone, including the police, very fully and I am still co-operating with anyone that I now have to co-operate with.

As you will know from the records, there has been no complaint against me in the House of Lords, which is quite unusual, and I have been aware the whole time that the complaint was made by a certain individual. I cannot understand how someone can hate me so much, but he has complained about me to the police, to the Audit Commission and to the Standards Board. It was all over school reorganisation. We were all trying to do our best for schools—something I have agreed with Lord Adonis about. So I have really suffered over this and I had a terrible time over the last two years.

A lot of Peers and MPs at the time of the newspaper furore were able to pay their expenses and allowances back. Because of the circumstances and the police investigation, I was told I could not do that. In some cases others paid back very much more than the amounts of money I have been involved with. In fact, I did pay some back, but I could not get advice as to what I should do about the rest. Although I talked to Michael Pownall and others I did not really get the advice that I think some other people were given at that time. But anyway, that is all water under the bridge and I have suffered from it.

As a lot of you will know, I have been extremely busy. I have been leader of Essex County Council and very active indeed here, sometimes speaking and being involved in the House every day of the working week. In fact, with hindsight I was doing too much, hence that is a lot of the problem. But suddenly it stopped and on 5 February 2010 I ceased everything. It was an extraordinary wrench for me, having been extremely busy and extremely active, to have nothing at all. Really, I would like to try to get back to doing some work again. I think I have got a bit to offer and I would like to get back and involved again.

As regards my problems here, I have not involved any other person. I have not ever given a false address. I have not forged any documents. I think the judge in the trial did say a lot about that. Of course, I had the shortest sentence of any of the parliamentary expenses cases. I do not want to mention any names, but Michael Pownall said my case was very similar to Lord Clark’s, and he did not go through a lot of the things that I had to go through.

I have used my time in prison very profitably. I used it quite a bit as almost research. I interviewed a lot of people and have learnt a lot about it. I think I have a lot to offer now on prison reform and rehabilitation of prisoners. I used it as a bit of a project and found it very worthwhile. I would like to speak and be involved in that. I would like to get back to work again.

I have been sent to prison and I had a nine-month sentence. Automatic release applies after half the sentence and the four and a half months finishes in two weeks, but the nine months finishes in March 2012. I would like not to be punished twice. I understand in the recommendation that perhaps I should not be able to participate again until March, but I hope I could participate again in
March, because I think I have a lot to offer and I would like to get back to it and get some work going again for myself. That is part of my own rehabilitation. That is what I would like to say, really.

**Q2 The Chairman:** Thank you, Lord Hanningfield. I have a couple of questions to start with before I throw it open to the rest of the Committee. You say in your appeal that you agree that the money wrongly claimed by you must be repaid. Can you confirm on the record therefore that you accept the Commissioner’s findings that you wrongfully claimed £30,254.50 in night subsistence?

**Lord Hanningfield:** Yes, I confirm that and accept that I will repay that. I expect that I will definitely repay that before I participate in the House again. I would guarantee that.

**Q3 The Chairman:** Thank you, that is exactly what I was going to ask next, that you confirm that you will repay that money before you seek to come back to the House. Can I just confirm another thing? You were released, I think, on 2 September from prison.

**Lord Hanningfield:** 8 September.

**The Chairman:** 8 September. And you have not attended the House, apart from today, since that date.

**Lord Hanningfield:** No, I have absented myself from the House since the trial, in fact, or just before the trial.

**The Chairman:** Thank you. That is all the questions I have got. Has anybody else got any questions for Lord Hanningfield?

**Q4 Lord Scott of Foscote:** Lord Hanningfield, what are your proposals for repayment? What is the period of time that you are contemplating is necessary for that purpose?

**Lord Hanningfield:** I will have to make some arrangements. I wanted to see what the result of today is. I will have to make some arrangements for remortgaging my house, but I can do that and I will pay it. As I said, I would like to be back here in the House in March.

**Q5 Lord Scott of Foscote:** Are you proposing to repay it before March?

**Lord Hanningfield:** I am anticipating repaying it before March—before Christmas if I can, but certainly before March.

**The Chairman:** I think Lord Hanningfield did say that he would repay the money before he came back to the House.

**Q6 Lord Scott of Foscote:** I think the debts are about three years old now, aren’t they? 2008, I think?

**Lord Hanningfield:** Yes, I think I can make it clear that I used that money to pay staff. I did not make any money out of it. I think I did show at my trial that I spent a lot more than I claimed, but I do not really want to go through the trial again. I made mistakes, which I apologise for, and I am quite prepared to apologise to the House. I did not think I was claiming wrongly. I thought we could vary it. I had staff. I have not made any profit out of it.

**Q7 Lord Scott of Foscote:** I am sure everybody accepts your intention to repay, but sometimes intentions get—

**Lord Hanningfield:** I would accept, as I repeat, that I cannot participate in the House again until I have repaid it.
Q8 Lord Scott of Foscote: The debts are three years’ old. I think that debts become statute barred after six years in the absence of a written acknowledgement of the debt.

Lord Hanningfield: I see. Well, I am quite happy to acknowledge the debt. I have to make some arrangement, I think, with the court about my debts. I have put this approximate amount into that with the court. There is a hearing about that. Once we have agreed the figure, it will be given to the court and I will guarantee to pay it back.

The Chairman: Any other questions for Lord Hanningfield? In that case, thank you very much, Lord Hanningfield, for coming. We hope to publish our report setting out our conclusions and recommendations to the House later this week. The Clerk of the Committee, Chris Johnson, will be in touch to make arrangements for providing you with an embargoed copy of the report, if necessary by email, an hour or two before publication. Thank you for coming to talk to us.

Lord Hanningfield: Thank you, thank you all.
APPENDIX 6: CORRESPONDENCE BETWEEN LORD HANNINGFIELD, LORD HANNINGFIELD’S SOLICITOR, THE CHAIRMAN OF COMMITTEES AND THE COMMISSIONER FOR STANDARDS

Letter from Paul Kernaghan, House of Lords Commissioner for Standards, to Lord Hanningfield, dated 22 July 2011

I write to advise you that in my role as the House of Lords’ Commissioner for Standards, I have instituted an investigation into your conduct, in accordance with the provisions of Paragraph 103 of the ‘Code of Conduct for Members of the House of Lords and Guide to the Code of Conduct’. I enclose a copy of that document for ease of reference.

No third party complaint was received against you but in a submission [27/6/11] to the Sub-Committee on Lords’ Conduct, I highlighted the fact that you had been convicted on six charges of false accounting arising out of claims made under the Members’ Reimbursement Scheme. Thus, prima facie evidence existed that you had breached the Code of Conduct. The Sub-Committee granted their agreement to my proposed investigation on 14/7/11 but I have delayed action until your appeal was dismissed.

My investigative remit is limited to matters which occurred within four years of a complaint/investigation being instituted. Thus, in your case I have decided the relevant period commenced on 1/7/07, four years prior to your sentencing.

I note that on 26/5/11 you were convicted at Southwark Crown Court, of six counts of false accounting [Section 17 [I] [b], Theft Act 1968] and were subsequently sentenced on 1/7/11. I attach for your information a copy of Mr Justice Saunders’ sentencing remarks together with copies of the six claims forms and associated counts of indictment. However, as mentioned in the preceding paragraph, my remit is limited to the four claims which formed the basis of counts 3 – 6. You naturally may wish to address other claims you submitted but that is a matter for you. I reiterate that my investigation will focus on the claims submitted on 26/2/08, 23/5/08, 1/7/08 and 1/4/09.

I would be interested to know if you have repaid any of the amounts falsely claimed on those four dates and any plans you have to repay outstanding sums, if any.

The convictions indicate that you failed to always act on your personal honour and specifically failed to act in accordance with the rules agreed by the House in respect of financial support for Members.

I now invite you to respond in writing with a full and accurate account of the matters in question. I am conscious of your health issues as highlighted by Mr Justice Saunders and would be prepared to visit you for a face to face meeting, if that would assist. I am of the view that speedy resolution of the allegation that you have breached the Code of Conduct is in everyone’s interest; therefore I would welcome an initial response from you by 19/8/11. In the absence of such a response I will proceed to draft my report.
Letter from the Commissioner for Standards to Lord Hanningfield, dated 23 August 2011

Firstly, can I thank you for meeting with Judith Brooke and myself last Tuesday. I found the meeting extremely useful. In particular, I noted that you accepted you had breached the Code of Conduct in respect of the obligations to act on your personal honour and in accordance with the rules related to financial support.

I advised you that I would be submitting a report to the Sub-Committee on Lords’ Conduct, setting out my findings in respect of your breaches and incorporating your admissions. I undertook to share issues of fact with you, allowing you to comment on them, prior to submitting my finalised report. In your case because of the open and frank approach you adopted, the only relevant issues of fact relate to the quantum of claims submitted in contravention of the rules agreed by the House in respect of financial support for Members.

In my letter to you dated 22/7/11, I advised that my investigatory remit covered the four year period commencing on 1/7/07. I have carefully reviewed your claims history covering the period 1/7/07 – 30/6/11 and have come up with the following analysis:

Draft Facts – Financial Support Analysis

I attach at Appendix ‘A’, copies of all expenses forms submitted by you in respect of the period July 2007 and April 2009.

You submitted three cheques to the Finance Department, all dated 9/12/09, for £154.50, 809.50 and £836.00. Your covering letter dated 8/12/09, states that you reviewed some of your claims and ‘enclose three separate cheques by way of reimbursement which reflect unwitting errors where I incorrectly filled in the Night Subsistence column on the claim forms. These errors are detailed below and the specific claims are withdrawn. I do sincerely apologise for these mistakes, which were all made genuinely inadvertently.’

The three cheques referred to claims made in respect of the dates and amounts shown below.

04 July 2006 Claim 154.50 – refunded by cheque £154.50

24 May 2007 Claim 159.50
07 June 2007 Claim £159.50
02 July 2007 Claim £159.50
23 January 2008 Claim £165.50
25 February 2008 Claim £165.50 – refunded by cheque £809.50

22 May 2008 Claim £165.50
17 June 2008 Claim £165.50
30 June 2008 Claim 165.50
09 July 2008 Claim £165.50
14 January 2009 Claim £174 – refunded by cheque £836.00

On the basis of our interview and crucially the transcript of your trial, it is my understanding that you had no entitlement to make any ‘Night Subsistence’ claim

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1 Not printed with this report.
in the period between 1/7/07 and 30/06/11. I further question whether any of the associated travel claims are legitimate, as they are obviously linked to and support the ‘Night Subsistence’ claims.

I note that you made no claims for overnight subsistence after April 2009. You did continue to make travel claims but these were primarily via the House of Lords Credit Card and payment was thus effectively direct to the service provider.

I further note that you submitted attendance claims [April 2011 – 5 days, May 2011 – 2 days = £2,100] which have not been paid to date and thus constitute a credit in your favour.

In essence, it appears that you made false claims for:

- Night Subsistence: £30,254.50
- Travel: £2,808.00
- Total of claims: £33,062.50
- Minus repayment of £1,800: £31,262.50
- Minus outstanding claims of £2,100: £29,162.50

I now invite you to comment on my analysis, to highlight any errors or omissions and to supply additional factual information which seems relevant to you. I should stress that it is not my role to recover funds however, the record shows that the Sub-Committee has in the past considered the quantum in similar cases, and has taken into account what repayments or repayment plans have been agreed.

I would appreciate a response by 31/8/11, as I hope to submit my report to the Sub-Committee on 1/9/11. I recall your expressed wish to have this matter finalised as soon as possible, with a view to resuming your work in the House of Lords.

Letter from the Commissioner for Standards to Lord Hanningfield, dated 1 September 2011

My letter to you dated 23/8/11 refers.

I am grateful for your three subsequent telephone calls [30/8/11, 31/8/11 & 1/9/11] to Judith Brooke and myself, in which you accepted and agreed my analysis in respect of your ‘Night Subsistence’ claims. Namely, that you falsely claimed £30,254.50 without any basis in fact. However, you felt that my analysis wasn’t correct in respect of your ‘Travel’ claims. You suggested that this matter had been clarified during your criminal trial and that only a very small amount was falsely claimed. I undertook to review your claim forms and the trial transcript with a view to better understanding your position.

I have to advise you that I do not believe a clear and agreed picture emerged during either your examination in chief, or in cross examination. For example, Ms Montgomery QC focussed on a travel claim submitted in respect of 31 March 2006. The forms shows you claimed to have travelled from London to Chelmsford but it was pointed out that you in fact spent the entire day in Essex. Your answer to Ms Montgomery’s challenging questions was that, ‘Because you, because you can, on all the forms that, you know, the thing I remember, that you can average out your; that is what I also thought about, you know, costs of flats and things,
that you could attribute that to other things; that you could average out your costs...’

I would suggest that your defence was essentially that you were somewhat cavalier when filling in the claim forms, not spending enough time when doing so, nor seeking to reconcile your diary, travel receipts and any other supporting documentation with the claims you made. It may be that in practice you deliberately under-claimed travel costs to accord with your Night Subsistence claims.

Your criminal trial is over but I feel the Sub-Committee on Lords’ Conduct will want to know the quantum of all expenses falsely claimed. You have, as highlighted above, very openly accepted that your claims for ‘Night Subsistence’ were all unjustified. I would invite you now to provide a clear statement of which travel claims were justified by reason of the fact that you did, indeed, undertake the actual journeys mentioned on the claim forms.

I must be very clear that I am currently looking to you for a full and accurate account of what travel claims you legitimately submitted [i.e. the claim form reflects your actual movements and travel expenditure] and which did not accord with the reality on the relevant dates. I am conscious that you hope to be released from prison shortly and therefore I am prepared to allow you a realistic period of time in which to prepare a response. Please respond to me by 19/9/11. I reiterate my desire to submit my report to the Sub-Committee on Lords’ Conduct as soon as possible and I know you are equally keen to regularise your position with the House.

Letter from the Chairman of Committees to Lord Hanningfield, dated 2 September 2011

I am writing in connection with your conviction earlier this year at Chelmsford Crown Court on six counts of false accounting relating to claims you made under the former Members’ Reimbursement Scheme. As you know, the House of Lords Commissioner for Standards is currently investigating your conduct and will make a report to the Sub-Committee on Lords’ Conduct in due course. If you are found to have breached the Code of Conduct, the Sub-Committee may recommend that the Committee for Privileges and Conduct (which I chair) should invite the House to apply a sanction to you.

You may wish to consider whether it might be more appropriate for you not to attend the House or take any other part in Parliamentary proceedings (including the tabling of written questions) until the Sub-Committee has reported.

If you have any queries, please do contact the Clerk of the Parliaments on 020 7219 3181.

Email from Lord Hanningfield’s solicitor, Mr Mark Spragg, to the Commissioner for Standards, dated 29 September 2011

Following my telephone conversation with Emily [Clerk to the Commissioner] I have attached some research that we undertook during his recent criminal trial.

It was said by the prosecution that his travelling expenses were fictitious and he had not actually incurred any expenses and had therefore been reimbursed improperly.

What we produced for each of the six counts, based on examination of his bank and credit card statements, was evidence of actual travel expenses incurred. These
expenses were cross referenced to the records kept by the Essex County Council drivers so there was no record of them having driven Lord Hanningfield on the days in question.

The six counts relate to six random months in a three year period. We are certain that an analysis of the other months will also show that Lord Hanningfield incurred personal expenditure on travel. It would take many hours to examine the bank records and driver records for each of 36 months to produce a finite record of travel expenses incurred but we would be confident there would be many.

I hope this is helpful. Do not hesitate to contact me if you require any further details.

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</tr>
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<td>Tuesday 10th June 2008</td>
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</tr>
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<td>£18.50</td>
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<td>Presumed Expenditure</td>
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<td>Thursday 26th June 2008</td>
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<td>Presumed Expenditure</td>
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<tr>
<td><strong>Total</strong></td>
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<td><strong>June 2008 Total</strong></td>
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<tr>
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<th>AMOUNT</th>
<th>PAYMENT MADE TO/ OR BY</th>
<th>TYPE OF EXPENDITURE</th>
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<tr>
<td>Thursday 5th March 2009</td>
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<td>Presumed Expenditure</td>
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<td>Thursday 26th March 2009</td>
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<td><strong>March 2009 Total</strong></td>
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