Committee for Privileges and Conduct

10th Report of Session 2010–12

The Guide to the Code of Conduct

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The Committee for Privileges and Conduct

The Committee for Privileges and Conduct is appointed each session by the House to consider questions regarding its privileges and claims of peerage and precedence and to oversee the operation of the Code of Conduct. Detailed consideration of matters relating to the Code of Conduct is undertaken by the Sub-Committee on Lords’ Conduct.

Current Membership

The Members of the Committee for Privileges and Conduct are:
Baroness Anelay of St Johns
Lord Bassam of Brighton
Lord Brabazon of Tara (Chairman)
Lord Brooke of Sutton Mandeville
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Lord Howe of Aberavon
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Baroness Scotland of Asthal
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Lord Strathclyde

The Members of the Sub-Committee on Lords’ Conduct are:
Lord Cope of Berkeley
Lord Dholakia
Lord Irvine of Lairg
Baroness Manningham-Buller (Chairman)
Baroness O’Neill of Bengarve

The Code of Conduct and the up-to-date Register of Lords’ Interests are on the Internet at http://www.publications.parliament.uk/pa/ld/ldreg.htm.

General Information

General information about the House of Lords and its Committees can be found at http://www.parliament.uk/lords/index.cfm.

Contacts

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Correspondence relating to the work of the Sub-Committee on Lords’ Conduct should be addressed to the Clerk of the Sub-Committee on Lords’ Conduct, House of Lords, London SW1A 0PW (telephone 020 7219 1228).
Introduction

1. Paragraph 25 of the Code of Conduct states that the Sub-Committee on Lords’ Conduct “keeps the Guide to the Code of Conduct under regular review.” It further provides that “recommended changes are reported to the House and will not take effect until agreed by the House.”

2. The Sub-Committee has accordingly reviewed the Guide to the Code of Conduct and proposed certain changes. These are explained in the Sub-Committee’s report to the Committee for Privileges and Conduct, which is reproduced in the Appendix to this Report. We have also proposed one additional technical change, to paragraph 100 of the Guide.

3. We recommend the amendments to the Guide to the Code of Conduct set out below to the House.

Proposed amendments to the Guide to the Code of Conduct

Signing the undertaking to abide by the Code of Conduct
In paragraph 6, line 3, after “Member” insert “who has taken the oath but”.

Openness
Paragraph 8, at end insert:
“In addition to the specific rules on registration and declaration of interests, there is a more general obligation upon Members to bear in mind the underlying purpose of the Code as set out in paragraph 3(b), namely, to provide “openness and accountability.””

Printing the Register
Paragraph 43, leave out “The Register of Lords’ Interests is printed and published in book form soon after the beginning of a new Parliament, and annually thereafter. As part of the preparation for the annual reprinting of the Register as a book,” and insert “Once a year”
Paragraph 44, leave out “Because the Register in book form goes quickly out of date,”
Paragraph 45, leave out “in book form”

Directorships
Paragraph 46, at end insert
“Members must register under this category the precise source of each individual payment made in relation to any directorship and the nature of the work carried on in return for that payment, except where disclosure of the information would be contrary to any established professional duty of privacy or confidentiality.”
Shareholdings
Paragraph 65, at end insert “Holdings of UK and other governments’ stock, gilts, bonds, premium bonds, national savings, and the like are not registrable.”

Members’ Reimbursement Scheme
Paragraph 100, leave out “relating to the scheme are set out in the General guide to the Members’ reimbursement scheme” and insert “are set out in the Guide to financial support for Members”
Paragraph 100, leave out footnote 5 and insert a new footnote 5 “The Guide relates to the new system of financial support for Members with effect from 1 October 2010.”
APPENDIX: REPORT FROM THE SUB-COMMITTEE ON LORDS’ CONDUCT

1. The Sub-Committee on Lords’ Conduct is required to keep the Guide to the Code of Conduct under regular review, and to recommend any necessary amendments to the Guide to the House.

Category 1 (directorships)

2. Some Members of the House have established themselves as companies through which they channel their earnings. They are required at present only to state the fact of their chairmanship/directorship of the company. They are not required to state the names of the persons who pay them or the nature of the work undertaken (except public affairs advice: category 3). The sources of income of the company can vary widely, e.g. consultancy/advisory work, business services, speaking engagements, books, broadcasting. There is no requirement to disclose the clients of the Member’s company, and few do so: some Members with their own companies invoke commercial confidentiality in this regard.

3. There have been objections that Members who set themselves up as companies thereby avoid the requirement to make the full disclosures that have to be made under category 2 (remunerated employment). Category 2 requires each source of remunerated employment to be registered. So in category 2 a Member registers a large number of individually remunerated employments by name (e.g. journalist, professor, consultant to the Sultan of X, adviser to the government of Y, etc). This is more informative than registering the bare fact that the Member receives income from a company that they have set up as a channel for unspecified earnings from unspecified sources.

4. The Sub-Committee recommends that Members must in future register under category 1 the precise source of each individual payment made in relation to any directorship and the nature of the work carried on in return for that payment. Members should not however be required to register the name and address of the person, organisation or company making the payment where disclosure of the information would be contrary to any established professional duty of privacy or confidentiality.

Category 4(b) (shareholdings)

5. The Sub-Committee recommends that the guide to the Code be amended to make clear that holdings of UK and other governments’ stock, gilts, bonds, premium bonds, national savings etc are not registrable interests.

Signing the book

6. The Sub-Committee recommends an amendment to the guide to the Code to clarify the situation when a Member has failed to sign the book in which Members undertake to obey the Code. The relevant paragraph of the guide is paragraph 6 which should be amended as follows (new words in italics):

“In accordance with paragraph 5 of the Code of Conduct, Members are required to sign an undertaking to abide by the Code as part of the ceremony of taking the oath upon introduction and at the start of each Parliament. A Member who has taken the oath but who has not signed the undertaking is therefore deemed to have breached the Code, and it will
be for the Sub-Committee on Lords’ Conduct to consider an appropriate sanction.”

General

7. The Sub-Committee believes that Members, in considering what interests they need to register, must bear in mind the purpose of registration, namely, openness. The Sub-Committee therefore recommends that paragraph 8 of the guide to the Code be amended as follows (new words in italics):

“The Code of Conduct has been agreed by resolution of the House, with a view to providing guidance for Members and the public as to the standards of conduct the House expects of its Members in the discharge of their parliamentary duties. But a written Code can never cover every eventuality. Paragraphs 8(a) and 8(b) of the Code, taken together, mean that Members are required not only to obey the letter of the rules, but to act in accordance with the spirit of those rules and the sense of the House. In addition to the specific rules on registration and declaration of interests, there is a more general obligation upon Members to bear in mind the underlying purpose of the Code as set out in paragraph 3(b), namely, to provide “openness and accountability.”

Publication of Register of Lords’ Interests

8. The Register of Lords’ Interests is no longer published in book form. The Sub-Committee recommends that paragraphs 43-45 of the guide to the Code be amended accordingly.