



HOUSE OF LORDS

Committee for Privileges and Conduct

12th Report of Session 2013–14

The conduct of Viscount Ridley

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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:

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Lord Bassam of Brighton
Lord Brooke of Sutton Mandeville
Lord Brown of Eaton-under-Heywood
Lord Eames
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The Members of the Sub-Committee on Lords' Conduct are:

Lord Brown of Eaton-under-Heywood (*Chairman*)
Lord Cope of Berkeley
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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/business/lords>

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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).

THE CONDUCT OF VISCOUNT RIDLEY

1. The Committee has considered reports by the Sub-Committee on Lords' Conduct and the Commissioner for Standards on the conduct of Viscount Ridley (annexed to this report). The reports arise out of a complaint, received on 24 October 2013, alleging that Viscount Ridley had breached the Code of Conduct by not declaring his interests in the Weir Group and Rio Tinto when speaking on the Energy Bill.
2. The Commissioner found that Viscount Ridley had breached the Code of Conduct by failing to declare his financial interests in a comprehensible, specific and unambiguous manner when speaking on the Bill. Viscount Ridley accepted this finding and took appropriate remedial action by way of a formal apology to the chairman of the Sub-Committee on Lords' Conduct and by apologising in a subsequent speech in the House on the Bill.
3. The Sub-Committee on Lords' Conduct, to which, in accordance with the Guide to the Code of Conduct, the Commissioner presents his reports, has accepted the Commissioner's conclusion and the remedial action by Viscount Ridley.
4. We endorse the Commissioner's conclusion and that of the Sub-Committee, and conclude that no further action is required.
5. **We make this Report to the House for information.**

ANNEX 1: REPORT FROM THE SUB-COMMITTEE ON LORDS' CONDUCT

1. The Commissioner for Standards has submitted the attached report upholding a complaint made against Viscount Ridley.
2. The complaint alleged that Lord Ridley breached the Code of Conduct by not declaring his interests in Weir Group and Rio Tinto when speaking on the Energy Bill.
3. The Commissioner found Lord Ridley to have breached the Code of Conduct by not making sufficiently comprehensible, specific and unambiguous declarations of interests when speaking on the bill. Lord Ridley accepted this finding and the Commissioner agreed with him remedial action in the form of a letter of formal apology to the chairman of the sub-committee (which is reprinted as an appendix to the Commissioner's report). Lord Ridley also apologised for any breach of the rules in a subsequent speech in the House on the Energy Bill.
4. We welcome Lord Ridley's acceptance that he breached the Code of Conduct and his apology for that breach. **We do not consider that any further sanction is appropriate.**

ANNEX 2: REPORT BY THE HOUSE OF LORDS COMMISSIONER FOR STANDARDS

Summary of complaint

1. On 24 October 2013 Mr Russell Fancourt wrote to me making a complaint against Viscount Ridley (appendix A). Mr Fancourt alleged that Viscount Ridley had breached paragraph 10(b) of the Code of Conduct by not declaring his shareholdings in two companies when speaking in the House on the Energy Bill.
2. I wrote to Viscount Ridley on 29 October 2013 (appendix B) advising him that I was investigating the complaint and inviting him to respond. Viscount Ridley responded in a letter dated 11 November 2013 (appendix C), setting out the facts from his perspective.

Key facts

3. Mr Fancourt complained about two contributions by Viscount Ridley on the Energy Bill. First, on the second reading of the bill Viscount Ridley started his speech: “My Lords, I begin by declaring an interest in coal-mining on my family’s property, as detailed in the register, but I shall not be arguing for coal today but for its most prominent rival, gas, in which I have no interest.”¹ Later in that debate he said: “the Government have grasped the nettle of energy policy, especially on the issue of nuclear power”.² Secondly, in his first contribution at committee stage on the bill, Viscount Ridley said: “My Lords, in the United States, shale gas has displaced coal. I should, by the way, declare my interest in coal even though, once again, I am speaking against it and in favour of its greatest competitor, gas.”³
4. Mr Fancourt alleged that Viscount Ridley did not declare two relevant interests in those contributions. The first was his shareholding in Weir Group plc. This interest is registered in the Register of Lords’ Interests (under category 4(b): shareholdings). Mr Fancourt argued that the interest was a relevant interest because Weir Group’s activities include oil and gas production, including shale gas. The second was his shareholding in Rio Tinto plc. This interest is also included in Viscount Ridley’s entry in the Register of Lords’ Interests (also under category 4(b)). Mr Fancourt drew attention to Rio Tinto’s involvement in uranium production.
5. In his letter to me Viscount Ridley stated that at the time that he spoke on the bill he was unaware that Weir Group had any direct relevance to the debate. His shareholding was part of a general investment portfolio and he had no active involvement in that company or in Rio Tinto. He had specifically mentioned his family’s interest in coal mining and felt that that discharged his responsibilities under the Code and demonstrated his commitment to upholding his personal honour. He said that he had no intention of breaching the Code, inadvertently or otherwise.

¹ HL Deb, 18 June 2013, col 193.

² *Ibid.*

³ HL Deb, 2 July 2013, col GC373.

Findings

6. Viscount Ridley has correctly registered his shareholdings in the two companies, so the issue is whether he should have declared them when speaking on the Energy Bill. Paragraph 87 of the Guide to the Code of Conduct states: “Declarations should wherever possible be comprehensive, specific and unambiguous”. When it comes to determining whether an interest is relevant (and thus needs to be declared), paragraph 90 of the Guide states: “The subject-matter against which the relevance of an interest must be judged is ... in the case of a bill, the subject-matter of the bill as a whole.” Therefore, I have to assess whether Viscount Ridley’s declarations were sufficiently comprehensive, specific and unambiguous when judged against the subject-matter of the Energy Bill.

7. The Energy Bill is large (the bill as brought from the Commons (HL Bill 30) had 142 clauses and 14 Schedules, and ran to 221 pages) and wide-ranging. Its long title stated that the bill made provision, inter alia, “for the establishment and functions of the Office for Nuclear Regulation ... about domestic supplies of gas ... [and] for the making of orders requiring regulated persons to provide redress to consumers of gas”. I therefore conclude that interests in gas production and nuclear power are relevant interests for the purpose of the bill and so should be declared as appropriate during members’ contributions on the bill.

8. In determining whether Viscount Ridley’s declarations were sufficiently comprehensive, specific and unambiguous, I note that on both occasions he declared only his interest in coal, and on the first occasion he said he had no interest in gas.

9. It transpires, however, that Weir Group is active in both the coal and gas energy sectors, and that Rio Tinto is involved in nuclear power. Thus, in my opinion a member who has interests in those sectors should have declared them, as appropriate, on the Energy Bill. Viscount Ridley’s declarations, by not referring to his interests in gas and coal (indeed, in the first instance saying he had no interest in gas), were in my opinion not as comprehensive, specific and unambiguous as they should have been. Therefore I find that Viscount Ridley breached paragraph 10(b) of the Code of Conduct by not declaring his interests in a comprehensible, specific and unambiguous manner.

10. After Viscount Ridley was given notice of the complaint he made a statement to the House the next time he spoke:

“My Lords, I declare my interests in various forms of energy as listed in the register. Before I turn to the topic of the amendment of the noble Lord, Lord Judd, it has been drawn to my attention that when I spoke on the Bill at Second Reading I perhaps should have declared a potential interest. Having taken advice on the matter and satisfied myself that a shareholding was declared in the register, I do not believe there is a conflict. However, for the sake of good order, I am happy to declare that I have a shareholding in a company called the Weir Group, one of whose divisions supplies equipment to the oil and gas industry. I was unaware of Weir Group’s activities in this area at the time but I am happy to add the declaration now if it is thought necessary.”⁴

⁴ HL Deb, 6 November 2013, col 260.

11. Viscount Ridley also in his letter to me offered to make a further voluntary statement to the House as remedial action, and has co-operated fully in my inquiry.

12. Viscount Ridley made relevant declarations but not in a form which satisfied the requirements of the Code. His omissions were an oversight; his actions subsequent to being advised of this complaint indicate that they were no more than that. Therefore I am satisfied that this is a case which can be dealt with by way of remedial action under paragraph 123 of the Guide. Viscount Ridley has written to the chairman of the Sub-Committee on Lords' Conduct (appendix D) apologising for his incomplete declarations of interests. I respectfully submit that no further action is required.

Paul Kernaghan CBE QPM
Commissioner for Standards

Appendix A: Letter from Mr Russell Fancourt to the Commissioner, 24 October 2013

I am concerned that a member of the House of Lords has broken the code of conduct—Namely section 10b. In the Energy Bill debate (18 June 2013) Viscount Ridley stated that:

“I begin by declaring an interest in coal-mining on my family’s property, as detailed in the register but I shall not be arguing for coal today but for its most prominent rival, gas, in which I have no interest.”

Then that:

“Government have grasped the nettle of energy policy, especially on the issue of nuclear power”

In another Energy Bill debate (2 July 2013) he states:

“My Lords, in the United States, shale gas has displaced coal. I should, by the way, declare my interest in coal even though, once again, I am speaking against it and in favour of its greatest competitor gas.”

I feel Viscount Ridley failed to declare two important interests. First, that he has a category 4(b) shareholding in ‘Weir Group plc’ which has a division called ‘Weir Oil and Gas’ which summarises it’s actions on its website:

“Weir Oil & Gas provides superior products and service solutions in upstream, production, transportation, refining and related industries. Upstream products include pressure pumping equipment and services and pressure control products and rental services. Downstream products include pumps and spare parts for refining and petrochemical industries. Engineered mechanical and rotating equipment repairs and upgrades, oilfield and drilling equipment repair and certification and asset management and field services are delivered globally. The division’s key locations are North America, the Middle East and Europe.”⁵

To put it more simply, this BBC article states that:

“Weir is the world’s largest provider of special equipment used in the [fracking] process”⁶

My contention is that Viscount Ridley has stated on two separate occasions (as well as outside of parliament) that he has no interests in gas, and speaks in support of fracking without declaring interest. However, he has at least £50,000 invested in a company that last year had 33% of total order input in oil and gas, and 38% of total revenue and is poised to take advantage of future developments in fracking.⁷ Surely any reasonable member of the public could be concerned that this interest may influence Viscount Ridley’s parliamentary duties. And the fact he explicitly stated he was speaking against his own interests is surely misleading.

Second, he has a category 4(b) shareholding in Rio Tinto plc. Their energy division states:

⁵ <http://www.weir.co.uk/about-us/company-overview/summary-of-our-businesses> [access date 24 October 2013]

⁶ <http://www.bbc.co.uk/news/uk-scotland-scotland-business-20725887> [access date 24 October 2013]

⁷ <http://www.weir.co.uk/investors/key-financials/overview-charts> [access date 24 October 2013]

“We are also one of the world’s largest uranium producers, serving electric power utilities worldwide.”

However, Ridley fails to declare this important financial incentive when he praises the Government’s work on nuclear energy.

Please let me know if there is a case to be made against him.

Appendix B: Letter from the Commissioner to Viscount Ridley, 29 October 2013

I am writing to you in my capacity as the Commissioner for Standards. I have to advise you that I have received a complaint against you. The complaint is that you have breached the Code of Conduct by reason of not declaring your interests in Weir Group plc and Rio Tinto plc during certain debates on the Energy Bill.

I attach for your information a copy of the letter I have received from the complainant (Mr Russell Fancourt).

It appears on the basis of the complaint that you may have breached the following provisions of the Code of Conduct—

8. Members of the House:

(a) must comply with the Code of Conduct; ...

10. In order to assist in openness and accountability Members shall: ...

(b) declare when speaking in the House, or communicating with ministers or public servants, any interest which is a relevant interest in the context of the debate or the matter under discussion; ...

11. The test of relevant interest is whether the interest might be thought by a reasonable member of the public to influence the way in which a Member of the House of Lords discharges his or her parliamentary duties: in the case of registration, the Member’s parliamentary duties in general; in the case of declaration, his or her duties in respect of the particular matter under discussion.

12. The test of relevant interest is therefore not whether a Member’s actions in Parliament will be influenced by the interest, but whether a reasonable member of the public might think that this might be the case. Relevant interests include both financial and non-financial interests.

I also draw your attention to paragraph 90 of the Guide to the Code of Conduct and to the seven general principles of conduct identified by the Committee on Standards in Public Life and incorporated in the Code of Conduct.

I have conducted a preliminary assessment of the complaint and believe it is appropriate and in the interests of all concerned that I investigate it. Therefore, I now invite you to respond in writing with a full and accurate account of the matters in question. A response by 19 November 2013 would greatly assist me in investigating this matter in a timely fashion.

I attach for ease of reference a copy of the Code of Conduct for Members of the House of Lords and Guide to the Code of Conduct (second edition: November 2011).

Appendix C: Letter from Viscount Ridley to the Commissioner, 11 November 2013

Thank you very much for your letter of 29 October bringing to my attention the fact that you must investigate a complaint made against me by a member of the public regarding a potential breach of the Code of Conduct. Obviously this matter is of great concern to me and I would like to make a number of comments in response to the complaint.

1. Category 4(b) Shareholdings in Weir Group plc and Rio Tinto plc

I have shareholdings in both of the above mentioned companies which could constitute category 4(b) shareholdings. It is for this reason I have noted the shareholdings on the Register of Interests which presumably is where Mr Fancourt learned of my interests in the first instance.

2. Breach of the Code of Conduct

The allegation is that I have breached the Code of Conduct by failing to declare these shareholdings at the time I spoke in the House on the debate regarding the Energy Bill. I apologise if this has been an inadvertent breach of provisions 7, 9(e), 10(b) and 11 of the Code of Conduct. However at the time of speaking, when I did declare my interests in coal-mining, I was unaware that the shareholdings, in the Weir Group plc in particular, had any direct relevance to the debate. As the shareholdings are part of my general investment portfolio and I have no active involvement in either company, I had assumed that noting the shareholdings on the Register of Interests was sufficient to discharge my duties under the Code of Conduct. There was never an intention to mislead the House regarding my interests and I would point to the fact that I have declared an interest in coal mining on both occasions I spoke in the House, as a demonstration of my commitment to uphold my personal honour.

3. Custom and Practice

Whilst I was unaware that my shareholdings could have been misconstrued as a matter for declaration, I would also point to the custom and practice in the House under provision 88 of the Code of Conduct where in time limited proceedings a Member, for the convenience of the House, should not take up time by making lengthy or repeated declarations of interest. As I had no inclination that my shareholdings could be a cause for concern I obviously was not relying on provision 88 at the time of speaking in the House. However, I note that provision 88 allows for a brief reference to the published Register as an appropriate way of noting an interest and perhaps this is a matter to consider in conjunction with my comments at paragraph 4 below.

4. Statement to the House

I do not believe that I have breached the Code of Conduct. However, I accept that it is possible on a very strict interpretation of the Code of Conduct that it could be construed that I have committed an inadvertent or accidental breach. I take my duties very seriously particularly the duty of personal honour and I would be horrified to think that a member of the public would believe that I would deliberately breach the Code of Conduct. To that end, as you know, I have already volunteered a statement to the House to clarify the position. I would therefore

formally request that you consider that I have made a statement to the House under provision 123 of the Code of Conduct (“putting the record straight”) in order to demonstrate to Mr Fancourt that I had no intention whatsoever of disregarding the Code of Conduct.

I hope I have provided you with sufficient information to demonstrate that I have no intention whatsoever, inadvertently or otherwise, of breaching the Code of Conduct of the House and I am, should you believe the circumstances merit it, more than willing to make a further voluntary statement to the House as a remedial action. Consequently on this basis I formally request that you exercise your discretion under provision 113 of the Code of Conduct to not investigate the matter further.

I would be grateful for a response at your earliest convenience as I am sure you fully understand any suggestion that I have acted in an improper manner is of grave concern to me.

Appendix D: Letter from Viscount Ridley to the chairman of the Sub-Committee on Lords’ Conduct, 2 December 2013

I am writing to you at the suggestion of Mr Kernaghan, the Commissioner of Standards (a copy of his letter is attached for ease of reference). It appears that my declaration of interest during the second reading of the Energy Bill in June this year was not in full compliance with the requirements of the Code of Conduct. Specifically the issue, which was raised by a member of the public, was that I did not clearly draw attention to my shareholdings in Weir Group plc and Rio Tinto plc even though they are listed in the register. As I was speaking in favour of shale gas and commenting on nuclear power, the fact that one of Weir’s divisions supplies equipment to the oil and gas industry and that a very small part of Rio Tinto’s operations concerned the nuclear industry could have been misconstrued. I made a statement to the House rectifying the omission on 6 November which was the first opportunity I had to do so. I repeated the statement at a select committee hearing on shale gas this week.

Please therefore accept this letter as my formal apology which I make unreservedly. I take matters of honour very seriously and it has been of concern to me that I may have inadvertently breached the Code of Conduct. I assure you that this was a mistake and I would never deliberately mislead the House.

I hope you accept my apology in the spirit in which it is tendered and that this can now be an end to the matter.

Letter from the Commissioner for Standards to Viscount Ridley, 27 November 2013

Thank you for your letter of 11 November 2013.

I am grateful for your approach to this complaint and recognise that your declarations of interest were made in good faith. However, I have concluded that your declarations were not in compliance with the Code of Conduct and the Guide to the Code of Conduct, in that they were not sufficiently comprehensible, specific and unambiguous (as required by paragraph 87 of the Guide) in the context of the matter under debate (i.e. the Energy Bill). I note your statement to the House on 6 November 2013 and so feel able to agree remedial action with you in accordance with paragraph 123 of the Guide to the Code of Conduct.

I recommend that you write a formal letter of apology to the chairman of the Sub-Committee on Lords’ Conduct, Lord Brown of Eaton-under-Heywood. That

letter needs only to acknowledge that your declarations were not fully in compliance with the requirements of the Code of Conduct; but you may also wish to highlight your prompt statement to the House to set the record straight. If you could please send me a copy of the letter I will incorporate it into my report on the case.

I hope this outcome is acceptable to you and I look forward to hearing from you.

