



HOUSE OF LORDS

Committee for Privileges and Conduct

9th Report of Session 2013–14

The conduct of Lord Mackenzie of Framwellgate

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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.

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Lord Bassam of Brighton

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The Members of the Sub-Committee on Lords' Conduct are:

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CONTENTS

	<i>Paragraph</i>	<i>Page</i>
The Conduct of Lord Mackenzie of Framwellgate	1	PC 5
Background	1	PC 5
Summary of the case	3	PC 5
The Commissioner's findings	4	PC 5
Lord Mackenzie's appeal	6	PC 6
The Committee's role	10	PC 6
Lord Mackenzie's submissions	12	PC 6
The Committee's decision	17	PC 8
Annex 1: Report from the Sub-Committee on Lords' conduct		4
Annex 2: Report from the Commissioner for Standards		6
Annex 3: Submission by Lord Mackenzie of Framwellgate to Committee for Privileges and Conduct and transcript of proceedings		124

The numbering of the first page of the annexes as page 4 is intentional.

THE CONDUCT OF LORD MACKENZIE OF FRAMWELLGATE

Background

1. The Committee for Privileges and Conduct has considered a report by the House of Lords Commissioner for Standards on the conduct of Lord Mackenzie of Framwellgate (at Annex 1). The Committee has also considered a report by the Sub-Committee on Lords' Conduct (at Annex 2).
2. The procedure in cases such as this is set out in the *Guide to the Code of Conduct*. Under this procedure, the Commissioner investigates allegations against Members. He reports his findings to the Sub-Committee, which, if the Commissioner has found the Member to have breached the Code, recommends any action that the Member concerned should take and any sanction that the House should apply. The Sub-Committee 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 that Committee against the Commissioner's findings or the Sub-Committee's recommended sanction, or both.

Summary of the case

3. This case arose out of a request by Lord Mackenzie that the Commissioner for Standards should investigate his conduct in connection with a conversation that Lord Mackenzie had with undercover reporters working for the *Sunday Times*. The conversation featured in articles published in the *Sunday Times* on 2 June 2013 ("Cash for access: Lords exposed") alleging that several members of the House, including Lord Mackenzie, had breached the Code of Conduct by seeking payment in return for providing access to Parliament and parliamentary facilities. The facts are set out briefly in the report from the Sub-Committee on Lords' Conduct and in detail in the report from the Commissioner for Standards.

The Commissioner's findings

4. The Commissioner found that Lord Mackenzie breached the Code in four respects. First, Lord Mackenzie is found to have breached the rules on Refreshment Department functions by hosting a function for the purpose of direct or indirect financial gain, in breach of paragraph 10(c) of the Code. Secondly, in respect of the same function, by arranging for another peer to host the function so as to get round a rule on the hosting of functions, he is found to have not acted on his personal honour, in breach of paragraph 8(b) of the Code. Thirdly, by expressing a clear willingness to negotiate an agreement which would involve him providing parliamentary services in return for payment, he is found to have not acted on his personal honour, in breach of paragraph 8(b) of the Code. Fourthly, by agreeing to help create an all-party group at the behest of a commercial entity he is found to have entered into an agreement to accept payment or other reward in return for providing a parliamentary service, in breach of paragraph 8(d) of the Code. This was also found to be a breach of the requirement in paragraph 8(b) of the Code for him to act always on his personal honour.

5. The Sub-Committee on Lords' Conduct considered Lord Mackenzie's case and recommended that he be suspended from the service of the House for six months.

Lord Mackenzie's appeal

6. Lord Mackenzie submitted an appeal in the following terms:
 - he did not appeal against the first two findings (about a Refreshment Department function); but made points in mitigation about these findings;
 - he appealed against the third and fourth findings (about the provision of parliamentary services and the creation of an all-party group);
 - he appealed against the recommended sanction of six months' suspension.

The Committee's role

7. The role of the Committee for Privileges and Conduct when there is an appeal is set out in paragraph 133 of the *Guide to the Code*:
 - (a) "On appeal, the Committee will not reopen the Commissioner's investigation. Rather members of the Committee will use their judgment to decide whether, on the balance of probabilities, they endorse the conclusions of the Commissioner; they will also consider whether or not the recommended sanction is appropriate."
8. Accordingly, the Committee has considered the reports of the Commissioner and the Sub-Committee. The Committee has also considered Lord Mackenzie's written appeal and met to hear oral evidence from him. Lord Mackenzie's written appeal and the full transcript of the meeting with him are printed with this report (at Annex 3).

Lord Mackenzie's submissions

9. Lord Mackenzie did not appeal against two of the four findings against him, namely, those in connection with the hosting of a Refreshment Department function. Therefore the decisions for the Committee were, first, to decide whether it endorses the conclusions of the Commissioner on the other two findings (regarding the provision of parliamentary services and the creation of an all-party group for payment); and secondly, to consider whether the recommended sanction is appropriate. We now turn to those issues.
10. In his written appeal (see Annex 3) Lord Mackenzie makes the point that the words in paragraph 8(d) of the Code "or reward in return for providing parliamentary advice or services" were not quoted in the Commissioner's initial letter to him on 7 June 2013 (the Commissioner's letter is at appendix C to his report). Lord Mackenzie says that as a result he did not understand that he was being charged with seeking to profit from his membership of the House by expressing a willingness to accept payment "in return for providing parliamentary advice or services". The Committee questioned Lord Mackenzie on this point and he conceded that, notwithstanding the omission of the words from the Commissioner's letter, he did understand that payment for parliamentary services was a central point of the Commissioner's inquiry, and that it was prohibited by the Code of Conduct

(Q2). It is clear therefore that Lord Mackenzie did understand the scope of the Commissioner's investigation and the allegations against him. The Committee concludes that the drafting of the Commissioner's letter did not give rise to a procedural flaw such as to make his finding on this matter unsafe.

11. Lord Mackenzie stressed in his written appeal and in his oral evidence to the Committee (QQ4–5) that he thought he was being offered employment as a consultant to a (fictional) South Korean solar panel company. He drew a distinction between this type of work and employment by the consultancy the undercover journalists purported to work for, which might involve attempting to influence events within Parliament. He said that he would never have accepted the second type of employment. Lord Mackenzie also drew this distinction in his submissions to the Commissioner (see paragraphs 55–58 of the Commissioner's report). In the opinion of the Committee Lord Mackenzie shows here a failure to understand that under the Code of Conduct it was immaterial who his employer would have been. The Code prohibits the provision of parliamentary advice or services to any employer in return for payment. The Committee therefore upholds the Commissioner's findings in this regard.
12. Lord Mackenzie also argued in his defence that, in contrast with the situation in 2009 when four Members of the House were accused of offering to move specific amendments to legislation in return for payment, in his case the discussion was of a general nature and no specific amendment or parliamentary question was suggested by the undercover journalists. Lord Mackenzie also argued that he did not agree to do anything, and that the conversation with the journalists was "exploratory" (Q8). The Committee do not accept this defence. While we acknowledge that no parliamentary action was taken as a result of Lord Mackenzie's meeting with the undercover journalists, the issue is whether Lord Mackenzie had expressed a clear willingness to negotiate an agreement which would involve breaching the Code. In paragraphs 60 and 61 of his report the Commissioner sets out why he found that Lord Mackenzie had expressed such willingness, in breach of the requirement in paragraph 8(b) of the Code to act on his personal honour. We endorse the Commissioner's finding.
13. The Commissioner also found that Lord Mackenzie had entered into an agreement to set up an all-party group on behalf of his prospective employers. The undercover journalists evidently expected that the group would be an advocate for the solar energy product and would introduce it to policy-makers and other influential persons (Q6). Lord Mackenzie argued in his written appeal that when the prospect of setting up an all-party group was first raised he did not consider it objectionable or a breach of the Code. In oral evidence he told us that he did not see that it would present a problem for him to assist with its creation, provided all relevant interests were declared (Q6). However, in reply to questions from the Committee he accepted that a member who accepts payment in return for helping to set up an all-party group would breach the ban on accepting payment in return for providing parliamentary services (Q9). He did not appear to understand that that would be the case regardless of the purpose of the proposed all-party group and whether or not it engaged in lobbying. We uphold the Commissioner's finding that by agreeing to help to create an all-party group at the behest of the consultancy firm that the undercover journalists purported to represent, Lord Mackenzie entered into an agreement to accept

payment or other reward in return for providing a parliamentary service, in breach of paragraph 8(d) of the Code of Conduct, and that this agreement was also a breach of the requirement in paragraph 8(b) of the Code for Lord Mackenzie to act always on his personal honour.

The Committee's decision

14. The Committee has decided on the basis of the material in the Commissioner's report and in Lord Mackenzie's written and oral appeal that there is compelling evidence that the Commissioner reached the correct conclusions in finding Lord Mackenzie to have breached the Code of Conduct. The Committee has therefore affirmed the Commissioner's findings. The Committee has considered the sanction proposed by the Sub-Committee and, given the serious nature of Lord Mackenzie's misconduct, confirms the recommended sanction of six months' suspension.
15. **We do not therefore uphold Lord Mackenzie of Framwellgate's appeal. We recommend that Lord Mackenzie of Framwellgate be suspended from the service of the House for a period of six months.**

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

1. The Commissioner for Standards has submitted the attached report into the conduct of Lord Mackenzie of Framwellgate.

2. Lord Mackenzie asked the Commissioner to investigate him following a conversation between Lord Mackenzie and undercover *Sunday Times* journalists, which was covertly recorded by the journalists. The journalists posed as strategic consultants representing a South Korean investor looking to market innovative solar technology in the United Kingdom. The consultants wanted to recruit parliamentarians to further the client's interests within Parliament and government. The newspaper subsequently published articles about Lord Mackenzie alleging that during the conversation Lord Mackenzie breached the Code of Conduct by (a) avoiding the rules on the use of Refreshment Department functions by getting another member to host an event on his behalf; (b) indicating that he was willing to act as a paid advocate in the House and to provide parliamentary advice and services; (c) indicating that he was willing to help establish an all-party group at the behest of the client, and to chair it.

3. The Commissioner finds that Lord Mackenzie breached the Code of Conduct in four respects:

- (i) he breached the requirement in paragraph 10(c) of the Code of Conduct to “act in accordance with any rules agreed by the House in respect of ... the facilities of the House” by not complying with the rule on the use of Refreshment Department functions that “functions are not to be used for the purposes of direct or indirect financial or material gain by a sponsoring Member, political party, or any other person or outside organisation”¹ because his statements to the undercover journalists demonstrate that a lunch in the Attlee Room on 23 April 2013 was held for the purpose of increasing business to Ivy Link, a commercial entity which Lord Mackenzie had a financial interest in;
- (ii) also in relation to that lunch, by seeking to evade the bar on members hosting promotional events for companies in which they have a direct pecuniary interest, he did not act on his personal honour, and so breached paragraph 8(b) of the Code of Conduct;
- (iii) he demonstrated a clear willingness to negotiate an agreement with the undercover *Sunday Times* reporters which would involve him providing parliamentary services in return for payment, and so failed to act on his personal honour, in breach of paragraph 8(b) of the Code;
- (iv) by agreeing to help create an all-party group at the behest of Coulton & Goldie (the consultancy firm that the undercover journalists purported to represent) he entered an agreement to accept payment or other reward in return for providing a parliamentary service, in breach of paragraph 8(d) of the Code of Conduct. This agreement was also a breach of the requirement in paragraph 8(b) of the Code for members to act always on their personal honour. These findings are reinforced by the Commissioner's finding that Lord Mackenzie's actions in agreeing to set up the APG constituted a failure to observe the seven general principles

¹ House Committee, *Refreshment Department Functions* (3rd report, session 2008–09, HL Paper 144), page 4.

of conduct, in particular the principles of selflessness, integrity and leadership.

4. In accordance with paragraphs 129 and 130 of the Guide to the Code of Conduct, our role has been to decide the appropriate sanction to recommend.

5. We consider the breaches of the Code of Conduct by Lord Mackenzie of Framwellgate to be so serious that suspension from the service from the House is the only appropriate sanction. In considering the length of the suspension to recommend, we have taken account of all aspects of the case, as well as precedents of when members have been suspended. The date on which any suspension motion would be moved is uncertain (it would depend on when the Committee for Privileges and Conduct meets), as is the date of prorogation. Accordingly, we favour suspension for a defined period, rather than until the end of the session. **We recommend that Lord Mackenzie of Framwellgate be suspended from the service of the House for six months.**

ANNEX 2: REPORT FROM THE COMMISSIONER FOR STANDARDS

Summary of allegations

1. On 2 June 2013 *The Sunday Times* newspaper published articles headlined “Cash for access: Lords exposed”, “Getting to see ministers is part of the package”, “Job swap ‘coterie’ to beat rules” and “How to buy a group of MPs and peers” (appendix A). The articles alleged that several members of the House of Lords, including Lord Mackenzie of Framwellgate, had breached the Code of Conduct. The allegations arose from an investigation by *The Sunday Times* which involved discussions between members and journalists posing as consultants purportedly acting on behalf of a South Korean solar energy company. The journalists met the members concerned and covertly recorded the conversations. Separate reports will be submitted in respect of each of the four members against whom *The Sunday Times* made allegations (though stories were only published in respect of three of them).

2. Lord Mackenzie of Framwellgate contacted my office by email on 1 June 2013 (appendix B) requesting that I investigate his conduct, on the basis of the allegations to be published by *The Sunday Times* the next day. In compliance with paragraph 103 of the Guide to the Code of Conduct, I obtained the agreement of the Sub-Committee on Lords’ Conduct to initiate an investigation on the basis of Lord Mackenzie’s self-referral.

3. I wrote to Lord Mackenzie on 7 June 2013 (appendix C) to advise that I was investigating him and specifically drew his attention to the following provisions of the 2010 Code of Conduct:

“7. In the conduct of their parliamentary duties, Members of the House shall base their actions on consideration of the public interest, and shall resolve any conflict between their personal interest and the public interest at once, and in favour of the public interest.

8. Members of the House:

- (a) must comply with the Code of Conduct;
- (b) should always act on their personal honour;
- (c) must never accept or agree to accept any financial inducement as an incentive or reward for exercising parliamentary influence;
- (d) must not seek to profit from membership of the House by accepting or agreeing to accept payment or other incentive or reward in return for providing parliamentary advice or services.

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

- (e) act in accordance with any rules agreed by the House in respect of financial support for Members or the facilities of the House.

14. A Member must not act as a paid advocate in any proceedings of the House; that is to say, he or she must not seek by parliamentary means to confer exclusive benefit on an outside body or person from which he or she receives payment or reward.”

I also drew Lord Mackenzie’s attention to relevant paragraphs of the Guide to the Code of Conduct, including those about the use of facilities and services, and highlighted the seven general principles of conduct identified by the Committee on

Standards in Public Life and incorporated in paragraph 9 of the Code. I sent Lord Mackenzie copies of two House Committee reports which set out the rules on the use of the facilities of the House.²

4. Lord Mackenzie replied in a submission dated 27 June 2013 (appendix D). On 24 July 2013 I sent Lord Mackenzie a copy of the transcript provided by *The Sunday Times* of his conversation with their undercover journalists on 22 May 2013 (appendix E), together with emails exchanged between Lord Mackenzie and *The Sunday Times* before the conversation and after the conversation but prior to publication (appendix F). Lord Mackenzie supplied a second response on 1 August 2013 (appendix G) following receipt of the transcript. I interviewed Lord Mackenzie on 13 August 2013 (appendix H), following which he sent a third submission dated 19 August 2013 (appendix I).

Precedents

5. Each case I investigate is determined on its individual merits. However, it is important that there is consistency between cases and that decisions made by the Sub-Committee on Lords' Conduct and the Committee for Privileges and Conduct are recognised, respected and influence future investigations where appropriate. Previous decisions approved by the House provide useful precedents and assist all concerned, including individual members, in interpreting the Code. This applies to cases decided before the new Code of Conduct came into force, when the Sub-Committee on Lords' Interests (as it then was) conducted the initial investigation, where the provisions of the Code have not changed materially.

6. Many of the key issues raised in this case were addressed by the Committee for Privileges in its 2009 report on four peers,³ which was agreed by the House.⁴ In those cases the members concerned had been the subject of an undercover operation by *Sunday Times* journalists—in that instance to see whether peers would be prepared to table amendments to a bill in return for payment by a (fictitious) organisation. On the issue of entrapment the Committee for Privileges found as follows:

“Entrapment

12. Our responsibility, and that of the Sub-Committee, is to investigate allegations of non-compliance by Members of the House with the Code of Conduct. As the Sub-Committee point out, it was not our role “to adjudicate on a conflict between *The Sunday Times* and the Lords concerned” (paragraph 28).

13. No-one reading the transcripts of the conversations between the four Members and the undercover journalists can be left in any doubt that they were asked leading questions, designed to elicit apparently incriminating answers. At the time the story was published, on 25 January, no money had changed hands, and no contracts had been drawn up, still less signed. Nevertheless the newspaper chose to cut short its investigation and publish a story based on words, not decisive acts by any of the four Members. It follows that the headline used by the

² House Committee, *Refreshment Department Functions* (3rd report, session 2008–09, HL Paper 144); House Committee, *Rules Governing the Use of Facilities* (2nd report, session 2009–10, HL Paper 47).

³ Committee for Privileges, *The Conduct of Lord Moomie, Lord Snape, Lord Truscott and Lord Taylor of Blackburn* (2nd report, session 2008–09, HL Paper 88).

⁴ LJ (2008–09) 537.

newspaper in publishing the allegations (“Revealed: Labour lords change laws for cash”), in implying improper acts by the four Members, was wilfully misleading.

14. Despite these concerns, we conclude that it would not be appropriate to disregard any of the evidence by reason only of the manner in which it was obtained. We consider that the Sub-Committee were right to reject suggestions that they should not rely on some of the evidence, on the ground that it had been obtained by *agents provocateurs*. In our judgment, the integrity of the proceedings themselves—either before us or before the Sub-Committee—has in no sense been compromised by the conduct of the journalists in obtaining the evidence, which in our view did not amount to incitement to or instigation of a breach of the Code. It is the strength of the evidence itself which we regard as important for the purposes of our proceedings.”

7. In accordance with the precedent set in that case, I have investigated the current cases on the merits of the evidence before me, and not sought to examine the conduct of the journalists concerned or the means by which they obtained material.

8. The 2009 report also found that an agreement to engage in paid advocacy would be a breach of the Code of Conduct;⁵ although it did not resolve how formal such an agreement must be, it found two members to have breached the Code even though no money changed hands and no contract was drawn up, still less signed. The 2010 Code of Conduct makes clear that members must never “accept or agree to accept” any financial inducement, payment or other reward in return for exercising parliamentary influence, or providing parliamentary advice or services.⁶ It is therefore clear from the Code and from the precedent set by the 2009 report that a member may be in breach of the Code by agreeing to provide parliamentary services etc., even though no money changes hands.

9. The 2009 report went on to examine the meaning of the requirement in the Code that members “should act always on their personal honour”. The committee’s main conclusion is replicated in paragraph 7 of the current Guide to the Code of Conduct.⁷ The key finding, so far as the current case is concerned, was: “It follows, in our view, that any Member who demonstrated a clear willingness to breach the rules contained in the Code (for instance, by attempting to negotiate an agreement to promote an amendment in return for a fee) would have failed to act upon his or her personal honour, and would have thereby breached paragraph 4(b) [now 8(b)] of the Code.”⁸ Thus a member may be found to have breached the Code by attempting to negotiate an agreement which would involve the member breaching the Code of Conduct.

10. The latest edition of the Guide to the Code of Conduct provides that “the civil standard of proof is adopted at all stages of the enforcement process ... Thus, in order to find against a Member, the Commissioner will require at least that the allegation is proved on the balance of probabilities.”⁹ The 2009 report elaborated

⁵ *Ibid.*, paras 15–24.

⁶ Paragraph 8(c) and (d).

⁷ Second edition: November 2011.

⁸ Committee for Privileges, *The Conduct of Lord Moonie, Lord Snape, Lord Truscott and Lord Taylor of Blackburn* (2nd report, session 2008–09, HL Paper 88), para 30.

⁹ Para 119.

on how the Committee for Privileges and the Sub-Committee on Lords' Interests applied the standard of proof: "while taking the civil standard of proof, the balance of probabilities, as the appropriate standard, we have, in the light of the seriousness of the allegations, taken the view that particularly strong evidence should be required before we may be satisfied that the allegations are proved."¹⁰ Given the similarity of many aspects of the 2009 allegations to the current cases, I have followed this precedent on the evidence required to satisfy the standard of proof.

Other matters general to the four cases

11. In addition to the precedents arising from the 2009 report, there are a number of other factors which are common to the four cases I have investigated which arose from *The Sunday Times* allegations. First, as well as there being no contract signed and no money changing hands, there was no parliamentary action taken by the members as a result of their conversations with the journalists. Much of the discussion about providing parliamentary services was in general terms; unlike in 2009, there was no specific amendment or question that the journalists wanted tabled.

12. Secondly, no indication was given by the journalists in their initial emails making contact with the members of their intention to ask the members to provide parliamentary services. Rather, the initial contact focused largely on the solar energy product—a product which, given its public policy benefits, was bound to attract interest.

13. Thirdly, the stories in *The Sunday Times* were published following only one meeting with each of the peers. There were no follow-up meetings or conversations (though in some of the cases emails were exchanged), and the offers were withdrawn by the journalists soon after each meeting.

14. Finally, the articles published in *The Sunday Times* were, understandably, selective in the material they used. Only the more incriminating quotes were published; and members' caveats and refusals to go along with certain propositions were omitted. Much of what was published was said in response to leading questions from the journalists.

15. The points above are set out to provide context. They do not, of themselves, provide a defence for any allegations that members were prepared to breach the Code. As per the approach to the 2009 cases, my approach has been to assess what the members actually said to the journalists at the meetings and in surrounding communications, and not simply to assess them against the allegations made by *The Sunday Times*.

16. Separately, I should also mention that I first requested the transcripts of the undercover journalists' conversations with the peers from the acting editor of *The Sunday Times* on 7 June 2013, but did not receive them until 23 July 2013. Although the delay in providing the transcripts in these cases was shorter than the nearly four-month delay in two previous cases,¹¹ given the significant public interest in the cases it is regrettable that it still took 6½ weeks for the material to be provided.

¹⁰ *Op. cit.*, para 11.

¹¹ See Committee for Privileges and Conduct, *The Conduct of Lord Dannatt* (3rd report, session 2013–14, HL Paper 20); and Committee for Privileges and Conduct, *The Conduct of Lord Stirrup* (4th report, session 2013–14, HL Paper 21).

Recent High Court judgment

17. Lord Mackenzie drew my attention to a recent High Court judgment in which a case for libel and malicious falsehood against two *Sunday Times* journalists was upheld.¹² The two journalists in that case were also involved in the present case; in that case they also adopted a false identity and covertly recorded conversations. Lord Mackenzie sent me a submission on 16 September 2013 (appendix S) which set out how he viewed the judgment as relevant to my investigation. In particular, he drew attention to passages where the judge criticised the methods used by the journalists, and the veracity of their evidence.

18. I am grateful for Lord Mackenzie drawing my attention to the judgment and agree that it does not present the journalists in a favourable light. However, I find the judgment of limited use in considering the allegations before me. It relates to a completely different set of facts, and was an action for libel and malicious falsehood. My task is to consider whether Lord Mackenzie has breached the House of Lords Code of Conduct based on the evidence before me. As previously mentioned, the conduct of the journalists in obtaining that evidence—still less their conduct in another case—is not a matter which should preclude me from examining the evidence. The approach I have taken follows that taken in the 2009 cases.

¹² *Cruddas v Calvert, Blake and Times Newspapers Ltd* [2013] EWHC 2298 (QB).

Key facts

19. The allegations of misconduct by Lord Mackenzie arose solely from the newspaper stories. The background to the coverage in *The Sunday Times* appears to be uncontested: namely that journalists employed by *The Sunday Times* posed as “strategic consultants” and approached Lord Mackenzie (and other peers). The journalists purported to work for a company called Coulton & Goldie Global (hereafter C&G), which was acting on behalf of a (fictitious) South Korean technology company.

20. The C&G personnel, who called themselves James Lloyd and Robyn Fox, established contact with Lord Mackenzie by way of an email on 21 May 2013, in which they introduced the product and said that Lord Mackenzie’s “political and business acumen could be a great asset to us”. Lord Mackenzie replied saying the proposal was of “great interest” and a meeting was arranged for 22 May 2013. That meeting took place and was covertly recorded by the journalists. The subsequent articles in *The Sunday Times* were based on the recording of the meeting on 22 May 2013.

21. The C&G representatives claimed that the South Korean company they represented had developed innovative solar energy technology. Specifically, the company had developed solar PV technology which could be fitted to windows and generate solar power. The window panes would be more efficient at generating energy and more transparent than any competitor; they would therefore help the Government achieve their renewable energy and zero-carbon homes targets. The technology would be funded by a South Korean investor. C&G were seeking to assist their client in breaking into the UK market. They said that in advance of the product launch they needed to start creating a “climate of interest and opinion”¹³ amongst parliamentarians about solar energy and the new technology in particular. They said they were looking for “someone who is actually in Parliament, like yourself, who can help build bridges with other parliamentarians, maybe could help us with the establishment of an all-party group or something like that, and could be kind of an advocate for us and somebody who would guide us and make introductions and things like that.”¹⁴

22. Three sets of allegations were made in *The Sunday Times* and emerge from the transcript. First, that Lord Mackenzie did not comply with the rules governing the hosting of Refreshment Department functions in the House of Lords. Secondly, that he was prepared to provide parliamentary services in return for payment and/or engage in paid advocacy on behalf of the client. Thirdly, that he was willing to help establish an all-party group at the behest of the client. I will deal with each of these allegations in turn.

Hosting Refreshment Department functions

23. Paragraph 10(c) of the Code of Conduct states that members shall “act in accordance with any rules agreed by the House in respect of ... the facilities of the House.” That is supplemented by paragraph 101 of the Guide to the Code of

¹³ Appendix E, page 55.

¹⁴ Appendix E, page 56.

Conduct, which provides that the rules governing the use of House facilities are set out in two House Committee reports.¹⁵

24. Separate rules apply to the use of refreshment outlets (such as the restaurants and bars in the House) and to the hosting of Refreshment Department functions (such as hosting a large lunch or dinner, or a reception). As regards the former, it is acceptable for a member to use a refreshment outlet in connection with their outside interests, including their commercial interests.¹⁶ As regards the latter, the rules provide that functions are not to be used for the purpose of direct or indirect financial or material gain by a sponsoring member, political party, or any other person or organisation. The rules further state, “Members may not sponsor promotional functions for companies in which they have a direct pecuniary interest.” The explanatory notes to the rules on the use of Refreshment Department functions state that, “members should not receive payment or any other kind of benefit, such as an offer of employment based on the ability to provide access to House of Lords facilities, in return for hosting a function.”¹⁷

25. In respect of both sets of rules (those governing refreshment outlets and those governing functions) if a member follows the advice of the Director of Facilities he or she is deemed to have complied with the rules and therefore satisfies fully the requirements of the Code of Conduct in that regard.¹⁸

26. *The Sunday Times* alleged that Lord Mackenzie “evaded the rules banning [him] from hosting functions in Parliament on behalf of paying clients by getting [his] friends in the House of Lords to host them for [him].” The example cited was that he had requested Lord Brookman to host an event on behalf of one of Lord Mackenzie’s clients.

27. This allegation arose from the following part of the transcript:

“Male Reporter: Those receptions you hold, are they for your clients?”

Lord Mackenzie: Yeah, I mean. What I’m going to tell you now is all top secret. What the rules are now, because they’ve changed recently as a result of all this carry on.

Female Reporter: All this hoo-haa, yes.

Lord Mackenzie: But you know people aren’t stupid. So there is a rule that you shouldn’t host a reception in Parliament where you a pecuniary interest, right? Which is bizarre.

Female Reporter: It’s a big pain, isn’t it?

Lord Mackenzie: Yes, that’s what the thing says.

Female Reporter: But also you’re not paid.

Lord Mackenzie: And I thought that’s bloody nonsense. Nonetheless, how do I get around, how would you get around that?

Female Reporter: Ooh I don’t know. What do you do?

¹⁵ House Committee, *Refreshment Department Functions* (3rd report, session 2008–09, HL Paper 144); House Committee, *Rules Governing the Use of Facilities* (2nd report, session 2009–10, HL Paper 47).

¹⁶ House Committee, *Rules Governing the Use of Facilities* (2nd report, session 2009–10, HL Paper 47), page 4.

¹⁷ House Committee, *Refreshment Department Functions* (3rd report, session 2008–09, HL Paper 144), page 4.

¹⁸ Guide to the Code of Conduct, para 101.

Lord Mackenzie: I just say to a colleague who has got nothing to do with it, would you host a function for me? That is bloody common sense, isn't it?

Female Reporter: That is common sense. I assume that's what everyone does.

Male Reporter: Why would he do it for you?

Lord Mackenzie: Because he's a mate who knows it's a nonsense.

Female Reporter: You'd do it for him as well, presumably.

Lord Mackenzie: So when the press check and see Lord Brookman is hosting this thing.

Male Reporter: Is this your mate, Lord Brookman?

Female Reporter: One of them.

Lord Mackenzie: He's the one who did the last one I did. That's why I mentioned him. Because what the press do, they trawl through and they say right, Lord Mackenzie hosted that function there, has he got an interest, a financial interest? Then they'll ring you up and say you know have you got a financial interest? I hosted one for another pal of mine, fortunately I worked with him, not a financial interest, but I could have done and, of course, it was ... *Independent on Sunday*.

Female Reporter: Did he have one?

Lord Mackenzie: No, he wasn't a member. He was the guy that ran the company. He wanted to run this reception.

Lord Mackenzie: It was actually a marketing exercise. It was quite a good product, but I didn't have a financial interest. That put me wise because I thought well if I had had a financial interest that would have been critical.

Male Reporter: So the last one you hosted, Lord Brookman hosted for you?

Lord Mackenzie: He hosted it for me. He'll tell you.

Male Reporter: What sort of function was that?

Lord Mackenzie: This was a function, it wasn't Awards Intelligence, it was a company called Ivy Link which I'm ...

Female Reporter: Ivy?

Male Reporter: Ivy Link?

Lord Mackenzie: Ivy Link.

Female Reporter: What do they do?

Lord Mackenzie: Which again is green energy.

Female Reporter: Oh similar.

Male Reporter: Is that one of your clients?

Lord Mackenzie: It's a green company as well, yes, and I've got a financial interest in that.

Female Reporter: Oh right are you a director or shareholder or?

Lord Mackenzie: I'm a partner.

Female Reporter: A partner, right.

Lord Mackenzie: And of course it's a fairly new company but what we do is we'll have a function for the education sector, higher education, to try and persuade the universities the importance of saving energy.

Male Reporter: So it's about university, saving ...

Lord Mackenzie: This particular one we got all the chancellors and vice chancellors to a lunch and, of course, we put presentations on to sing the virtues of saving energy.

Female Reporter: This is the thing that your friend had for you?

Lord Mackenzie: Yes, and of course I said well I can't do that because I've got an interest, but I know a man that can who hasn't got an interest. So he comes along and hosts it, attends the lunch, so he gets a very agreeable lunch out of it and he's happy to do that.

Female Reporter: Why not?

Lord Mackenzie: Of course, I do the business anyway, but that gets round it.

Female Reporter: Can you help him out presumably in the same way, if he's got a client as well.

Lord Mackenzie: Oh yeah. Well I'm sure that's the only way it can operate.

Female Reporter: You all do it for each other.

Male Reporter: What sort of facility do you use for something like that?

Lord Mackenzie: It depends on how many numbers you're looking at.

Male Reporter: I see.

Lord Mackenzie: We've got a big room on the terrace, which leads out on to the terrace of the House of Lords which—the Cholmondeley room they call it—which can take standing up 150 people, 200 people; seated probably 120.

Male Reporter: And was this where you held it?

Lord Mackenzie: Oh no, ours is smaller than that. This function I'm talking about, the Ivy Link, that was about 40 people all together from the universities. That was a lunch in the Attlee room.

Male Reporter: Were they all vice chancellors?

Lord Mackenzie: They weren't all vice chancellors.

Female Reporter: So you had a few.

Lord Mackenzie: Several.

Female Reporter: Do you get Oxford and Cambridge and people like that?

Lord Mackenzie: Yes.

Female Reporter: Fantastic. Was that recently?

Lord Mackenzie: That's the point I'm making. Yes that was recently. That was about six weeks ago.

Female Reporter: Oh okay.

Male Reporter: Has that as yet drummed up any business for the Ivy Link?

Lord Mackenzie: Yes, it has.

Female Reporter: Has it?

Lord Mackenzie: Because what we did was we then wrote to each of the people that attended extolling the virtues and, thanking them for coming and so on and yes, it's led to further interest.

Female Reporter: Fantastic.

Lord Mackenzie: Of course now we're going out, and actually going in to do surveys.

Female Reporter: In different universities?

Lord Mackenzie: Into universities, yes.

Female Reporter: Really? That is fantastic.

Male Reporter: That shows just how effective the House of Lords can be in terms of business.

Lord Mackenzie: There's no doubt about that, but you've got to handle it right. You learn through what's gone on in the past.

Female Reporter: Yes, absolutely. You've just got to be a bit careful because there's no point in ...

Lord Mackenzie: If you'd been talking to me 12 months ago, I wouldn't have been discussing this because it wasn't relevant. This is all fairly recent.

Female Reporter: It's a new thing. Really?

Lord Mackenzie: Since the rules changed.

Female Reporter: They just seem to make your life harder and harder.

Lord Mackenzie: Ah, it's like walking on eggshells. Somebody once said, how the hell are they expect you to operate.

Female Reporter: How are you supposed to make a living?

Lord Mackenzie: Yes, exactly.¹⁹

28. Lord Mackenzie in his first response contended that if he had thought he was breaking the rules, then he would not have "talked candidly about them".²⁰ However, in the course of my interview with him, Lord Mackenzie admitted that he engaged in "exaggeration" with a view to hyping up and selling "Brian Mackenzie as a consultant to the Korean business".²¹ I am of the view that Lord Mackenzie was indeed engaged in a selling exercise in respect of his own services and wasn't as circumspect as he later claimed to be.

¹⁹ Appendix E, pages 67–70.

²⁰ Appendix D, para 8.

²¹ Appendix H, page 104.

29. Lord Mackenzie began the conversation with the journalists about hosting events in the Lords by saying “What I’m going to tell you now is all top secret.” In my interview he explains that “I think what I meant was top secret in the sense that the rules had changed and therefore it wasn’t commonly known what the new rules were ... it was a throwaway comment; it didn’t indicate that it was top secret, because it isn’t. They are published documents and anybody can see them ... I was trying to explain what you could do and what you couldn’t do within the rules”.²² The rules Lord Mackenzie referred to were published in July 2009 and agreed by the House in October 2009.²³ It therefore is at least odd that Lord Mackenzie justifies that statement by saying that the rules are new, when they have existed for four years un-amended. It is also a very odd way to begin a passage of conversation if the member had always complied with the rules and had no intention of breaching them in future.

30. Lord Mackenzie went on to say during his meeting with the journalists, “But you know people aren’t stupid. So there is a rule that you shouldn’t host a reception in parliament where you have a pecuniary interest, a financial interest, right? Which is bizarre ... And I thought that’s bloody nonsense. Nonetheless, how do I get around, how would you get round that? ... I just say to a colleague who has got nothing to do with it, would you host a function for me? That is bloody common sense isn’t it?”²⁴ This statement was interpreted by *The Sunday Times* as suggesting that a number of members might engage in a mutually helpful practice to circumvent the rules of the House. However, on being interviewed by me, Lord Mackenzie clarified his remarks and stated that he did not know of any members engaging in this practice. His only knowledge was limited to the Ivy Link example, where he had Lord Brookman sponsor the event at his request, so as to avoid questions arising from his status as a partner of Ivy Link.²⁵

31. I consider that Lord Mackenzie’s remarks which suggested that members routinely swapped sponsorship of functions in order to evade the rules to have been damaging to the reputation of the House as a whole. His subsequent clarification that he knows of no other examples of this happening will, I hope, have at least partially removed the suspicion that his initial remarks cast over members generally.

32. In the conversation with journalists Lord Mackenzie went on to detail how he had asked Lord Brookman to host an event for an organisation called Ivy Link Partnership Ltd, which describes itself as “an independent energy efficiency training, consultancy and auditing organisation”. Lord Mackenzie’s entry in the Register of Lords’ Interests states that he is the non-executive chairman of Ivy Link and a remunerated consultant. The event was a lunch in the Attlee Room on 23 April 2013, which about 40 people attended.²⁶ It being a Refreshment Department function, Lord Mackenzie was precluded from sponsoring it himself, as he had a direct pecuniary interest in the company.

33. Lord Mackenzie told the journalists he thought that rule was “bloody nonsense”. He asked, “how do I get around, how would you get round that?”²⁷ In his first submission to me Lord Mackenzie said his reference to the rules being

²² Appendix H, pages 98–99.

²³ HL Deb, 20 October 2009, col 567.

²⁴ Appendix E, page 67.

²⁵ Appendix H, page 103.

²⁶ Appendix E, page 69.

²⁷ Appendix E, page 67.

“bloody nonsense” was “their complexity; how on the one hand the guidance ... (quite rightly) placed restrictions on peers hosting events for profit; yet Appendix 1 of the very same rules ... says “[the rules] take full account of the importance of Members being able to continue pursuing their outside interests—particularly in an unsalaried House which thrives on their varied expertise—notwithstanding that the House sits during business hours and evenings.” It then goes on with reference to ‘refreshment outlets’ (such as the Attlee Room) “However it is acceptable for Members to host meals for purposes relating to their outside interests *including their commercial interests.*”²⁸

34. In that quote Lord Mackenzie has conflated the two sets of rules. He quotes the rules on the use of refreshment outlets (such as hosting a dinner for a few people), which allow for hosting meals for purposes relating to members’ commercial interests. The rules which actually applied were the rules on Refreshment Department functions, which bar members from sponsoring promotional functions for companies in which they have a direct pecuniary interest. The Attlee Room can only be used for such functions, so the latter rules applied.

35. In his first submission to me Lord Mackenzie argued that the event met the rules because it was not a promotional function for the company;²⁹ rather, he said, it was an “educational/training non-commercial event”.³⁰ Yet in his conversation with the journalists he said, in relation to Lord Brookman sponsoring the event, “Of course, I do the business anyway, but that gets round it.”³¹ When asked if it had “drummed up any business for Ivy Link” he replied “Yes it has ... Because what we did was we then wrote to each of the people that attended extolling the virtues and, thanking them for coming and so on and yes, it’s led to further interest.” The female reporter then said, “That just shows how effective the House of Lords can be in terms of business”, to which Lord Mackenzie replied, “There’s no doubt about that, but you’ve got to handle it right.” What Lord Mackenzie said to the reporters about the commercial benefit of the event contradicts his later assertion that the event was not a promotional function. His remarks to the journalists suggest that the Ivy Link lunch resulted in direct or indirect financial or material gain to Ivy Link, contrary to rule (1) on the use of Refreshment Department functions.

36. Lord Mackenzie said to the journalists that he asked Lord Brookman to host the Ivy Link lunch to “get around” the rule about members not sponsoring promotional functions for companies in which they have a direct pecuniary interest. In his first submission to me he said that the rule did not apply because it was not a promotional event, yet he “still did not feel comfortable in sponsoring an event with which [he] was so closely involved with the organising company.” He therefore asked Lord Brookman if he “would act as a sponsor on this occasion. I explained to him that to be on the safe side it was better that I did not sponsor the lunch myself.”³²

37. I wrote to Lord Brookman on 31 July 2013 asking him for his recollection of the Ivy Link lunch (appendix J). He replied on 8 August 2013 (appendix K), to which I sent a further letter on 13 August 2013 (appendix L). Lord Brookman

²⁸ Appendix D, para 16.

²⁹ Appendix D, para 12.

³⁰ Appendix D, para 14.

³¹ Appendix E, page 68.

³² Appendix D, para 14.

replied to that on 17 August 2013 (appendix M) and on 29 August 2013 I held a brief interview with Lord Brookman (appendix N). Lord Brookman's recollection, which was consistent throughout his two letters and the interview, was that Lord Mackenzie asked him to host the event because Lord Mackenzie might be late for it or possibly not attend at all. Lord Brookman maintains that Lord Mackenzie made no mention of his financial interest in Ivy Link, or the fact that he was asking Lord Brookman to host the event because he doubted whether it was within the rules for him to host it. Lord Brookman said that Lord Mackenzie made all the arrangements for the lunch, and when he turned up he "took charge of proceedings".³³

38. Following my interview with Lord Brookman, I was faced with two versions of the circumstances leading up to Lord Brookman becoming sponsor of the Ivy Link function. In accordance with paragraph 126 of the Guide to the Code of Conduct, I wrote to Lord Mackenzie on 29 August 2013 and invited him to comment on this variance in accounts (appendix O). Lord Mackenzie responded on 30 August 2013 (appendix P) and he conceded that he probably did refer to being late or even being unable to attend the function in question, as Lord Brookman had recounted. Lord Mackenzie confirmed that he did not mention Ivy Link specifically to Lord Brookman—a point which was clarified in a further exchange between us (appendices Q and R)—though he says he did mention that he had an interest in the event.

39. I think it is a matter of regret that Lord Brookman got caught up in this matter and I am satisfied that he did nothing more than seek, in good faith if perhaps naively, to assist a colleague. I accept his account of the background to the Ivy Link event. I simply comment that this episode reinforces the need for all members to exercise individually their own judgement when sponsoring an event in the House.

40. Whatever Lord Mackenzie's view of whether the Ivy Link lunch complied with the rules, if he had sought the advice of the Director of Facilities and complied with that advice he would have satisfied the rules. When I asked Lord Mackenzie why he had not sought the Director of Facilities' advice he replied, "because there's nothing in the rules at all, as far as I could see, to say that a peer who has no financial interest in the event can't sponsor it. There was no bar to that, so it was fairly clear to me that that was perfectly legitimate."³⁴ In his first submission Lord Mackenzie said he "spent so much time studying the rules and guidance"³⁵ and "nobody could have done more than me to stay within the rules regarding holding events in the House of Lords."³⁶ If Lord Mackenzie was so familiar with the rules, yet was still not "comfortable" with sponsoring the Ivy Link lunch, the obvious thing to do would be to consult the Director of Facilities: if the Director advised that Lord Brookman could host the lunch at Lord Mackenzie's request, then no question of breaching the rules would arise. If, on the other hand, Lord Mackenzie's objective was to host the lunch come what may, and the rules on the use of facilities were viewed as a bureaucratic impediment to be got around, then Lord Mackenzie might not have sought the Director of Facilities' advice lest he advise not to proceed. What Lord Mackenzie told the undercover journalists is more consistent with the latter interpretation than the former.

³³ Appendix K.

³⁴ Appendix H, page 100.

³⁵ Appendix D, para 17.

³⁶ Appendix D, para 18.

41. I am clear that Lord Mackenzie's behaviour, as documented in his own words to the undercover journalists, shows that he breached the Code by reason of his approach to the rules governing Refreshment Department functions. He appears contemptuous of the rules and highlights how his priority was to circumvent them by getting another member to sponsor a function. His behaviour was not consistent with the requirement to act on his personal honour.

42. Specifically, I make the following findings. Lord Mackenzie breached the requirement in paragraph 10(c) of the Code of Conduct to "act in accordance with any rules agreed by the House in respect of ... the facilities of the House" by not complying with the rule on the use of Refreshment Department functions that "functions are not to be used for the purposes of direct or indirect financial or material gain by a sponsoring Member, political party, or any other person or outside organisation" because his statements to the undercover journalists demonstrate that the Ivy Link lunch was held for the purpose of increasing business to Ivy Link.

43. I find that Lord Mackenzie did not breach the rule that "Members may not sponsor promotional functions for companies in which they have a direct pecuniary interest" because he asked Lord Brookman to host the Ivy Link lunch on his behalf. However, Lord Mackenzie's statements to the undercover journalists demonstrate that he asked Lord Brookman to host the lunch in order to evade the bar on Lord Mackenzie hosting it himself. That is reinforced by Lord Brookman's account that Lord Mackenzie did not tell him the true reason for asking him to host the lunch, and the fact that Lord Mackenzie did not seek advice from the Director of Facilities. In seeking to evade the bar on members hosting promotional events for companies in which they have a direct pecuniary interest I find that Lord Mackenzie did not act on his personal honour, and so breached paragraph 8(b) of the Code of Conduct.

Alleged provision of parliamentary services and paid advocacy

44. Under paragraph 8(d) of the Code of Conduct members "must not seek to profit from membership of the House by accepting or agreeing to accept payment or other incentive or reward in return for providing parliamentary advice or services." That is supplemented by paragraph 14, which provides, "A Member must not act as a paid advocate in any proceedings of the House; that is to say, he or she must not seek by parliamentary means to confer exclusive benefit on an outside body or person from which he or she receives payment or reward." Paragraph 24 of the Guide to the Code of Conduct gives examples of parliamentary proceedings which, if performed by a member in return for payment or other incentive or reward by an outside body, would constitute paid advocacy. The examples include speaking in a debate and asking a written or oral question. The bars on providing parliamentary services in return for reward and on paid advocacy are absolute: the fact that a member may declare his or her interest when participating in the parliamentary proceedings is immaterial.

45. Lord Mackenzie in his first response to me set out a distinction in his mind between being employed as a consultant for outside work and being employed as a lobbyist to influence events within Parliament. He states that he has never been, nor ever would be, involved in lobbying or the application of undue influence for commercial benefit inside Parliament.³⁷ He argues that the leitmotif of his meeting

³⁷ Appendix D, para 19.

with *The Sunday Times* journalists was his commitment to transparency: “the key was total transparency”.³⁸

46. However, the discussion with C&G revolved very considerably around Parliament and the advantages that Lord Mackenzie, as a member of the House of Lords, might bring to C&G and their South Korean clients. Towards the start of the conversation the female reporter sets out that C&G were looking for someone in Parliament who “can help build bridges with other parliamentarians and ... could be kind of an advocate for us”. When asked if that was the sort of work he could do, Lord Mackenzie replied “Yes, clearly I would have to declare that as an interest.”³⁹ There are only two points in the transcript where there was any discussion of non-parliamentary lobbying or associated activity that Lord Mackenzie could undertake. The first was when he highlighted his role in fronting a video for a company he is involved with, Awards Intelligence. That company apparently assists individuals who are seeking public recognition in the form of honours and membership of the House of Lords.⁴⁰ The second was when he mentioned that he could write articles.⁴¹

47. Later in the conversation Lord Mackenzie says, “I’m certainly somebody that can stand up and speak about issues. That’s one of the important skills, I suppose, of being a parliamentarian ... I can be an advocate. And as long as I’m not trying to hide anything, I wouldn’t have thought that was a problem.”⁴² In his interview with me Lord Mackenzie said he was referring to “being an advocate outside Parliament, for the fictitious South Korean company, and declaring an interest. So if I’m speaking in Parliament on a topic to do with that company—for example, solar energy—then providing of course that I declare it, I am not trying to hide anything.”⁴³

48. Prior to that Lord Mackenzie referred to parliamentarians who had used “their position to advantage various organisations without declaring an interest. That’s the difference.” The female reporter then says, “So basically, as long as you declare it you can use your position”, to which Lord Mackenzie replied “Absolutely yeah. There’s a register your interest [sic] and I declare it as soon as I’m on-board.”⁴⁴

49. Later in the conversation the female reporter raises the possibility of a member asking another member to make a speech or ask a question because the first member has an interest in the subject matter. Lord Mackenzie replied, “Yes, it’s possible. If it was discovered it would be criticised I would have thought.” He continued, “Yes, because that’s not being open and honest. But I could ask questions. Don’t misunderstand me. I’m not saying—as long as I declare it.”⁴⁵ The reporter later says that the sort of work they were looking for was someone “being alive to opportunities for us in the House to ask a question if something comes up”. Lord Mackenzie replied “Exactly, oh yeah I can certainly do that.”⁴⁶

³⁸ Appendix D, para 5.

³⁹ Appendix E, page 56.

⁴⁰ Appendix E, pages 61–64.

⁴¹ Appendix E, page 74.

⁴² Appendix E, page 61.

⁴³ Appendix H, page 95.

⁴⁴ Appendix E, page 60.

⁴⁵ Appendix E, pages 70–71.

⁴⁶ Appendix E, page 75.

50. Shortly before that, Lord Mackenzie had said, “We can’t do and what caused a lot of problems in the past was cash request [for questions?].⁴⁷ I think what some MPs were doing was asking a planted question for cash. There was a hell of a lot of criticism there.” He continued, “We could say that if I was working for you and there was a question on solar energy that was a legitimate question which I wanted to ask, there’s no problem with that at all as long as it’s declared.” Going back to cash for questions, he said, “Again they weren’t declaring it ... they weren’t declaring it, you see. That was the problem.”⁴⁸

51. In his interview with me Lord Mackenzie said that what he meant when he agreed to the suggestion that he could ask questions in the House was that he could “ask a question or intervene on a subject that I felt was relevant. If I could bring some experience from this company to the Floor of the House for whatever reason, then I could bring that experience, providing the House knew my interest in it commercially and financially ... I certainly couldn’t ask a planted question. I make that clear right through. So the company could not come to me and say, “Look, we want you to ask this question or that question”. That would be out of the question.”⁴⁹

52. At this stage the undercover reporters were not proposing particular questions to Lord Mackenzie. The discussion was about what he might be able to offer them if they retained his services. Although he was prompted by the journalists, he gave the impression that he would be able to ask questions on the client’s behalf—or at least at the request of the client. As he would have been retained by the client that would amount to the provision of a parliamentary service in return for payment. At only one point during the discussion about questions did Lord Mackenzie say anything to indicate that he would act only within the rules about paid advocacy, when he referred to being able to ask a question on solar energy which “was a legitimate question which I wanted to ask”.⁵⁰ Aside from that phrase—which could be interpreted in different ways—he gave the impression that he would be prepared to ask questions but would be sure to declare his interest. Declaring an interest does not make it acceptable for a member to ask a question on behalf of a paying client.

53. At another point during the conversation the reporters asked whether Lord Mackenzie would be able to “[write] to, say, a civil servant or a minister or something if there was a particular point we wanted to raise”. Lord Mackenzie replied “Certainly, but I would declare it ... I would say I’m writing as a consultant to so and so, and there’s nothing wrong with that.”⁵¹ He went on to say that he has “access to people that you probably wouldn’t have access to if you weren’t in the House.”⁵² He refers to being able to “bend [the] ear” of ministers because “you can’t get through the civil service normally”.⁵³ Although he states that he would have to be “open and honest”, he says “as long as you do that then there’s no problem.”⁵⁴ The impression is given that Lord Mackenzie would be prepared to use his influence as a member of the House of Lords—with privileged access to

⁴⁷ The transcript is unclear at this point.

⁴⁸ Appendix E, pages 73–74.

⁴⁹ Appendix H, page 106.

⁵⁰ Appendix E, pages 73–74.

⁵¹ Appendix E, page 71.

⁵² Appendix E, page 71.

⁵³ Appendix E, page 71.

⁵⁴ Appendix E, page 72.

ministers—to lobby ministers on behalf of a paying client. He gives the impression that this is permissible, so long as all is declared.

54. I recognise that *The Sunday Times* journalists were clearly looking to gather evidence that Lord Mackenzie was in breach of or was willing to breach the Code of Conduct. They asked leading questions to that effect. When he gave answers which indicated a willingness to breach the Code they probed further, seeking more incriminating material. However, notwithstanding that, there is no evidence that Lord Mackenzie sought to move the discussion onto non-parliamentary activity and to highlight his skills and expertise in the wider world. Nor does the transcript show him stressing the things that are absolutely prohibited (such as providing parliamentary services in return for payment).

55. One aspect Lord Mackenzie highlighted in his interview with me was his expectation that he was agreeing to become a consultant to the South Korean company, rather than working for C&G.⁵⁵ The female reporter, on the other hand, was quite clear that he would be classed as a consultant to C&G.⁵⁶ The male reporter then used the term “parliamentary adviser” in relation to Lord Mackenzie’s role.⁵⁷ Lord Mackenzie’s response to these two descriptions was “Well there’s no problem with that, as long as I declare it.”⁵⁸ Then Lord Mackenzie confirmed his understanding that he would be acting as a consultant to C&G and disposed of the suggestion that he might have to declare the South Korean connection as follows:

“Male Reporter: Presumably you will declare us on the Register. Coulton and Goldie Global yeah?”

Lord Mackenzie: Yes, well I’ll do it once I’m on board.

Female Reporter: Once you’re on board.

Lord Mackenzie: I don’t have to do it just by talking with you.

Female Reporter: Do you have to declare the ultimate client as in Haemosu or would you just declare that you were an adviser to a strategic consultancy?

Lord Mackenzie: No. If I’m working for you as a consultant, which I am I suppose.

Female Reporter: Yes.

Lord Mackenzie: No the ultimate client doesn’t matter, but if I was speaking about the product then it would be, as a matter of duty, I would have to declare the interest.”⁵⁹

56. Later in the discussion the conversation turned to remuneration. The female reporter mentioned a retainer of between £8,000 and £10,000 a month and asked if it was in the right ballpark. Lord Mackenzie replied, “Yes I think so.”⁶⁰ Lord Mackenzie went on to say, in the context of his commitment to the consultants

⁵⁵ Appendix H, pages 91–92.

⁵⁶ Appendix E, pages 59–60.

⁵⁷ *Ibid.*

⁵⁸ *Ibid.*

⁵⁹ Appendix E, pages 60–61.

⁶⁰ Appendix E, page 75.

and the possibility of additional payments for extra hours, “If the figure was the right amount, then I’d do whatever needed doing, to be honest with you.”⁶¹

57. On being questioned about this statement, Lord Mackenzie said he “was negotiating for the South Korean position, not the consultant’s position—that’s the important point throughout. That was my mindset and there was no question of working for the consultants”.⁶² He went on to say that he did not agree a figure for remuneration with the consultants; that he did not suggest a figure; and that he thought the amount proposed was excessive.⁶³

58. I found a clear contradiction between Lord Mackenzie’s answers to the journalists’ questions and to my own as regards whom he believed he would be working for. I think he felt that working for the South Korean company was more likely to comply with the Code of Conduct than such a relationship with C&G. I do not believe that interpretation of the Code is correct. The provision of parliamentary services in return for payment is prohibited—as is paid advocacy—whether it is done through a lobbying or public affairs company, or directly on behalf of the interest concerned. In this case, if Lord Mackenzie demonstrated a clear willingness to negotiate an agreement by which he would provide parliamentary services in exchange for payment it doesn’t matter whether he would have been employed directly by the South Korean company or by C&G: such activity is prohibited in either event. Therefore Lord Mackenzie’s view of who his employers would have been is immaterial to my findings.

59. As no specific parliamentary services were proposed by the undercover journalists—matters were discussed in general terms—and no agreement was reached that Lord Mackenzie would be retained by C&G (or the South Korean client) there is not sufficiently strong evidence for me to find that Lord Mackenzie agreed to provide parliamentary services in return for payment, in contravention of paragraph 8(d) of the Code of Conduct.

60. However, Lord Mackenzie readily engaged in the discussion about providing the parliamentary services suggested by the journalists. The journalists’ intentions as to what they were seeking were obvious from the outset of the conversation, when they said they were looking for someone in Parliament who could be an advocate for them. Lord Mackenzie agreed to suggestions that he could ask questions on their behalf; he agreed that he could write to ministers on their behalf; he suggested he could use his privileged access in other ways; and he indicated that he could get another member to ask questions on the client’s behalf. Whilst some of Lord Mackenzie’s comments to the journalists may be open to different interpretations, taken together they create a distinct picture. At no point did he give the impression that there were things he would not do because the rules did not allow them. Rather, he seemed to think that he would be compliant with the Code so long as the interest was declared.

61. I find that, taking the conversation as a whole, Lord Mackenzie demonstrated a clear willingness to negotiate an agreement which would involve him providing parliamentary services in return for payment. In accordance with the precedent set in the 2009 report, I therefore find that Lord Mackenzie failed to act on his personal honour, and so breached paragraph 8(b) of the Code.

⁶¹ Appendix E, page 76.

⁶² Appendix H, page 108.

⁶³ *Ibid.*

Allegation about creating an all-party group

62. The rules governing all-party groups (APGs) are set out in the *Guide to the Rules on All-Party Groups* produced by the House of Commons, the latest edition of which was published in March 2012.⁶⁴ These rules apply to members of the House of Lords.

63. APGs are informal, cross-party interest groups that have no official status within Parliament and are not accorded any powers or funding by it. APGs are essentially run by and for members of the House of Commons and the House of Lords. Mostly they are run by backbenchers, though ministers may also be officers or members of APGs and many groups choose to involve individuals and organisations from outside Parliament in their administration and activities.

64. APGs must include at least 20 members (each of whom must be a member of the House of Commons or House of Lords), comprising: at least 10 members who are from the same political party as the Government; and at least 10 who are not from the government party, of whom at least six must be from the main opposition party. Unlike establishing a new select committee (which, in the House of Lords, would normally require the approval of the Liaison Committee then the House itself), an APG can be established by the requisite number of members agreeing to set it up, without further approval needed by a select committee or either House.

65. In the context of this investigation, I suggest that the most relevant rules are those that state that APGs are essentially run by and for members and are cross-party interest groups. The underlying assumption is that they are created by members who share a common interest and who come together to address a particular issue. The concept of creating an APG at the behest of a commercial organisation seems *prima facie* incompatible with the overall tenor of the rules and guidance. The possibility that an external body or company may support an APG, including by providing financial support, is recognised in the rules.

66. There is no specific reference to APGs in the Code of Conduct for Members of House of Lords and Guide to the Code of Conduct. However, I believe that the creation of an APG at the behest of a commercial organisation in return for payment or other reward is at variance with the concept of personal honour. Moreover, as only members of either House can establish an APG, I consider that an agreement to help establish an APG—for example by becoming an office-holder in the group, or approaching other members to request them to become members—is a parliamentary service and so, if done in return for payment or other incentive or reward, is a breach of the prohibition on providing parliamentary services in paragraph 8(d) of the Code.

67. An agreement by a member to help establish an APG would in my judgement also contravene the onus on members to observe the general principles of conduct identified by the Committee on Standards in Public Life, which are incorporated in paragraph 9 of the Code of Conduct, in particular the following principles:

“Selflessness: Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends.

⁶⁴ <http://www.parliament.uk/documents/pcfs/all-party-groups/guide-to-the-rules-on-apgs.pdf>

Integrity: Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties.

Leadership: Holders of public office should promote and support these principles by leadership and example.”

68. Very early on in the conversation with the undercover reporters they mention on three occasions that they are interested in creating an all-party group on solar energy.⁶⁵ Later in the conversation they discuss the creation of an all-party group in more detail:

“Male Reporter: One of the things we’re really keen on is setting up an all-party parliamentary group on solar energy. Do you think you would be able to help us with that?

Lord Mackenzie: Yes, I could certainly help with that. That’s no problem

Female Reporter: Brilliant.

Lord Mackenzie: You wouldn’t want to be part of another group, because there are a lot of groups?

Female Reporter: Well we just sort of think that having our own group is better because it means we’re not competing. We can kind of keep a tighter rein on the agenda.

Lord Mackenzie: Solar energy is a particular type [of] business.

Female Reporter: Yes.

Lord Mackenzie: So it’s a fairly specialist ...

Male Reporter: Yes, I think we need someone in the first instance to sponsor it.

Lord Mackenzie: Exactly right, yes.

Female Reporter: Would you be able to do that?

Lord Mackenzie: Yes, it’s no problem.

Female Reporter: Brilliant.

Male Reporter: Then we need to find a number of people ...

Lord Mackenzie: You’ve got to get, I’ve forgotten what the quorum is.

Female Reporter: I think it’s 20.

Lord Mackenzie: That’s right, 20 people. And it would be useful for me to get an ally in the Commons.

Male Reporter: Yes, of course.

Lord Mackenzie: Who would do it so you have a foot ...

Female Reporter: Would you have anyone in mind that you’re particularly close to?

Lord Mackenzie: Yes, I’m sure I will have. I’ll give it some thought.

Female Reporter: Okay.

⁶⁵ Appendix E, pages 52, 53 and 56.

Male Reporter: And do you think you might be able to drum up enough people to make the all-party parliamentary group?

Lord Mackenzie: That's not a problem. You always get enough people. I'm on a number of those groups that I never attend.

Female Reporter: Really?

Lord Mackenzie: I mean somebody stops you in the street and says you're interested in archaeology, aren't you? Not really. Well you're on the group.

Female Reporter: Right.

Lord Mackenzie: So getting numbers is no problem.

Female Reporter: How do you get people interested in it? I mean, because maybe there's an extent to which it's that, do you, would, I don't know but are there particular things you can do or events you can lay on or whatever?

Lord Mackenzie: I don't think this is an issue. Most people in public life would be interested.

Female Reporter: They'd be quite intrigued, yes.

Lord Mackenzie: In solar energy, yes. I don't think it would be very difficult.

Female Reporter: Okay.

Lord Mackenzie: It's a very popular sort of area. Not like some of these weird and wonderful groups they have on all sorts of things.

Female Reporter: Would you chair the group for us?

Lord Mackenzie: Yes, more than happy.

Female Reporter: Fantastic. That would be really great. Having someone of your stature would be really, really useful. Is it a useful way, do you think, for a company like ours of kind of using it as a platform to put forward our technology and make our case?

Lord Mackenzie: Oh absolutely, absolutely and, of course, quite often the press pick up things from it. You get a bit of free publicity if a statement is being made and of course you could invite people to it because Parliament is an excellent forum that people will turn up.

Female Reporter: Right.

Lord Mackenzie: So you can invite people from outside Parliament. It's not as though you are confined to members. You can bring interested people to the meetings and invite specialist speakers to speak on whatever it is that you're discussing. Obviously we have to work it out, and figure out what ...

Male Reporter: Yes, we saw it as a quite good, quite a useful bed for making political connections.

Lord Mackenzie: It's an excellent networking opportunity.

Male Reporter: But it's also quite a, it might turn out to be quite a powerful advocate for our sort of product.

Lord Mackenzie: Yes, very much so. Yeah, yeah.

Male Reporter: And so if we had, say, someone like you as chair, you could, say, write to the minister as the chair of your party group or something like that, which would be really useful. Or, alternatively, we could maybe host receptions or things like that.

Lord Mackenzie: Absolutely, yes. That happens all the time.”⁶⁶

69. During that exchange Lord Mackenzie agreed to approach enough members to set up an all-party group on solar energy; he said he would be “more than happy” to chair it; he agreed that the group would be a useful forum for the client making political connections; he agreed that the group could be an advocate for the product; and he agreed that he could, as chair of the group, write to a minister. Later in the afternoon, after he had met the undercover reporters, he emailed them saying, “An after-thought—an all party parliamentary group would need an admin staff to run it. I am sure there are experienced people who do this and I can check this out if you wish—let me know please.”⁶⁷

70. In his first submission to me Lord Mackenzie said that he saw APGs as “interest groups and not lobbying groups.”⁶⁸ In his second submission he said that he made the offer to set up an APG “in the context of an interest and networking group with ministers and other professionals speaking occasionally and not as a group promoting a particular company or product.”⁶⁹ He reiterated that point in my interview with him;⁷⁰ he said that he “wouldn’t have even considered [setting up the APG] if I had known that [lobbying and promoting the company] was what they were hinting at—and as far as I was concerned, they were not hinting at that.”⁷¹ Yet in my interview with Lord Mackenzie he accepted that he had no intention of starting an APG without C&G’s prompting.⁷²

71. Yet in the conversation with the reporters they ask whether it would be “a useful way ... for a company like ours of kind of using it as a platform to put forward our technology and make our case?” Lord Mackenzie replied, “Oh absolutely, absolutely and, of course, quite often the press pick things up on it. You get a bit of free publicity if a statement is being made”.⁷³ The male reporter later said, “it might turn out to be quite a powerful advocate for our sort of product”, to which Lord Mackenzie replied, “Yes, very much so. Yeah, yeah.”⁷⁴ The reporters earlier rejected Lord Mackenzie’s question about whether they would “want to be part of another group” (an idea Lord Mackenzie did not pursue) on the ground that “having our own group is better because ... we can kind of keep a tighter rein on the agenda.”⁷⁵

72. The transcript makes clear that the intention of the undercover reporters was to create an APG which would be used to promote the new solar energy product. Like any other APG, it might also be used as a forum for wider discussions about the issue; but the intention of the reporters was clear. At no point during the

⁶⁶ Appendix E, pages 64–66.

⁶⁷ Appendix F.

⁶⁸ Appendix D, para 27.

⁶⁹ Appendix G, para 5.

⁷⁰ Appendix H, page 93.

⁷¹ Appendix H, page 96.

⁷² Appendix H, page 96.

⁷³ Appendix E, page 65.

⁷⁴ Appendix E, page 65.

⁷⁵ Appendix E, page 64.

conversation did Lord Mackenzie question whether setting up an APG would be within the rules, or express any reservation about the propriety of setting up an APG with the intention of promoting the product. The opposite: he readily agreed to the suggestions that he chair the group and requisition other members for it, and emailed the reporters after they met with further thoughts about setting it up.

73. In one sense the purpose for which the proposed APG was being set up (whether to promote the company and lobby others, or simply—as Lord Mackenzie suggested—as a discussion forum) is irrelevant: agreeing to set up an APG in return for payment or other reward is against the rule prohibiting the provision of parliamentary services, regardless of the purpose of the APG. That said, if the purpose of the APG was to promote the commercial interests of a particular organisation which would be paying the member, in my view that compounds the member’s culpability.

74. In my interview with Lord Mackenzie he said he would not have helped set up an APG “if I’d thought for one moment that it was a breach of any rules—and as far as I’m concerned, it wasn’t.”⁷⁶ Yet in his email to the reporters on the evening after their meeting (in which he withdrew any offer to work for the client) he said he had reread the Code of Conduct and “it is clear” that “setting up an APPG on Solar Energy in parliament” with “a view to promoting the interests of your South Korean Client would be a breach of the code”.⁷⁷

75. I find that Lord Mackenzie agreed to help create an APG at the behest of C&G and that the primary purpose of creating the APG would have been to further the interests of the new solar energy product. In my judgement this agreement was sufficiently unambiguous as to constitute an agreement to accept payment or other reward in return for providing a parliamentary service, in breach of paragraph 8(d) of the Code of Conduct. I also judge it to be a breach of the requirement in paragraph 8(b) of the Code for members to act always on their personal honour. These findings are reinforced by my finding that Lord Mackenzie’s actions in agreeing to set up the APG constituted a failure to observe the seven general principles of conduct, in particular the principles of selflessness, integrity and leadership.

⁷⁶ Appendix H, page 98.

⁷⁷ Appendix F.

Summary of findings

76. In this report I have made the following findings about Lord Mackenzie of Framwellgate:

- Lord Mackenzie breached the requirement in paragraph 10(c) of the Code of Conduct to “act in accordance with any rules agreed by the House in respect of ... the facilities of the House” by not complying with the rule on the use of Refreshment Department functions that “functions are not to be used for the purposes of direct or indirect financial or material gain by a sponsoring Member, political party, or any other person or outside organisation” because his statements to the undercover journalists demonstrate that the Ivy Link lunch was held for the purpose of increasing business to Ivy Link.
- Lord Mackenzie did not breach the rule that “Members may not sponsor promotional functions for companies in which they have a direct pecuniary interest” because he asked Lord Brookman to host the Ivy Link lunch on his behalf.
- However, in seeking to evade the bar on members hosting promotional events for companies in which they have a direct pecuniary interest, I find that Lord Mackenzie did not act on his personal honour, and so breached paragraph 8(b) of the Code of Conduct.
- As no specific parliamentary services were proposed by the undercover journalists—matters were discussed in general terms—and no agreement was reached that Lord Mackenzie would be retained by C&G (or the South Korean client) there is not sufficiently strong evidence for me to find that Lord Mackenzie agreed to provide parliamentary services in return for payment, in contravention of paragraph 8(d) of the Code of Conduct.
- Taking the conversation as a whole, Lord Mackenzie demonstrated a clear willingness to negotiate an agreement which would involve him providing parliamentary services in return for payment. In accordance with the precedent set in the 2009 report, I therefore find that Lord Mackenzie failed to act on his personal honour, and so breached paragraph 8(b) of the Code.
- Lord Mackenzie agreed to help create an all-party group at the behest of C&G and the primary purpose of creating the APG would have been to further the interests of the new solar energy product. In my judgement this agreement was sufficiently unambiguous as to constitute an agreement to accept payment or other reward in return for providing a parliamentary service, in breach of paragraph 8(d) of the Code of Conduct. I also judge it to be a breach of the requirement in paragraph 8(b) of the Code for members to act always on their personal honour. These findings are reinforced by my finding that Lord Mackenzie’s actions in agreeing to set up the APG constituted a failure to observe the seven general principles of conduct, in particular the principles of selflessness, integrity and leadership.

77. Having made these findings I should refer, in mitigation, to Lord Mackenzie’s co-operation in my investigation. He made full submissions in a timely manner,

agreed to an interview in London during the middle of August and was generally helpful and co-operative throughout my investigation.

Paul Kernaghan CBE QPM
Commissioner for Standards

Appendix A: *Sunday Times* articles, 2 June 2013

How to buy a group of MPs and peers

THREE peers were caught on film offering to help set up, in exchange for cash, an all-party parliamentary group as a vehicle for a private company to lobby for new laws.

Lord Laird, Lord Mackenzie and Lord Cunningham told undercover reporters that it would be easy for them to recruit the critical mass of MPs and peers needed to set up a group on solar energy, which could be controlled by a company in South Korea.

It comes after the MP Patrick Mercer resigned the Tory whip on Friday, having been caught allegedly setting up an all-party parliamentary group (APPG) and tabling parliamentary questions for reporters posing as lobbyists.

Mackenzie said he could “certainly” help the reporters establish a APPG on solar energy if they employed him and would be “more than happy” to chair it.

Asked if, as chairman, he could write to ministers and host receptions on the group’s behalf, he replied: “Absolutely, yes. That happens all the time.”

He added that “it would be useful for me to get an ally in the Commons”.

Drumming up enough members would not be a problem, he said, especially if the group promised free food and drink. “You combine it with a reception . . . that helps get people to come,” he said.

Mackenzie later wrote to the fake lobbyists stating that he could not take part in the proposal to launch an APPG as that would breach the rules.

Laird warned the reporters that they would have to throw money at the group to tempt parliamentarians to join with the promise of free trips abroad. He said he was preparing to take some members of the group on Azerbaijan to Baku, its capital, the following week.

He said: “The point is, to put it crudely, there’s a bit of money involved . . . because you’ve got to pay for a lot of these guys to go out there and do all sorts of stuff . . .

“They’re not going to pay for themselves.”

Laird added: “It’s almost a case of some of these guys think of it as, we need an all-party group of one-legged lesbians for Europe because it gives you a better position . . . It gives a guy a place. Everybody else is a bloody chairman of an APPG, why can’t I be a chairman of an APPG?”

He went on to say he could not chair the group but “tactics-wise” it would be “better” to find an MP to do it.

Cunningham said he could aim to have an APPG up and running by October when parliament reconvenes, if the reporters employed him.

Asked whether he would be prepared to act as an officer of the group, he said: “I think we should leave that unanswered, because that may be almost necessary if the thing’s struggling to get going, but if we could get it going . . . with me as a member and other chairs that might be better . . . Because some people will just shoot at the group straight away and say it’s only me earning money.”

Cunningham said he might be able to chair the group, but would need to check the rules first.

A minimum of 20 MPs and peers from all three parties are needed to set up an APPG. There are no clear rules governing the use of groups as a lobbying vehicle for business because they are not formal institutions of parliament. Concerns have been raised that they are used as a back door into Westminster.

‘Getting to see ministers is part of the package’

Three peers have been filmed revealing how they can pull strings for lobbyists in return for cash payments. Insight reports

THE corridors of the House of Lords were emptying for the Whitsun recess as Lord Cunningham tied up loose ends in his office and prepared to head north for an angling break in his native Cumbria.

The former Labour minister—who earned the nickname Jack “Boots” Cunningham during his stint as Tony Blair’s Cabinet Office enforcer—was ready for a break from juggling his role as a seasoned public affairs adviser with life in the Lords. But when a message came in from a Swiss company offering to pay handsomely for his political services, Cunningham did not risk missing the chance by making them wait.

Within a few hours one of new Labour’s biggest beasts had rushed across London to a secluded Mayfair hotel where he shared a bottle of Riesling with two unknown executives and boasted that he was the political mastermind they needed to usher them into the corridors of power.

The pair told him they wanted to hire someone inside parliament as an adviser and advocate to help them lobby for changes in the law that would benefit a solar energy client in South Korea.

“None of that is a difficulty,” promised Cunningham, who was elevated to the peerage after standing down as an MP in the 2005 election. He told the executives that he offered “value for money” because he was connected “across the party spectrum” after 40 years in parliament.

“Knocking on doors, introductions and getting to see people including, if necessary, the ministers—that is part of the package,” he went on.

What Cunningham did not know was that his two interlocutors were undercover reporters for *The Sunday Times* who were secretly filming him as he laid bare the ways in which he would pull strings in parliament for cash.

They had arranged to meet him as part of an investigation into the various avenues through which private business can pay to have a hidden hand in the workings of Westminster. This newspaper began its investigation after being tipped off by a well connected Conservative source that the Lords was “infested” with “subsidised public relations people ... cashing in on their contacts”.

One Liberal Democrat peer said: “Many of my colleagues struggle to avoid the temptation to make money in this way and they really don’t understand what is wrong with approaching a minister or raising issues in the chamber on behalf of a client.”

In 2009 *The Sunday Times* had exposed how some peers were willing to amend laws for cash, prompting a crackdown by the authorities.

Peers were already prohibited from paid advocacy, attempting to influence parliament or touting the Lords facilities for cash, but new rules banned them from being paid for any form of parliamentary advice or services to try to stamp out insider lobbying in the wake of the scandal.

This applies even if they declared a financial interest in the subject of the debate, as all three of the lords said they would do if they were paid by the company.

The reporters went undercover to investigate whether attempts to sweep out wrongdoing had failed and contacted 14 peers offering themselves as consultants—five Tories, seven Labour, one crossbencher and one Lib Dem.

Four Labour peers and one Tory agreed to meet them, although the Tory pulled out at the 11th hour after party whips sent out a warning of a suspected undercover investigation.

The reporters found there was no limit to how high up the political ladder Cunningham was willing to climb to push their client's technology. "There's no reason why—if we should work together—I shouldn't write to the appropriate secretary of state or to the prime minister and say, look, this is something I think you should look at," he offered.

The leading Labour peer, a member of the Privy Council of honorary advisers to the Queen, went on to boast that he had lobbied the previous two prime ministers on behalf of two clients, an engineering giant and a construction firm, although that was not necessarily a breach of the old rules .

He said he had seized the chance to promote the construction company's green technologies to David Cameron during a chance meeting at Heathrow and the prime minister had told him to "drop me a note about it". As a result he claimed Cameron had written to Chris Huhne, then energy secretary, and "told him to co-operate with us on it".

As this meeting was a chance encounter outside the Lords it was not a breach of the rules, but Cunningham used it as an example of the access he could offer. Bending the prime minister's ear was not all he could do: he would also be a client's advocate in the Lords. He could ask questions on behalf of the undercover reporters and "get other people to ask questions as well".

They could also use the House of Lords terrace to mingle with politicians and impress clients if they employed him.

"You'd have to get someone, mainly me if we were working together, to book the thing for you," he said.

"Then you invite people, parliamentarians from both houses across the spectrum ... then your clients mingle with them and meet them and people will be making kind of sidebar appointments to meet for further chats ... Done properly and efficiently, that can work very well."

The rules ban members from receiving "payment or any other kind of benefit, such as an offer of employment based on the ability to provide access to House of Lords facilities".

Despite Cunningham's enthusiasm for the proposed task he was not satisfied with the offer of £120,000 a year for two days' work a month.

"Are you suggesting £10,000 a month?" he asked. "Make that ... £12,000 a month. I think we could do a deal on that. And then it doesn't matter. Monday to Sunday, you can contact me.

“Phone me, send me an email, you can say could I come and talk to somebody, could I invite somebody to the House of Lords for lunch, whatever. All that comes with the deal.”

Cunningham emphasised that he would list the payments from the reporters’ fake client in his register of interests and would declare that he had a financial interest when advocating its solar technology in the Lords or lobbying government figures. “I declare everything ... I always stick exactly to the rules,” he said.

His declarations could not, however, have made clear that he would have been acting as a paid advocate or parliamentary adviser, because both are banned under the rules. Peers are allowed to speak out on topics which they believe are of public concern even if they happen to coincide with a financial interest, but cannot do so if they are being paid to push a client’s agenda.

The new Labour heavyweight was not alone in offering to ply the fake South Korean solar company’s business in parliament. In three days late last month the reporters met three peers who were eager to help for the right fee. The others were Lord Mackenzie of Framwellgate, Blair’s former law and order adviser, and Lord Laird, a prominent former Ulster Unionist.

At a meeting over afternoon tea at the Corinthia Hotel in London, Mackenzie told the reporters: “I’m certainly somebody that can stand up and speak about issues. That’s one of the important skills, I suppose, of being a parliamentarian. I can be an advocate.”

The former Durham police chief superintendent was prepared to speak on behalf of clients in the Lords. He was also ready to lobby ministers directly. “I’ve got access to people that you probably wouldn’t have access to if you weren’t in the House of Lords,” he said.

“I mean, the advantage is when you’re voting, for example ... you’ve got the ministers voting at the same time, so you can bend their ear. You can’t get through the civil service normally.”

He said he had lobbied Lord West, then a security minister, on behalf of a security company paying him to act as a consultant. The firm was trying to sell a security system to protect the houses of parliament from “marauders”.

Parliamentary records show that he asked Lord Henley, then Home Office minister, whether he knew that the company had approached Olympic bosses about using the system to protect the 2012 Games arena last July. Although he declared he had an “interest”, it was not made clear that he was working for the very company selling the radar.

Yesterday Mackenzie strongly denied that he had lobbied ministers on behalf of any commercial interest and said he had not spoken to West about the security firm.

Mackenzie said he could write letters for the reporters’ client and would be more likely to command a reply because of his status as a member of the Lords. “Writing to ministers is a classic example. If the average guy on the street writes to ministers, it rarely gets past the civil servants, but if I write then at least I’ll get a reply. It might be the wrong reply, but at least I get a reply,” he said.

Mackenzie, like Cunningham, emphasised that he would declare an interest in the topic under discussion when lobbying because “the trick of the game now is to be open about what you’re doing”. But his declarations could not have made clear that he would have been paid to act as an advocate or exert parliamentary

influence on behalf of a client because the rules do not allow it. Mackenzie also offered the banqueting facilities of the Lords as part of the package.

He said his ability to host events in parliament—including the terrace—was “the main attraction” of being in the Lords: “I’ve chaired, hosted a lot of functions and it’s a great venue. They’ve got wonderful facilities and also people will come.”

He told the reporters: “You’ve got to look around because it’s a stunning place and I do a very mean tour,” offering them the silver package, the gold package or the “Jeffrey Archer package” in which “I just make it up”.

Laird was also happy to mastermind a parliamentary lobbying campaign—“for a minor consideration, of course”. The flamboyant crossbencher, who bills himself as a “professor of PR and public affairs”, told the reporters: “All you’re simply doing, really, is using the services of a public relations guy who happens to be in the Lords. It’s like going to a dentist who happens to be in the Lords.”

Over lunch in London last month he explained what that would entail if they hired him. “We can run debates, we can take part in debates ... put down amendments in debates, putting down questions or writing to the minister.”

Laird said he would not “cross the line” into what he called “the bad area” and emphasised he would declare the payment the reporters were offering. But he said there was a “soft underbelly” that he could exploit when declaring an interest in correspondence: “What you do is you say dear, whatever it is, Fred or whatever minister, I want to discuss such and such, I do have an interest in this topic. That’s all you have to say.”

He boasted that if he wrote to ministers on the client’s behalf, he was guaranteed a reply setting out government policy in good time, because failing to respond to a peer was a “breach of parliament”.

Laird said he would help the reporters to command a “coterie” of MPs and peers who would do their bidding in parliament: “The key to this is the backbenchers. You go to government and their civil servants will not allow them to do anything ... outside the frame of what the civil servants want.

“You need the backbenchers, guys like myself, in both chambers, who hold the government to account ... So you’ve got to build up a good lobby there.”

Laird told the reporters the Lords was a great place to host clients because their awe at the setting “softens them up”.

“I find it’s easier to do—particularly with foreigners—business in the Lords, because they get carried away,” he said. “They go into a state of euphoria—particularly the Americans.”

Laird made his derision for many of his fellow peers plain. He told the reporters, “The trouble is in the Lords they tend to be homosexuals”, and joked that his colleagues were obsessed with gay issues and foxhunting: “Homosexuals and foxes are the only thing that fill the bloody place.”

He also poked fun at elderly hereditary peers, saying: “They all speak like 1950s cars—it takes a while to start them up.”

The day after the meeting the reporters emailed Cunningham to withdraw their offer of employment. Three hours later he sent back a terse email saying he would not work for them and wanted no further contact with their company.

Shortly afterwards, around the time the reporters were taking tea with Mackenzie, Cunningham contacted his party whips' office to raise concerns that he had unwittingly met undercover reporters.

The whips quickly emailed peers warning that a member had been approached by a lobbying company "that we can find little trace of internationally" and "we are concerned that this may be linked to a prominent national newspaper".

Mackenzie emailed the reporters cheerfully after they parted to thank them for a "very interesting meeting" and offering some more thoughts on the discussion. But by that evening he had changed his mind. He emailed to say he had now checked the rules and realised that hosting "functions in the Lords with a view to promoting the interests of your South Korean client would be a breach of the code".

He said that these were "complex matters" and "such a financial relationship would be improper" and therefore he could not take the matter further.

Two days later the warning appeared to have trickled through to Laird. His assistant, Kevin Cahill, who had accompanied him to the lunch earlier that week, emailed the reporters' fake company to accuse them of attempting to bribe parliamentarians. He said he and Laird knew he was being set up all along and had met the reporters to "obtain formal evidence of what you were up to—and to have a free lunch".

Yesterday Laird said he had referred himself to the "appropriate authorities" and emphasised: "I did not agree to act as a paid advocate in any proceedings of the House, nor did I accept any payment or other incentive or reward in return for providing parliamentary advice or services. I have not broken any rules."

In a statement Mackenzie said: "I totally refute that I have breached any of the parliamentary rules or lobbied on behalf of any commercial organisation in parliament or abused my position in any way.

"Within six hours of the meeting I sent an email to the so-called representative of the South Korean company pointing out that such a financial relationship with them would be improper and that I would not be taking the matter further. At this point I still thought they were genuine."

Cunningham, too, claimed he had grown wary of the reporters during the meeting and said his request at the end of the meeting for £12,000 a month—£2,000 more than their initial offer—was to "test this suspicion".

He emphasised: "I deny any agreement to operate in breach of the House of Lords code of conduct and in fact recall that I made it clear that I would only operate within the rules."

He also denied lobbying two prime ministers.

Cash for access: Lords exposed, 'Make that £12,000 a month and I think we've got a deal'

PEERS have been caught offering to ask parliamentary questions, lobby ministers and host events on the House of Lords terrace for cash by *The Sunday Times*.

Three were secretly filmed by reporters revealing their willingness to flout rules banning them from using their power and influence in parliament for paying clients.

Lord Cunningham, Lord Mackenzie of Framwellgate and Lord Laird offered to become paid advocates for a firm pushing for new laws to benefit its business. They also said they could set up an all-party parliamentary group as a lobbying vehicle.

Laird and Mackenzie revealed how some peers were colluding to hide their conflicts of interest from public scrutiny by striking secret job-swapping deals in which they pulled strings in parliament for each other's clients.

Cunningham, who as Jack Cunningham had been Labour's Cabinet Office minister, offered to write directly to the prime minister to push the company's agenda.

The peers offering Westminster for sale can be exposed after this newspaper went undercover to investigate allegations that the Lords had become "infested" with peers acting as paid lobbyists and using parliament as a "business centre".

Cunningham, a privy counsellor who led the joint committee on Lords reform under Tony Blair, asked for a fee totalling £144,000 a year to provide a personal lobbying service.

"Are you suggesting £10,000 a month?" he asked. "Make that ... £12,000 a month. I think we could do a deal on that."

He told the reporters, who were posing as representatives of a South Korean solar energy company, that he would advise them on parliamentary affairs and become their advocate at Westminster.

Cunningham said he offered "value for money" because he could introduce them to senior figures in all three parties. "Knocking on doors, introductions and getting to see people, including if necessary the ministers—this is part of the package," he said.

He would be happy to ask questions in the Lords and could "get other people to ask questions as well". He could also host receptions on the terrace for the reporters and their fake client so they could "mingle" with politicians.

The rules governing the conduct of members of the House of Lords were tightened after *The Sunday Times* exposed peers willing to help amend laws for private clients in 2009. Members were already banned from being paid to act as advocates, trying to influence parliament or hosting functions in the Lords. But the new code of conduct goes further by banning them from "seeking to profit from membership of the House" by offering "parliamentary advice or services" of any kind even if they declared a financial interest, as all three lords said they would.

Mackenzie, Blair's former law and order adviser who was once a chief superintendent in Durham police, explained how he had devised a ruse that allowed him to host events for paying clients—including on the terrace.

"There is a rule that you shouldn't host a reception in parliament where you have a pecuniary interest," he said.

"I thought that's bloody nonsense. Nonetheless ... how would you get round that?"

"I just say to a colleague who has nothing to do with it, would you host a function for me?" He added: "Of course, I do the business anyway, but that gets round it."

Mackenzie was also happy to ask questions and approach ministers in the Lords to "bend their ear".

Laird, the former prominent Ulster Unionist John Laird, told the reporters that he swapped the task of asking parliamentary questions for paying clients with other lords.

“Some of the guys for instance in the Lords ... I will get to put down questions for me ... and then I put down questions for them,” he said.

He laid bare all the ways he and a “coterie” of friendly peers could help the reporters lobby for new laws. “Look, we can run debates, we can take part in debates ... put down amendments in debates, holding debates, putting down questions, or writing to the minister,” he said. Laird boasted that the Lords was a great place to do business because clients “go into a state of euphoria” and “it softens them up”.

Cunningham, Laird and Mackenzie all offered to recruit the number of MPs and peers required to set up an all-party parliamentary group (APPG) on solar energy as a lobbying vehicle as part of the deal.

Mackenzie said he was “more than happy” to chair the group, which would be steered by the fake South Korean company, and agreed it would be a “powerful advocate” in parliament for its solar products.

He said his role as chairman could include writing to ministers and hosting functions. “That happens all the time,” he said.

The rules governing the use of APPGs to lobby for private clients are unclear.

Lord Lester, the leading QC and a Liberal Democrat peer, said last night: “The code is clear but it is not enough. What matters more is a culture of integrity, openness, accountability and honesty. That is why the role of the independent press is so vital in exposing public malpractice.”

Each of the peers emphasised that they would declare any payment from the reporters in their register and when advocating solar energy in the Lords or in writing to ministers. Cunningham told them: “I stick to the rules.”

Peers are allowed to speak out on topics they believe in even if they happen to coincide with a financial interest, but cannot do so if they are being paid to push a client’s agenda.

Three hours after the reporters had emailed withdrawing their offer, Cunningham wrote: “I have considered your proposal and have decided to decline it. I do not want any further contact with your organisation.”

The same day he contacted his party whips’ office to raise concerns that he had been targeted by an undercover operation. The whips quickly emailed peers warning that one of its members had been approached by a lobbying company “that we can find little trace of internationally” and “we are concerned that this may be linked to a prominent national newspaper”.

That evening Mackenzie emailed to say he could not do what he had offered because it would be a breach of the code. Laird’s assistant emailed two days later, after the whips’ warning had been passed to crossbenchers, to accuse the reporters of trying to bribe a parliamentarian. Laird claimed he had known all along he was being set up and had met them only to gather evidence and “have a free lunch”.

Yesterday Laird referred himself to the Lords authorities and issued a statement saying: “I have not broken any rules.” He emphasised that he had “not agreed to act as a paid advocate”. Mackenzie said he had not breached any parliamentary rules or lobbied on behalf of any commercial organisation in parliament.

Cunningham also said he had known he was speaking to undercover reporters during the meeting and had asked for £12,000 a month as a way of “testing their credibility”. He stressed that he had not broken the rules and had not entered into any agreement in breach of the code of conduct.

Appendix B: Email from Lord Mackenzie of Framwellgate to the Commissioner, 1 June 2013

I have been notified that there will be an article in the *Sunday Times* tomorrow making certain allegations against me.

I totally refute any wrongdoing and wish to refer the matter for independent investigation by yourself.

I attach a copy of a statement I have prepared.

Thank you and I look forward to hearing from you in due course.

Statement of Lord Mackenzie of Framwellgate

On Tuesday 21 May 2013 I received the following email:

Dear Lord Mackenzie,

I hope this finds you well. I'm getting in touch because my company, Coulton & Goldie Global, a Zurich-based strategic consultancy, is setting up a UK operation and we are looking to recruit a select group of expert consultants to support our work. One of our most exciting new projects involves building a European launch strategy for a leading-edge solar technology developer in the far east, with the UK as the market-entry point.

Engaging with decision-makers about the green policy environment is a vital part of our strategy and we feel that your political and business acumen could be a great asset to us in bringing this venture to fruition.

The client is developing a range of solar PV nano-cell technologies which represent a bold leap forward in the fight against climate change and we believe could be a crucial breakthrough in the British government's progress towards meeting its renewable energy and zero carbon homes targets. The consultancy work would take up around a day or possibly two each month with an extremely generous remuneration package including a quarterly bonus.

If this is an opportunity which may interest you, my colleague James Lloyd and I are in the UK this week and would welcome the chance to tell you about it - perhaps over lunch or dinner?

Robyn Fox

Senior Analyst

COULTON&GOLDIE GLOBAL

As a result I told them that I was interested in green issues and carbon reduction and arranged to meet them in a London Hotel. They outlined the project relating to a South Korean business man who had invented an extremely efficient solar

panel window which he wanted to market in the UK. They were looking for a consultant to assist them in launching in the UK market.

I told them I was interested and said that if I accepted the offer the interest would have to be registered in the House of Lords as a business interest. I then outlined what I thought were the parliamentary rules and that issues could not be raised on behalf of third parties. I did point out that members did raise issues relating to their parliamentary interests but if so the matter had to be declared and were usually of general or public interest. Throughout the interview I pointed out that the key matter was total transparency.

My sole interest was in the solar panel company which I thought was innovative and not working for the consultancy who I assumed were charged with finding a consultant.

They then talked of the possibility of setting up an All Party Parliamentary Group on solar energy. I pointed out that there was several energy APPGs with which they could possibly get involved. I know that many APPGs have sponsors who fund meetings etc and said that it would be possible to set up a specialist group to deal with solar energy. We discussed the logistics of this and that I would be happy to chair such a group if sufficient members were interested. I mentioned Jim McNulty MP as a possible member who I had met at a parliamentary reception dealing with Liquid Petroleum Gas. The purpose would be to discuss issues around solar energy with interested parties and its future development.

They mentioned a salary of £120,000 per annum which I have to say I thought was rather excessive.

I outlined to them the limitations on holding functions in the House of Lords and that it could not be done for gain by a sponsoring member or any other outside organisation. I then outlined a function in the Attlee Room which was not commercial but was an energy saving forum involving universities. It was a training and networking function organised by Ivy Link Partnership for which I am a consultant. To avoid any conflict of interest or breach of the rules I arranged for Lord Brookman to host the lunch which was also attended by a junior minister from the Department of Business. There were no commercial benefits or paying clients as it was an advisory forum.

I have certainly never lobbied ministers but I was involved with an Australian Radar Security Company called Dynamiq which was registered as an interest and I did think that Admiral Lord West might be interested as it dealt with waterborne threats, but I never did get round to showing him the presentation.

I also asked a question on Olympic security on 16 July in the Lords during a statement on the failure of G4S to provide sufficient security manpower. It was a general question on technical means of securing large scale perimeters. I mentioned my registered interest and felt it was a matter of public interest because of the security issues. It was not planned and was impromptu on the day.

At the end of the meeting with Robyn Fox and James Lloyd I told them that I was interested in the consultancy with the solar panel company and asked them to let me have further details in writing. I then went back to my office and had a look at the Lords Members Code of Conduct. I reflected that what they were asking was a step too far and decided not to proceed as it would be a possible breach of the Code. I sent them the following email and have not heard from them since. At this point I still thought that they were genuine.

I have now had another look at the House of Lords Code of Conduct and it is clear that functions in the Lords with a view to promoting the interests of your South Korean Client would be a breach of the code as would setting up an APPG on Solar Energy in parliament with the same purpose.

These are complex matters but in the light of the recent changes I feel that such a financial relationship would be improper and therefore feel that I cannot take the matter further.

I have to say the product sounds excellent in terms of energy saving and I wish you well with your project.

I totally refute that I have breached any of the parliamentary rules or lobbied on behalf of any commercial organisation in parliament or abused my position in any way. I have a great interest in renewables, carbon reduction and green issues and when approached by this company (now known to be false) I was more than happy to promote what I thought was a very innovative product (a solar energy window) on behalf of their client.

I gave a description, as I saw it, of what the parliamentary rules were and certainly would not have asked questions provided by any commercial company. I pointed out that if I worked for the company I would need to register the interest and would only ask questions which I thought were of legitimate interest to me, declaring my interest in the topic. Throughout the interview I pointed out several times that the key matter was total transparency.

As a former senior police officer I take great care to conform to the rules of parliament, which are very complex and I have described it as “walking on eggshells”. I would certainly not get involved with a lobbying company. Following my conversation with the fraudulent company it was my intention to discuss the matter with the Registrar of Interest in the Lords [which I have done on previous occasions]. However, it did not get that far. I reiterate that at the interview with the fraudulent consultants I certainly supported the fictional product but certainly would not have lobbied in parliament or asked questions on their behalf.

I am more than happy for these matters to be investigated by the House of Lords Commissioner for Standards and I am confident that I have not breached any part of the Code of Conduct.

Appendix C: Letter from the Commissioner to Lord Mackenzie of Framwellgate, 7 June 2013

I am writing in response to your email of 1 June 2013 referring to me allegations made in *The Sunday Times* on 2 June 2013. In accordance with paragraph 103 of the Guide to the Code of Conduct, I have obtained the agreement of the Sub-Committee on Lords’ Conduct to start an investigation on the basis of your self-referral.

It appears on the basis of the articles in *The Sunday Times* that you may have breached the following provisions of the 2010 Code of Conduct—

7. In the conduct of their parliamentary duties, Members of the House shall base their actions on consideration of the public interest, and shall resolve any conflict between their personal interest and the public interest at once, and in favour of the public interest.

8. Members of the House:

- (a) must comply with the Code of Conduct;
- (b) should always act on their personal honour;
- (c) must never accept or agree to accept any financial inducement as an incentive or reward for exercising parliamentary influence;
- (d) must not seek to profit from membership of the House by accepting or agreeing to accept payment or other incentive.

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

- (c) act in accordance with any rules agreed by the House in respect of financial support for Members or the facilities of the House.

14. A Member must not act as a paid advocate in any proceeding of the House; that is to say, he or she must not seek by parliamentary means to confer exclusive benefit on an outside body or person from which he or she receives payment or reward.

The above provisions are expanded on and supplemented by the Guide to the Code of Conduct, in particular paragraphs 6 to 30 and, in respect of the use of facilities and services, paragraph 101.

I also draw your attention to the seven general principles of conduct identified by the Committee on Standards in Public Life and incorporated in paragraph 9 of the Code of Conduct.

I invite you to respond in writing with a full and accurate account of the matters in question. A response by 28 June 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), and copies of two House Committee reports on the use of House facilities and services.

Paragraph 121 of the Guide to the Code of Conduct requires correspondence and evidence relating to an investigation to remain confidential unless and until published by the Committee for Privileges and Conduct.

Appendix D: Response to allegations by Lord Mackenzie of Framwellgate, 27 June 2013

INTRODUCTION

1] I think this matter needs resolving as quickly as possible because a continuing injustice is being perpetrated. The Sunday Times only last weekend (23rd June 2013) ran another 'Parliament for Sale' 'exposure' which included a reference to the original article of 2nd June which led to my self-referral to the Lords' Commissioner for Standards; and I quote **“Three lords and a select committee chairman are being investigated by the parliamentary authorities after the Sunday Times revealed they were selling themselves as parliamentary advocates for paying companies.”** (My emphasis.) This calumny is compounded by the Sunday Times explicit refusal to let me have

copies of the transcripts of the original interview in order to completely refute the allegations!

2] In essence the allegations made in the front page article of the issue of the Sunday Times of 2nd June 2013, headed “Cash for access: Lords exposed”; the double page spread headed “**Getting to see ministers is part of the package**” on pages 6–7 and the leader headed, “**High time to clean up the House of Lords**” on page 22 were calculated to convey to readers that I was one of three Peers who had “**offered to become paid advocates for a firm pushing for new laws to benefit its business**”. I was alleged to have “**been caught offering to ask parliamentary questions, lobby ministers and host events on the House of Lords terrace for cash**”.

3] The terminology used by the newspaper clearly sets out to convey to readers that I was prepared to act in flagrant breach of the Code of Conduct for members of the House of Lords and the Rules Governing the Use of Facilities.

4] I vehemently refute all such charges and will seek to demonstrate to the Lords Commissioner for Standards and ultimately the House itself that no such breaches occurred as far as I was concerned. I took the utmost care in ascertaining and understanding the rules of conduct and applying them. Indeed I recall expressly explaining to the fraudulent consultants the limits of what peers could and could not do in relation to functions, questions and speeches in cases where there was a financial interest.

5] The important point is that none of what I said at the interview with them was in the context of lobbying. At any job interview the applicant emphasises his or her strengths and highlights the benefits which they could bring to the organisation. I explained what value I could add within the limits of the rules. This is not evidence of rule breaking. Several times during the interview I said that in dealing with the House the “**key was total transparency**”. I am confident that a full record of the interview will bear this out. Again all of this was in the context of a registered interest as a consultant for work with the South Korean solar energy company outside of Parliament. Indeed the initial email on 21st May 2013 inviting me to be interviewed by Robyn FOX and James LLOYD was for a role as consultant for a project “*building a European launch strategy for leading-edge solar technology developer in the far east, with the UK as the European launch strategy for leading-edge solar technology developer in the far east, with the UK as the market-entry point.*” The email made no mention of lobbying in parliament, asking questions or influencing policy. Contrary to the specific allegations made by the Sunday Times, at no point, either in the original email or during the interview, was there any mention of lobbying for changes in the law to befit the new company. In terms it states “**we feel that your political *and business* acumen could be a great asset to us...**” (My emphasis.) [See Appendix F.] As you know, it is well established and accepted that Members of the House of Lords are permitted, and indeed encouraged to pursue commercial, professional and other interests outside the House. The Code of Conduct expressly states: “**Members of the House of Lords have a wide range of outside interests and careers, and the House thrives on their expertise. The Code in no way seeks to either curtail those interests or careers, or to discourage Members from drawing on the knowledge and expertise so gained in their parliamentary work. It is thus entirely appropriate for a Member of the House also to work in any non-parliamentary sphere of activity, for example as chairman or director of a company; as an officer of a trade union; as a doctor or lawyer. Moreover, it is not only permissible, but desirable, that such Members, having**

declared their employment and other interests, should contribute to debate on issues to which their interests are relevant. (Paragraph 17 of the Guide to the Code.)

6] I have to say that from the beginning to the end of my contact with the fraudulent Swiss consultants Coulton & Goldie Global, I was led to believe that the role I would play was as a consultant to the manufacturer to build a European launch strategy with the UK as the Market-entry point. The product was described as being a unique solar panel which was identical to window glass from which it could not be distinguished! Its energy producing qualities were described as being far greater than normal solar panels and it attracted me because of a long time interest in green issues and energy saving projects. I have attended numerous carbon reduction presentations and functions in the Palace of Westminster and assumed that this was the reason I was being interviewed. I also have an interest in a green training and energy consultancy called the Ivy Link Partnership. I answered the initial email with an expression of interest and requested further information. [See Appendix F.] Following further exchanges a meeting over tea was arranged for 3pm at the Carinthia Hotel in Northumbria Avenue, London. [See Appendix F.]

HOSTING FUNCTIONS

7] The article made great play on the fact that Peers **“are striking secret ‘job swap’ deals with friends and colleagues in the House of Lords to hide their *improper* parliamentary work for *private clients* from scrutiny.”** It went on to say that two Lords **“talked candidly about how they persuaded fellow Peers to step in for them when they had a conflict of interest ... [and] ...the ruse described by lords Laird and Mackenzie was used to *circumvent* rules banning them from exploiting their position in the house of lords to *help clients*.”** (My italics.)

8] First of all, if I had thought for one moment that I was breaking the rules governing the use of facilities, commonsense dictates that I would not have “talked candidly about them.” I would also, I would have thought, demanded confidentiality! The event I was talking about, which was organised by the Ivy Link Partnership, was held in the Attlee Room on St George’s Day, Tuesday 23rd April 2013. It was a non commercial event funded by sponsorship, aimed at interested parties in the higher education sector with responsibility for energy conservation, to highlight and discuss the savings which could be made with the proper management of energy utilisation. It is very topical in view of the passage of the Energy Bill through parliament and a junior minister, Viscount Younger of Leckie from the B.I.S. Department attended to give a government perspective.

9] There were no sales or marketing pitches allowed at the function as it was an educational/training event sponsored by ESG Ltd who fully understood the terms of engagement. In conversation at the function I remember the words of Brin Sheridan, a director of ESG, when he commented, **“*it is a prestigious venue which enhances the reputation of the company; we are delighted to be part of the event.*”** The lunch is recorded on the quarterly statistical return provided by the Banqueting Department under **“Universities, schools and Education.”**

10] I was satisfied therefore that the event met the rules laid down in the guidance to the Third Report of the House Committee 2008–09 dealing with Refreshment Department Functions that **“(1) functions are not to be used for the purposes of direct or indirect financial or material gain by a**

sponsoring member, political party or any other person or outside organisation.” As it was a non commercial event I took the view *that its purpose was not direct or indirect financial or material gain.* The fact that some people involved were paid a salary or a fee by their respective employers for doing their jobs could not be construed as an indirect financial gain resulting from the *holding of the event*, because they were being paid in any case.

11] I also noted that the event probably fell within rule (3) of the guidance which states **Subject to (1) above, it is appropriate for function rooms to be used ... for raising parliamentary awareness of policy issues.”** In this case the minister talking about government energy policy.

12] I felt personally that rule (4) of the guidance which prohibits sponsoring **“promotional functions for companies in which they have a direct pecuniary interest”** was not applicable because as I have made clear throughout; it was an educational/training event and not a *promotional function for a company.*

13] Similarly I was satisfied that Explanatory Note (B) did not apply which states **that “members should not receive payment or any other kind of benefit, such as an offer of employment based on the ability to provide access to House of Lords facilities ...[and] ...outside organisations must not use functions to drum up business or as a perk for existing clients or shareholders.”** I also recalled the comments of Brin Sheridan (quoted above) whose company ESG was funding the event, when I read the remainder of Note (B) **“However, any reputational benefit that an outside organisation derives from holding a function in the House of Lords is not deemed to be a financial or material gain.”**

14] Having said all that, I still did not feel comfortable in sponsoring an event with which I was so closely involved with the organising company, Ivy Link Partnership Ltd. In view of the fact that Ivy Link could have gone to any member of the Lords and asked him or her to sponsor this educational/training non commercial event, it seemed perfectly logical to me to mention it to my close colleague and friend, Lord Brookman, and ask if he would act as sponsor on this occasion. I explained to him that to be on the safe side it was better that I did not sponsor the lunch myself and he readily agreed to host it as he had no connection to the event or financial interest whatsoever. He did of course attend the lunch. There is nothing in the rules preventing this.

15] It can I think be understood, how aggrieved I felt therefore when I saw the Sunday Times describe how **“Three [peers] were secretly filmed by reporters revealing their willingness to flout rules banning them from using their power and influence in parliament for paying clients.”** I was described on page 1 as **“devising a ruse that allowed him to host events for paying clients-including on the terrace.”** Having meticulously gone through the rules in order to stay within them (which I still believe I was) I had explained to the fraudulent consultants what could and could not be done in relation to functions within the rules laid down. Also, the attendees were not paying clients!

16] I was also quoted as saying that the rules were **“bloody nonsense”**. What I was referring to was their complexity; how on the one hand the guidance above (quite rightly) placed restrictions on peers in hosting events for profit; yet in Appendix 1 of the very same rules (quoting an agreement of the House on 16 March 2010) it says **“[the rules] take full account of the importance of Members being able to continue pursuing their outside interests-particularly in an unsalaried House which thrives on their varied**

expertise-notwithstanding that the House sits during business hours and evenings. It then goes on with reference to ‘refreshment outlets’ (such as the Attlee Room) **“However it is acceptable for Members to host meals for purposes relating to their outside interests including their commercial interests.”**

17] It can be understood why I also said (which the media picked up on) **“it’s like walking on eggshells.”** Again I was making the point that you had to be very careful not to put a foot wrong; which is why I spent so much time studying the rules and guidance. It is the spin the press put on things that does the immense reputational injustice, well illustrated when they prefaced that quote with **“He was particularly bitter about how the rules restricted his ability to do business.”** The Sunday Times did not quote the guidance above which stressed **“the importance of pursuing outside interests.”** Or that **“it is acceptable for Members to host meals for purposes relating to their outside [including commercial] interests.”**

18] It was for these myriad of reasons that I decided to go on television and radio on the Sunday the story broke, to emphasise publicly that I believed that nobody could have done more than me to stay within the rules regarding holding events in the House of Lords. This is what I meant when I said during those interviews that the rules may need changing if they did not cover the mischief aimed at. I honestly believe that I did not break the existing rules with regard to functions; that the evidence shows this; and I invite the Lords Commissioner for Standards to find accordingly.

LOBBYING

19] Again, I have always well understood the distinction between being employed as a consultant for outside work and being employed as a lobbyist to influence events inside parliament. I have a lot of commercial experience in my 15 years in the House and have never been, nor would I ever be, involved in any form of lobbying or the application of undue influence for commercial benefit inside parliament. It has to be said however that as Member of the House I have to balance my commercial business interests with my public responsibilities. For example, I would not feel inhibited from speaking or asking a question on a subject where I have a financial interest, providing it is totally transparent and the interest is registered and declared and of course was not to my financial benefit.

20] Throughout the interview with the fraudulent consultants I believe I went to great lengths to point out the difference between the two forms of activities. I recall using the word ‘transparent’ several times during the meeting; and to pointing out the circumstances in which a parliamentary question could be asked within the rules. Again it is disconcerting to find that sweeping generalisations about **“dodging the ban on pushing private business”** is bandied about throughout the media. The Sunday Times in its editorial talked about **“the greed of peers willing to exploit their role for money.”**

21] This is clearly a direct attack on the integrity of parliament and I must reiterate that everything I said in the interview with the fraudulent consultants, was on the basis of providing advice and assistance outside of parliament with the ‘leading edge solar energy development’ described in the initial emailed invitation. If this hyperbole by the Sunday Times is found by the Commissioner to be misleading, and falling well short of the standard expected of good investigative journalism, I think it is incumbent on those making such findings, to speak up for

the good name of individuals duped by this entrapment and indeed for the good name of parliament itself.

22] In my experience as a former senior CID officer, I often applied the rule of thumb that previous misconduct is often an indicator of possible future wrongful intentions and behaviour. I therefore invite perusal of my Hansard record of questions, speeches, amendments and interventions in the chamber over the years and also in my contribution to EU sub-committee F (Home Affairs). I think it will be seen that there are very few, if any, references to commercial matters requiring a declaration of interest. Most of my activities have been in relation to policing, drugs and crime matters in which I have had a professional interest for the last 50 years. I have never lobbied in parliament for any person or organisation in my whole parliamentary life. Nor would I!

23] One particular allegation which I need to put to bed is the quote that I said "I've got access to people that you probably wouldn't have access to if you weren't in the House of Lords." It goes on, "I mean the advantage is when you're voting, for example.... you've got ministers voting at the same time so, you can bend their ear. You can't get through the civil service normally." I did indeed say words to that effect but what I was doing was my 'tour guide's speech' which I use when I show guests round the Palace. I often state that one of the advantages of physically having to vote (as opposed to remotely using technology) is that you get to 'rub shoulders with ministers' *not for lobbying for commercial gain, but for dealing with day to day political issues such as housing or crime where people have written to you. Again, taken out of context the article distorts the meaning of what was truly said! Incidentally the point about my 'tour guide's speech is confirmed later when I told them my story about my 'mean tours' of parliament. The Gold Tour (whole of Palace), The Silver Tour (just the Lords), The Jeffrey Archer Tour (I just make it up as I go along!)*.

24] Again, there is a direct allegation that **"he [Lord Mackenzie] had lobbied Lord West, then a security minister, on behalf of a security company paying him to act as a consultant."** To set the record straight, Lord West was not then a security minister as we were in opposition. He was a friend of mine and because of his naval background I believed he may have been interested in a radar system used to secure the naval base at Sydney Harbour in Australia. I had a video of how the system worked but in the event did not get round to showing it to Lord West. I was simply illustrating how the division lobby was a good way of talking to people who would otherwise be quite remote; again *only for the right reasons and within the rules!*

25] The newspaper goes on **"Parliamentary records show that he [Lord Mackenzie] asked Lord Henley, then Home Office minister, whether he knew that the company had approached Olympic bosses about using the system to protect the 2012 Games arena. Although he declared he had an interest, it was not made clear that he was working for the very company selling the radar."** The question, which was not pre-planned, was asked on 16 July 2012 during a statement on the failure of G4S to provide sufficient manning for securing the Olympic Park prior to the games. It was in my view a very relevant matter of great public interest at the time, as to whether technology could assist in dealing with this national security issue as a substitute for manpower. As the statement and subsequent questions were time limited I did not go into greater detail of my interest other than to draw attention to it in the register. I was simply following the normal practice of members which is to draw attention to the register. Indeed, although I considered it, I felt that had I named the particular

company it might have been seen as an advertisement and a commercial benefit! It will be seen from the question and the answer, there was no possible benefit from the intervention and I simply used it as an example. I was merely highlighting the importance of harnessing modern technology in the fight against terrorism.

ADVOCACY

26] The article states that **“Mackenzie told the reporters, ‘I’m certainly somebody that can stand up and speak about issues. That’s one of the important skills I suppose of being a parliamentarian. I can be an advocate.’ The former Durham Police Chief Superintendent was prepared to speak on behalf of clients in the Lords.”** This is a travesty of what was said because again I was talking about my ability to speak in public (e.g. as an after dinner speaker), promote and endorse the product using my business and speaking ability *outside parliament*. If they had suggested acting as an advocate of the product in the House I would not have gone near it!

ALL-PARTY PARLIAMENTARY GROUPS (APPG)

27] The Sunday Times also pejoratively highlights the fact that I agreed that it would be possible to set up an All Party Parliamentary Group (APPG) on solar energy. It is commonly known that there are hundreds such groups on a whole range of interests from Beer and Badgers; to Policing and Penal Reform. I have always seen them as interest groups and not lobbying groups. It is stated in the article that all three peers **“told undercover reporters that it would be easy for them to recruit the critical mass of MPs and peers needed to set up a group on solar energy which could be controlled by a company in South Korea.”** It went on, **“Mackenzie said he could certainly help the reporters establish an APPG on solar energy if they employed him and would be “more than happy” to chair it. Asked if he could write to ministers and host receptions on the group’s behalf, he replied “Absolutely, yes. That happens all the time.”**

28] The gist of this quote is broadly accurate to my recollection and again is only made in the context of a consultancy with a solar energy company and not with a lobbying company. Many of these APPGs are funded by commercial interest groups who provide administration, hospitality, (liquid and otherwise); and I saw this suggestion as nothing exceptional. What I did say, which was not quoted in the article, was that there are several existing energy and carbon reduction groups which they could join. I was told they wanted their own!

29] As to writing to ministers, again it would be perfectly normal to invite a minister to attend a group meeting to provide a government perspective for all members of the interest group (including MPs and peers). This would be similar to the contribution made by Lord Younger to the energy reduction lunch in the Attlee Room referred to earlier. My involvement with APPGs is quite limited and I submit that there is not one jot of evidence of wrongdoing with regard to these activities. For example, I am a member of the APPG on Policing chaired by Lord Harris of Haringey. The refreshments are funded by the Police Federation amongst others. This is not seen as a lobbying group but a forum for an exchange of ideas by interested parties present. Again it was in this context that I made the offer to set up an APPG and submit accordingly that there was no breach of House rules in discussing these issues.

CLOSURE

30] Following a discussion of about 45 minutes with the fraudulent consultants I continued to express interest in what I believed to be a launch and marketing consultancy for work outside parliament and before leaving asked them to let me have a written record of our conversation and I would consider the matter further. I then left and returned to my office at Westminster. As I have the Codes of Conduct in my office I decided to refresh my understanding of them and began to realise that the way that the discussions had been conducted created difficulties in compliance with the rules; and in any event I was not sure I had the time to spare for what sounded like a large project. I decided to let them know I was withdrawing interest in the project and started to draft an email accordingly.

31] As it was nearing 7 pm I decided to call it a day and walked home to my flat in Pimlico. I still did not suspect any fraudulent activity at this stage. I got home around 7:20 pm, got changed and made a meal. I checked my iPad in the flat that I saw an email from the chief whip, Lord Bassam of Brighton, giving a warning about a fake lobbying company. [See attachment 1 below.] I responded to this by email expressing concern that I may have been duped. [See attachment 2 below.] Over the next couple of hours I went over the interview in my mind and it helped me conclude that my original decision not to take the matter further was the correct one. I therefore completed the draft email on my iPad to 'Robyn Fox' expressing doubts about the ethics of getting involved with the project and wished them well with the project. [See Appendix F.] I received a short reply from 'Robyn Fox', just before 11 pm. [See Appendix F.]

CONCLUSION

32] I am very proud to be a member of the House of Lords and have always acted on my personal honour to uphold the traditions, standards and reputation of parliament. As soon as the Sunday Times notified me of their intention to publish their spurious version of my interview with the fraudulent consultants [see Appendix F], I responded by countering the allegations and asked them to publish my response in full in the interests of balance. [See Appendix F.] Needless to say they ignored my request.

33] At no point was I specifically asked whether, if appointed as a consultant, I would be prepared to ask parliamentary questions to advance the interests of Coulton & Goldie Global or its client, nor was I asked whether I would be prepared to speak as an advocate on their behalf in parliament. Had such enquiries been made I would have made it clear that I could not; and would not do so, since such actions would constitute a breach of the Code. Whilst it is permitted and accepted that peers in the course of their outside interests may speak publicly to promote companies and organisations by which they are employed as consultants, it is not permitted for peers to act as advocates on their behalf in parliamentary debates and proceedings. I believe I made this abundantly clear to the fraudulent consultants, as the full record of the interview will confirm.

34] This submission has been prepared from memory without me being afforded the benefit of seeing a full transcript of the interview recorded by the Sunday Times. As a former police officer of 35 years service, retiring as national president of the Police Superintendents' Association with an 'exemplary service' record, some 15 years ago, I feel extremely angry that my reputation can be trashed by a false and misleading article, fuelled by disingenuous and pejorative 'splash' headlines in a Sunday newspaper in order to sell newspapers! I firmly believe that the article published on Sunday 2nd June 2013, was defamatory in respect of the interview which actually took place on the afternoon of 22nd May at the Corinthia Hotel, London. That lifetime record of achievement can of course

never be fully recovered; and I feel strongly therefore that if it is found by the Lords Commissioner in investigating this matter, that the comments made about me in the paper are totally disproportionate to the actual facts of the case as verified by the transcripts, and amount to such exaggerated and sensational journalism as to be unprofessional and unjust, I am entitled at least to the truth being stated loudly and clearly.

35] I would submit further that in the wake of the Leveson recommendations (which have yet to be implemented), coupled with proven press misconduct in the past, those charged with safeguarding the good name and reputation of parliament have a duty to speak out fearlessly. Parliament should not cowed by newspaper headline writers! Ordinary people find it financially difficult, if not impossible, to take on the might of international press barons in the courts. I therefore welcome the investigation by the Lords Commissioner for Standards as an independent arbiter of the truth of what really happened. A free press is an essential ingredient of a liberal democracy, but when that freedom is abused by journalists in a defamatory attack on parliamentarians, who have been unjustly ensnared by those very same journalists into unguarded comments, it is submitted that this is a breach of privilege, and an attack on democracy itself. The best interpretation of the interview is that we were talking at cross purposes; at worst, they have intentionally quoted me out of context for dramatic effect and sensationalism. In any event none of this provides evidence of a breach of the House of Lords Codes of Conduct or Guidance.

Attachment 1: Email from Lord Bassam of Brighton, Opposition Chief Whip, 22 May 2013, 7.15 pm

Dear Colleagues

One of our members has been approached by a lobbying company that we can find little trace of internationally. We are concerned that this may be linked to a prominent national newspaper and timed to coincide with the arrival in the Lords of the Governments Energy Bill. If anyone is approached you should be extremely cautious and we would be grateful if you could let either Jan or myself know and also alert Jonathan in our office.

Colleagues are reminded that the Lords Code of Conduct is there to assist In making clear how colleagues should deal with their outside Interests. It can be found at <http://www.publications.parliament.uk/pa/ld/ldcond/code.pdf>

Please feel free to give me a call or come and discuss the matter with me anytime. Have a good break and enjoy the recess.

Attachment 2: Email from Lord Mackenzie of Framwellgate to Lord Bassam of Brighton, 22 May 2013, 7.54 pm

Dear Steve

I have a feeling that your recent email regarding lobbying may well concern me.

I had a meeting this afternoon with an analyst and a partner from a Zurich company, Coulton Goldie Global. They represent a South Korean company which has developed a leading edge solar energy product. They were interested in my chairing an APPG on solar energy. I said I had an interest in energy reduction and conservation and would think about it. I mentioned that Jim Fitzpatrick MP who I met at a Calor Gas reception recently might be interested in being involved.

I emphasised the importance of total transparency then dealing with such issues and gave them some examples of previous problems leading to the rules being revised.

There is a website which I checked before going to the meeting but I fear I may well have been duped. I will keep you informed of any further developments and am grateful for your advice.

Attachment 3: Email from Lord Bassam of Brighton, Opposition Chief Whip, to Lord Mackenzie of Framwellgate, 22 May 2013, 8.26 pm

Thanks for getting in touch. You have had the same approach as several other colleagues. We may need to have a conversation. I will get back to you.

Appendix E: Transcript of conversation between Lord Mackenzie of Framwellgate and undercover *Sunday Times* reporters, 22 May 2013

Female Reporter: Hello do you mind shifting along slightly for me ... I can come, thanks, do you want to, thanks.

Male Reporter: Lord Mackenzie was just asking me why, how we got on to him.

Female Reporter: Well we're looking at lots of—basically what we're doing is we're trying to devise a public affairs strategy which would, em which would help us to engage with parliamentarians and sort of decision makers and also other interest groups and things like that.

Lord Mackenzie: So it's the green side of things that you're looking at?

Female Reporter: Yes, I understand you've got - am I right in thinking you have a number of interests in the green side? You have a consultancy which...

Lord Mackenzie: I'm in the various green lobby groups in the Lords.

Female Reporter: Yes, which ...

Lord Mackenzie: [unclear]

Female Reporter: Well, exactly, which makes you quite a good fit.

Lord Mackenzie: We also work with a group called ESG which is the Energy Solutions Group.

Female Reporter: Alright. Okay, yes.

Lord Mackenzie: I did a lot of this sort of work mainly in electricals [sic], works very closely with Siemens.

Female Reporter: Right, that's great yes we noticed that have interest in the greens.

Male Reporter: [unclear]

Lord Mackenzie: Who? ESG? Yes, well, not small, probably £60 million turnover.

Female Reporter: How did you first get into the ...

- Male Reporter: What's their product?
- Lord Mackenzie: Well what they do is they haven't got a product as such they actually go into companies, assess their energy use, suggest ways of reducing the energy take and sometimes 30, 40 per cent will then put monitors in assuming they want to go ahead and, of course, provide the service.
- Male Reporter: Right.
- Lord Mackenzie: And provide all the kit as well, a lot of it from Siemens but we're not tied to Siemens.
- Female Reporter: Great.
- Lord Mackenzie: It's expanding. The guy that runs it, a fellow called Tony Lochery, he's the former managing director of Kwik Fit, which is quite a big organisation in England and Wales.
- Female Report: Right.
- Lord Mackenzie: So I was invited to become their consultant.
- Female Reporter: Oh that's great. How did you get into the energy mix?
- Lord Mackenzie: I was just interested. I have been fascinated by the way the climate is going, climate change and all the rest of it and I got the chance to go to one or two meetings, took an interest and it's really more of an interest thing rather than any sort of skills in that area.
- Female Reporter: It's a great space to be in because it's just, I mean it's all to play for, isn't it really?
- Lord Mackenzie: Exactly right, yes.
- Female Reporter: Are you a member of PRASEG, the renewable energy all party group?
- Lord Mackenzie: Yes, I am.
- Female Reporter: You are, right, because we're quite interested. We're actually quite interested in all-party groups and the way they interact and things.
- Lord Mackenzie: Well there's a lot of them.
- Female Reporter: Yes.
- Lord Mackenzie: A whole range.
- Female Reporter: A huge number.
- Lord Mackenzie: [Topics] of course.
- Female Reporter: We were quite interested in setting up a group on solar energy actually as part of this project because there isn't one.
- Lord Mackenzie: Solar energy.
- Female Reporter: Yes, our client is basically South Korean ...
- Male Reporter: Maybe we should explain. We've done the NDA.
- Female Reporter: You've done that fantastic, We need to get you a drink or something?

- Male Reporter: They're bringing tea.
- Female Reporter: Oh wonderful, you guys have already sorted it all out.
- Female Reporter: Well basically we're working for a South Korean company and they are specialising in a kind of really leading edge solar PV technology which is basically, it's a form of very, very miniaturised solar cell. Because what they're using is polymers rather than silicones, not to get too technical, basically, thank you, and what they've achieved is a transparent form of solar sheet which can be fitted to a window. So what you effectively end up with ...
- Lord Mackenzie: Is it aimed at domestic use, or?
- Female Reporter: We're aiming at, yes, both domestic and commercial I think, because what you've basically got is a solar window which is 75 per cent transparent which effectively is about the same as that glass there.
- Male Report: You wouldn't know the difference, it looks like a clean window.
- Lord Mackenzie: Right.
- Female Reporter: You wouldn't know the difference. It's a 15 per cent efficiency which is actually the same as a standard solar PV installation that you might get on a rooftop, but obviously that's quite visually intrusive.
- The other thing is that with polymers rather than silicone, which is what has traditionally been used for solar PV production, it's a lot cheaper to manufacture and a lot easier to manufacture so what we've effectively got is a cheaper solution which is less visually intrusive and as efficient as what's on the market already.
- Male Reporter: Unlike those ugly things stuck on roofs, you can just have a window.
- Lord Mackenzie: You wouldn't know that it was actually ...
- Female Reporter: You wouldn't know, exactly.
- Male Reporter: [unclear] of a roll out system is if there were like a newspaper or something like that.
- Female Reporter: It's that easy to manufacture.
- Male Reporter: What we're talking about is a layer of plastic polymers. There's some silver nano wires which are invisible but ...
- Female Reporter: That's the things. What the Koreans have been able to do, which is just way, which really sets them apart is the nano technology element which just makes it quite extraordinary. If you think about the practical application for a building, I mean imagine, the dream is a building like The Shard where every pane of glass in that building is solar glass. The kilowatt potential would be just out of this world.
- Lord Mackenzie: [unclear].

Female Reporter: Massively, by a factor of I don't know 10 or something. A standard, to get up to 3.5 kilowatts which would cover about 60 per cent of the energy that an average home uses, we think that would require sort of an ordinary number of windows that you might get in a standard three bed house, possibly, depending on the size of the windows. You might want a couple of Velux windows in the roof or something as well, but effectively that would cover about 60 per cent so for something like The Shard it would be huge.

So yes, on a domestic level we think it's really interesting with incentives like the Green Deal, feed in tariffs and things like that and the government trying to hit zero carbon homes targets, something like this could be a really big game changer but then on the commercial level also, if commercial buildings were to use it, it would be a really good way of cutting down on construction costs, building revenue.

So we are—sorry, James carry on.

Male Reporter: Basically we test to sort of make the way for the product to be launched in the UK which is, where it's going to be launched initially we see the UK is better and important market.

Lord Mackenzie: Yes.

Male Reporter: Because I think apart from, it's sort of a geopolitical bridge between Europe and America.

Lord Mackenzie: That's right.

Lord Mackenzie: Unless you come out of Europe.

Female Reporter: Well you never know these days, do you?

Male Reporter: particularly if we get some government backing, that will go down very well in the rest of the world.

Female Reporter: Yes, the UK's a sort of flagship market in that sense. It's taken very seriously both sides of the Atlantic.

Lord Mackenzie: I am sure the Government will be interested.

Female Reporter: Well that's what we hope. We've got various sort of policy objectives that we're kind of hammering out at the moment, things like, for example, we're still in a kind of blue sky phase but we're looking at things like lobbying for an adaptation of the building regulations to incorporate this sort of technology so that by a particular date every new home that was built would have to use either all solar glass or a certain percentage of the glass would have to be solar, potentially tax breaks for corporations which use this technology in their buildings. You could look at grants for schools to install this stuff, local authority buildings, government buildings.

There are all sorts of interesting potential policy targets, but in the first instance, basically we're expecting, we're just waiting on one more patent on the product and then we're expecting the lab team, who are developing it to hold a press conference in well its sort of mid-June. We're about a month

off, slightly under a month off. They're going to go public with it, which we think is going to cause kind of shockwaves in the scientific community because there's a couple of other teams trying to do something similar, but quite a long way behind.

At that point, what we want to be in a position to do is to start talking to parliamentarians in this country and just kind of creating a climate of interest and opinion around the potential for solar PV to change the way that we think about microgeneration.

Lord Mackenzie: Sounds like a win-win all the way, doesn't it?

Female Reporter: That's what we think. We're really excited. Actually it's a big, big signing for us and ...

Lord Mackenzie: Is there no downside to it?

Male Reporter: Not that we can see.

Female Reporter: Not that we can—because all the downsides to existing solar and technology.

Male Reporter: I mean it could be more efficient. The most efficient solar panels can get to 33 per cent. That's a world record.

Female Reporter: And that's not on the market that's in a lab somewhere, isn't it?

Male Reporter: Ours is about 15 per cent, but the technology's improving all the time. They're doing ...

Female Reporter: Yes, I mean they ...

Male Reporter: And nobody's got close to it, where we are in terms of transparency.

Female Reporter: I think, yes, 15 per cent is about market standard for a solar PV. 20 per cent is the best product on the market, is 20 per cent efficient which is like the amount of light that can be converted to energy basically using the technology, but 20 per cent is the most expensive cutting edge form of solar and that's obviously not glass.

So it's pretty good. We'd probably get to 20 per cent in the end, I'd have thought, but just we're a little way of that.

Male Reporter: Yes.

Female Reporter: So, yes, that's what we're looking for and we've been talking to a few public affairs agencies about potentially coming on board and helping us, but the trouble is a lot of the skills that they offer are fairly similar to the kind of strategic capabilities that we have. So we're not sure whether there'd be a bit of duplication and we wonder whether it's better to have somebody who is actually in parliament, like yourself, who can help build bridges with other parliamentarians, maybe could help us with the establishment of an all-party group or something like that, and could be kind of an advocate for us

and somebody who would guide us and make introductions and things like that.

That's kind of what we're looking for. So that's why we wanted to talk to you.

Male Reporter: Is that the sort of work that you would do?

Lord Mackenzie: Yes, clearly I would have declare that as an interest.

Female Reporter: Yes, of course.

Lord Mackenzie: It goes without saying and I don't think it clashes with anything else that I do. I mean I would need some documentation just to say exactly what it is that we are talking about

Female Reporter: Yes.

Lord Mackenzie: From what you've said, it sounds quite an exciting venture.

Female Reporter: It is really exciting. We'd give you some literature on the product and if we go ahead with it. Also ...

Lord Mackenzie: What timescale are you looking at?

Female Reporter: As I said, it's about four or five weeks before we go public and that's just assuming that this patent's going to be okay, but I think it will. Then I think they're wanting to have it fully licensed and ready for manufacture by, well optimistically, late autumn, but possibly around Christmas depending on, you know, these things always get delayed. So yes, that's the sort of timescale, hopefully early 2014.

Male Reporter: Manufacturing in the UK, which would help ...

Lord Mackenzie: That would be the key, certainly as far as the government is concerned.

Female Reporter: We'd actually quite like to establish a UK subsidiary for Hae Mosu with a UK chairman and things like that, just to have a bit of a public face here. In the first instance we just want to be kind of, once we've got a product that we can actually talk to people about without an NDA.

Lord Mackenzie: Is that the company that's up and running presumably in Korea.

Female Reporter: Yes it is, but it's very, very new because basically it's been a lab team at the Korea Institute of Energy Research who have been working on the product and they have just got to the point where they've said okay, we're basically ready to go to mass production.

Lord Mackenzie: And they will incorporate in this country eventually.

Female Reporter: Yes, that's what we'd like to aim for. So they've established this company which has just had a big cash injection from a venture fund called Daejock Investments and it's actually Yang Jungbock who leads that fund.

Lord Mackenzie: Right.

- Female Reporter: Actually Yang is coming over to visit on 7 June with our two founders Jenifer Coultie and Michael Goldie are going to be coming over with him, so if you were interested and we were all sort of thinking about going ahead, it might be worth you meeting with Yang.
- Lord Mackenzie: Yes, yes.
- Female Reporter: He can explain a lot more about the technical detail of the product. Ultimately, if your—it depends how you're fixed, but ultimately it would probably be worth a trip to the lab just to have a look in South Korea to understand the technology and the way it works.
- Lord Mackenzie: As long as it's not North Korea.
- Female Reporter: No, it's a long way south of North Korea. It's a fabulous place, actually, Daejock, it's this kind of incredible research cluster. It's about an hour and a half out of Seoul.
- Lord Mackenzie: Well they seem to have this sort of innovative sort of ...
- Female Reporter: They're extraordinary, the things they can do I mean they are light years ahead of us.
- Lord Mackenzie: Mobiles and everything.
- Female Reporter: It's kind of frightening. We're being left a long way behind.
- Lord Mackenzie: [unclear].
- Female Reporter: They are.
- Lord Mackenzie: [unclear].
- Male Reporter: Yes, optics nuclear fission but they're particularly good on nano technology, just making things really, really small and [unclear].
- Female Reporter: Who'd have thought that that was going to be such a big thing ...
- Male Reporter: [unclear].these windows is so ...
- Lord Mackenzie: So you couldn't see it.
- Female Reporter: yes ... what conducts them.
- Male Reporter: [unclear] which is about a thousandth the width of a human hair I mean God knows how they get there.
- Female Reporter: Yang will tell you, delightedly, that if you were to drop a cluster of these nano wires into a glass of water ...
- Lord Mackenzie: Is he the ideas man?
- Female Reporter: Well actually he's the lead investor but he's just fallen in love with the product. He's so excited about it.
- Male Reporter: They're called Energy Solution which is quite a famous company in South Korea.
- Female Reporter: They're IT services, so it's quite a different game but he's really fallen for it and he's spent loads of time in the lab with the chief technician talking through and, yes, he's just really,

really so much better on the detail. We need to get our heads across the detail properly, but we're no scientists, but it's incredible stuff.

Lord Mackenzie: Well I'm certainly no scientist.

Female Reporter: But actually, that's there.

Male Reporter: It's simple. It's a window they call them power panes which may or may not be the right product name in the end.

Lord Mackenzie: I think panes is a bit dodgy in English.

Female Reporter: Well, yes, that's the trouble. It doesn't translate that well does it?

Male Reporter: But it's a simple concept, it's a window that generates electricity from the sun, which is great.

Female Reporter: So what we've been tasked doing is just having conversations with people like your good self about what exactly you might be able to do for us. I mean obviously it will depend on what our policy objectives are once we've hammered them out, but what the different sort of skills are that you have and what the mechanisms are that you might be able to help us use, like the all-party group system, for example, and things like I don't know, introductions that you might be able to make or kind of just ways of engaging that might not have occurred to us, that you might have the contacts that we lack really because obviously we're in Zurich and we don't have that relationship.

Lord Mackenzie: We've been through a very difficult period in parliament, as you're probably aware over consultancies and lobbying and all the rest of it.

Female Reporter: Really?

Lord Mackenzie: Oh absolutely.

Female Reporter: What's the issue?

Lord Mackenzie: There is no problem in as much as what they were really against, the authorities, which was clearly happening I assume, people were getting passes as a, you could be my researcher, for example, and I would get you a pass which gave you access to parliament

Female Report: Oh right.

Lord Mackenzie: And then they were directly lobbying at various ministers and all the rest of it. All this was going on and of course it all emerged in the expenses scandal.

Female Report: Oh did it.

Lord Mackenzie: The House of Lords is an interesting institution in as much as we aren't paid and it's accepted that we will do the job, it sounds bizarre, but we do it part time. In other words, part of the job is legislating but most people in the House of Lords will have other interests.

Female Reporter: Yes well quite rightly if you're not paid.

- Lord Mackenzie: Exactly. You've got to earn a living. You've got expenses to cover the cost of coming down and so on.
- Female Reporter: Do they go very far?
- Lord Mackenzie: Well they cover the costs. I mean it's certainly not over-generous but the Lords wasn't affected to a certain extent as the MPs.
- Female Reporter: So what sorry, if you're not paid and your expenses only just cover your costs, what's in it for you being in the Lords?
- Lord Mackenzie: Well what's in it is it's a great honour to be in the House of Lords. You get the title obviously and, also, it gives you an opportunity to give something back. I still get up and shout about things that I feel powerfully about and of course you scrutinise the government, and you help to change legislation.
- Female Reporter: I suppose it must help as well with doing business. Obviously the status is a huge thing.
- Lord Mackenzie: As I was saying to James it gives me a base in London. I get an apartment which is covered by the costs.
- Female Reporter: Oh fantastic.
- Lord Mackenzie: I rent it, it is not as though I'm buying it, but nonetheless it covers that cost. It gives me base here. I've got an office. You get all the back up of parliament. So there are advantages and it doesn't cost anything, that's the point. So it puts me in London.
- Male Reporter: So it's quite a useful place to base your business?
- Lord Mackenzie: Absolutely, and I've got a lot of interests in and around London.
- Female Reporter: It's a great place to have meetings and stuff.
- Lord Mackenzie: It's a great place generally. I love to come down. I wouldn't live down here permanently. It's nice to go home at the weekends.
- Female Reporter: Yes, yes tell me about it. You come here for a couple of weeks.
- Lord Mackenzie: You get the best of both worlds. I've given James a copy of my very brief resume of my CV which gives you my background.
- Female Reporter: Okay, brilliant. Thank you.
- Lord Mackenzie: Which gives you my background, but I'm still not certain what you're asking me to do. Would I be a consultant? Presumably, that's what you would class me as.
- Female Reporter: Yes, I think we'd class you as a consultant, as a consultant to us.
- Male Reporter: I suppose so. Parliamentary adviser, yes?
- Lord Mackenzie: Well there's no problem with that, as long as I declare it. And if I spoke on the advantages of, what do we call it, Panes?

- Female Reporter: Power Panes or call it solar glass.
- Lord Mackenzie: Clearly I'd have to declare that, but yes, there's no problem as long as—the trick of the game now is to be open about what you're doing.
- Female Reporter: Right. Presumably if you're open do people pretty much leave you alone. Do you get a lot of scrutiny, once you've said this is what I do?
- Lord Mackenzie: Oh the press, the press check your interests.
- Female Reporter: Do they?
- Lord Mackenzie: Oh absolutely, yes. It's amazing. Because we've got the Freedom of Information Act here now and, of course, what they do is they put an application in about an issue and, of course, they trawl through and find out which MPs or peers have held functions in the House of Lords on behalf of companies that they have an interest in. They're forever digging like that.
- Female Reporter: Oh will they?
- Lord Mackenzie: I've got wise to it. I know exactly what they can do and what they can't do, so there's no problem, but you've got to be careful.
- Female Reporter: Right, yes, yes, of course.
- Lord Mackenzie: I think historically people have been, not bought but certainly using their position to advantage various organisations without declaring an interest. That's the difference.
- Female Reporter: So basically, as long as you declare it you can use your position.
- Lord Mackenzie: Absolutely yeah. There's a register your interest and I declare it as soon as I'm on-board.
- Male Reporter: Presumably you will declare us on the Register. Coulton and Goldie Global yeah?
- Lord Mackenzie: Yes, well I'll do that once I'm on board
- Female Reporter: Once you're on board.
- Lord Mackenzie: I don't have to do it just by talking to you.
- Female Reporter: Do you have to declare the ultimate client as in Haemosu or would you just declare that you were an adviser to a strategic consultancy.
- Lord Mackenzie: No. If I'm working for you as your consultant, which I am I suppose.
- Female Reporter: Yes.
- Lord Mackenzie: No the ultimate client doesn't matter, but if I was speaking about the product then it would be, as a matter of duty, I would have to declare the interest.
- Female Reporter: You would have to say you had an interest.

- Lord Mackenzie: This company actually is doing work for the ultimate company. But I would deal with that. There's no ...
- Female Reporter: Okay.
- Lord Mackenzie: If that was a problem, then I wouldn't speak on it. It's as simple as that.
- Male Reporter: Right.
- Female Reporter: I suppose the only issue I can imagine, because part of what we're looking for would be some advocacy, is I'd assume if you are talking about, solar glass and you've got a clear interest in it, is there a risk that people take you less seriously because they know that you're working for a solar glass company than they might if we'd, say, asked somebody else to speak on it who wasn't?
- Lord Mackenzie: That's really a matter of judgement as to whether you think people will think well he's biased because he has an interest, but I assume that they would always think that the same as if the managing director spoke about it.
- Male Reporter: Yes.
- Female Reporter: That's true.
- Lord Mackenzie: I'm certainly somebody that can stand up and speak about issues. That's one of the important skills, I suppose, of being a parliamentarian.
- Female Reporter: Yes.
- Lord Mackenzie: I can be an advocate. And as long as I'm not trying to hide anything, I wouldn't have thought that was a problem.
- Female Reporter: Okay.
- Male Reporter: Do you speak on behalf of your other clients?
- Lord Mackenzie: Oh yes, absolutely. In fact this morning I did a video for another company I'm involved with for their website advocating the value of—it was no problem because it's registered as an interest. Oh yes. There's a good example. So I actually fronted a video on their website.
- Female Reporter: Which client are they?
- Lord Mackenzie: It's nothing to do with anything like this. It's a company called Awards Intelligence. What they do is they do the ...
- Male Reporter: Lords?
- Lord Mackenzie: Awards.
- Male Reporter: Awards.
- Lord Mackenzie: Awards Intelligence. Let's say a company wanted to win some business awards and this is an organisation that will go in and have a look at what you're doing write the application, do all the groundwork. Obviously they can't affect the result but they can put a very professional application.
- Male Reporter: Increases their chances of winning.

- Lord Mackenzie: Absolutely, and the evidence suggests it's a four in one trend.
- Female Reporter: Really.
- Lord Mackenzie: Four more times likely to win and not just profit awards, OBEs.
- Female Reporter: Really.
- Lord Mackenzie: MBEs, even applications for the House of Lords.
- Female Reporter: Applications of the House of Lords, really.
- Lord Mackenzie: Now some people who have a little wedge, if you like, of over 200 independent peers called cross benchers who aren't allied to any particular political party, across.
- Female Reporter: How do they get in?
- Lord Mackenzie: Well the system's changed. In the last 10 years people are invited to apply.
- Male Reporter: Isn't that what they call People's Peers?
- Lord Mackenzie: People's Peers absolutely, yes. So the way that the applications are put in it's obviously very very relevant.
- Female Reporter: So you can presumably help them a lot with that, can you, if you're ...
- Lord Mackenzie: I'm more than happy to associate because I'm a firm advocate of more ordinary people getting honours. I think we give them to all the celebrities and ordinary people who don't go about life on song are probably worthy of consideration.
- Female Reporter: That's true.
- Lord Mackenzie: This company will obviously provide them with a role there to ...
- Female Reporter: Is it pricey, getting a?
- Lord Mackenzie: It depends.
- Female Reporter: Right.
- Male Reporter: Do you help them in recommending people?
- Lord Mackenzie: No, no. No, I don't have anything to do with the recommendations. I have nothing to do with the honours awards. I'm simply fronting up. Similar sort of role that you're asking me I think, to sort of front the thing up and associate myself with their work, which I'm quite happy to do because I'm a firm believer and there's nothing wrong with that.
- Female Reporter: No, no.
- Male Reporter: Where are they based then?
- Lord Mackenzie: In London.
- Male Reporter: In London, I've not heard of a, I've never heard of a service like that before.

- Lord Mackenzie: It's totally new. It's in the last two or three years I think that it's really grown. The top awards. It's a bit like people applying for jobs. You get professional organisations that will help you to do your CV and apply for a job. It's not just awards like that. They'll also advise on getting appointments to public bodies, non-executive directorships. They do all the preparation for things like that.
- Female Reporter: Awards Intelligence.
- Lord Mackenzie: And it's quite a big industry.
- Male Reporter: Well yeah I can imagine it's quite advantageous for certain people, isn't it?
- Lord Mackenzie: Yes, and the cost does vary.
- Male Reporter: Have they been successful in getting anyone an honour as yet?
- Lord Mackenzie: Oh yes.
- Male Reporter: Really.
- Female Reporter: Have they?
- Lord Mackenzie: Surprising.
- Female Reporter: How long have they been going?
- Lord Mackenzie: I think about two or three years.
- Female Reporter: Oh wow. So who are their greatest hits?
- Lord Mackenzie: Maybe five years.
- Female Reporter: Are there any big names who they've managed ...
- Lord Mackenzie: Yes, and one of the things, they've got some good writers, ex journalists, who do the writing. Of course, one of the attractions to them is to get to meet quite a few celebs ...
- Female Reporter: Really?
- Lord Mackenzie: Who are wanting an honour.
- Female Reporter: Anyone we'd have heard of?
- Lord Mackenzie: You'll have heard of a whole range of people that we've had on board, yes. Stars of stage, screen, but I'm not interested in that side of it. I'm more interested in people that recognise somebody in the community, the doctor or the road sweeper or whoever, who want to recommend somebody, not a lot of people know how the system works.
- Female Reporter: So sort of celebrities, people hire them do they to get OBEs and things or to become a dame or?
- Lord Mackenzie: They're not getting any advantage in terms of whether they get selected, but ...
- Female Reporter: Just the help putting it together.
- Lord Mackenzie: ... professional advocate of their qualities, if you like. We'll even say to somebody well really we think you living in cloud cuckoo land. So it really succeeds. There's no point in putting an application in that you think is total rubbish.

- Female Reporter: No. It's fascinating that you can do that. I bet Mike would love that idea.
- Male Reporter: One of the things we're really keen on is setting up an all-party parliamentary group on solar energy. Do you think you would be able to help us with that?
- Lord Mackenzie: Yes, I could certainly help with that. That's no problem
- Female Reporter: Brilliant.
- Lord Mackenzie: You wouldn't want to be part of another group, because there are a lot of groups?
- Female Reporter: Well we just sort of think that having our own group is better because it means we're not competing. We can kind of keep a tighter rein on the agenda.
- Lord Mackenzie: Solar energy is a particular type business.
- Female Reporter: Yes.
- Lord Mackenzie: So it's a fairly specialist ...
- Male Reporter: Yes, I think we need someone in the first instance to sponsor it.
- Lord Mackenzie: Exactly right, yes.
- Female Reporter: Would you be able to do that?
- Lord Mackenzie: Yes, it's no problem.
- Female Reporter: Brilliant.
- Male Reporter: Then we need to find a number of people ...
- Lord Mackenzie: You've got to get, I've forgotten what the quorum is.
- Female Reporter: I think it's 20.
- Lord Mackenzie: That's right, 20 people. And it would be useful for me to get an ally in the Commons.
- Male Reporter: Yes, of course.
- Lord Mackenzie: Who would do it so you have a foot ...
- Female Reporter: Would you have anyone in mind that you're particularly close to?
- Lord Mackenzie: Yes, I'm sure I will have. I'll give it some thought.
- Female Reporter: Okay.
- Male Reporter: And do you think you might be able to drum up enough people to make the all-party parliamentary group?
- Lord Mackenzie: That's not a problem. You always get enough people. I'm on a number of those groups that I never attend.
- Female Reporter: Really?
- Lord Mackenzie: I mean somebody stops you in the street and says you're interested in archaeology, aren't you? Not really. Well you're on the group.
- Female Reporter: Right.

- Lord Mackenzie: So getting numbers is no problem.
- Female Reporter: How do you get people interested in it? I mean, because maybe there's an extent to which it's that, do you, would, I don't know but are there particular things you can do or events you can lay on or whatever?
- Lord Mackenzie: I don't think this is an issue. Most people in public life would be interested.
- Female Reporter: They'd be quite intrigued, yes.
- Lord Mackenzie: In solar energy, yes. I don't think it would be very difficult.
- Female Reporter: Okay.
- Lord Mackenzie: It's a very popular sort of area. Not like some of these weird and wonderful groups they have on all sorts of things.
- Female Reporter: Would you chair the group for us?
- Lord Mackenzie: Yes, more than happy.
- Female Reporter: Fantastic. That would be really great. Having someone of your stature would be really, really useful. Is it a useful way, do you think, for a company like ours of kind of using it as a platform to put forward our technology and make our case?
- Lord Mackenzie: Oh absolutely, absolutely and, of course, quite often the press pick up things from it. You get a bit of free publicity if a statement is being made and of course you could invite people to it because Parliament is an excellent forum that people will turn up.
- Female Reporter: Right.
- Lord Mackenzie: So you can invite people from outside Parliament. It's not as though you are confined to members. You can bring interested people to the meetings and invite specialist speakers to speak on whatever it is that you're discussing. Obviously we have to work it out, and figure out what ...
- Male Reporter: Yes, we saw it as a quite good, quite a useful bed for making political connections.
- Lord Mackenzie: It's an excellent networking opportunity.
- Male Reporter: But it's also quite a, it might turn out to be quite a powerful advocate for our sort of product.
- Lord Mackenzie: Yes, very much so. Yeah, yeah.
- Male Reporter: And so if we had, say, someone like you as chair, you could, say, write to the minister ask the chair of your party group or something like that, which would be really useful. Or, alternatively, we could maybe host receptions or things like that.
- Lord Mackenzie: Absolutely, yes. That happens all the time.
- Female Reporter: Does it? Wouldn't be unusual.
- Lord Mackenzie: That's no problem at all. Yes, in fact some of these all party groups will combine it. I'm a member for obvious reasons of

the all party policing group and we get a whole range of different speakers who'll come along and they put on a bite to eat, a chicken leg and stuff like that, a glass of wine, which gets people to come as well. So you combine it with a reception.

Female Reporter: I would imagine that would help, if you have decent food and drink.

Lord Mackenzie: That helps to get people to come. That's right. So, yes, and it would probably operate once a month or something. That would be normal.

Female Reporter: Okay.

Male Reporter: That would be great.

Female Reporter: That would be really good. Actually functions are something we're quite interested in in general because I think, for us, having being able to use the Houses of Parliament as a base for functions would be ...

Lord Mackenzie: To me, that's the main attraction. Because I've chaired, hosted a lot of functions and it's a great venue. They've got wonderful facilities and also people will come because you know. You could combine it if you wish with taking people around on tours. There's a system for showing them around before the function or after the function.

Female Reporter: As a way of impressing new clients or business partners ...

Lord Mackenzie: It's great for people from other countries as well.

Female Reporter: I'll bet.

Lord Mackenzie: They've seen Parliament on television and so on and to actually go in the building—have you been there?

Female Reporter: No, I've never been actually.

Lord Mackenzie: You've got to have a look around because it's a stunning place ...

Female Report: I'd love to.

Lord Mackenzie: ... and I do a very mean tour.

Female Reporter: Do you?

Lord Mackenzie: It might not work with you. It might work with you, James. Where are you from?

Female Reporter: I grew up in London, actually.

Lord Mackenzie: Did you, it will work with you. I wasn't certain whether you were English.

Female Reporter: Oh really.

Lord Mackenzie: I always tell people I do three tours. I do a gold tour which is a tour of the whole of the palace of Westminster, describing the architecture and procedures, the history of the place, the building. I do a silver tour which is identical but it's confined to the House of Lords and I do a Jeffrey Archer tour, I just

- make it up as I go. I wasn't certain whether that would work. I think most people know Jeffrey Archer.
- Female Reporter: Yeah, yeah, his name gets around.
- Lord Mackenzie: Would you like some more tea?
- Female Reporter: I'd love some more tea, thank you. Thanks. It sounds...
- Male Reporter: Those receptions you hold, are they for your clients?
- Lord Mackenzie: Yeah, I mean. What I'm going to tell you now is all top secret. What the rules are now, because they've changed recently as a result of all this carry on.
- Female Reporter: All this hoo-haa, yes.
- Lord Mackenzie: But you know people aren't stupid. So there is a rule that you shouldn't host a reception in parliament where you have a pecuniary interest, a financial interest, right? Which is bizarre.
- Female Reporter: It's a big pain, isn't it?
- Lord Mackenzie: Yes, that's what the thing says
- Female Reporter: But also you're not paid.
- Lord Mackenzie: And I thought that's bloody nonsense. Nonetheless, how do I get around, how would you get round that?
- Female Reporter: Ooh I don't know. What do you do?
- Lord Mackenzie: I just say to a colleague who has got nothing to do with it, would you host a function for me? That is bloody common sense, isn't it?
- Female Reporter: That is common sense. I assume that's what everyone does.
- Male Reporter: Why would he do it for you?
- Lord Mackenzie: Because he's a mate who knows it's a nonsense.
- Female Reporter: You'd do it for him as well, presumably.
- Lord Mackenzie: So when the press check and see that Lord Brookman is hosting this thing.
- Male Reporter: Is this your mate, Lord Brookman?
- Female Reporter: One of them.
- Lord Mackenzie: He's the one who did the last one I did. That's why I mentioned him. Because what the press do, they trawl through and they say right, Lord Mackenzie hosted that function there, has he got an interest, a financial interest? Then they'll ring you up and say you know have you got a financial interest? I hosted one for another pal of mine, fortunately I worked with him, not a financial interest, but I could have done and, of course, it was ... *Independent on Sunday*.
- Female Reporter: Did he have one?
- Lord Mackenzie: No, he wasn't a member. He was the guy that ran the company. He wanted to run this reception.

- Lord Mackenzie: It was actually a marketing exercise. It was quite a good product, but I didn't have a financial interest. That put me wise because I thought well if I had had a financial interest that would have been critical.
- Male Reporter: So the last one you hosted, Lord Brookman hosted for you?
- Lord Mackenzie: He hosted it for me. He'll tell you.
- Male Reporter: What sort of function was that?
- Lord Mackenzie: This was a function, it wasn't Awards Intelligence, it was a company called Ivy Link which I'm ...
- Female Reporter: Ivy?
- Male Reporter: Ivy Link?
- Lord Mackenzie: Ivy Link.
- Female Reporter: What do they do?
- Lord MacKenzie: Which again is green energy.
- Female Reporter: Oh similar.
- Male Reporter: Is that one of your clients?
- Lord Mackenzie: It's a green company as well, yes, and I've got a financial interest in that.
- Female Reporter: Oh right are you a director or shareholder or?
- Lord Mackenzie: I'm a partner.
- Female Reporter: A partner, right.
- Lord Mackenzie: And of course it's a fairly new company but what we do is we'll have a function for the education sector, higher education, to try and persuade the universities the importance of saving energy.
- Male Reporter: So it's about university, saving ...
- Lord Mackenzie: This particular one we got all the chancellors and vice chancellors to a lunch and, of course, we put presentations on to sing the virtues of saving energy.
- Female Reporter: This is the thing that your friend had for you?
- Lord Mackenzie: Yes, and of course I said well I can't do that because I've got an interest, but I know a man that can who hasn't got an interest. So he comes along and hosts it, attends the lunch, so he gets a very agreeable lunch out of it and he's happy to do that.
- Female Reporter: Why not?
- Lord Mackenzie: Of course, I do the business anyway, but that gets round it.
- Female Reporter: Can you help him out presumably in the same way, if he's got a client as well.
- Lord Mackenzie: Oh yeah. Well I'm sure that's the only way it can operate.
- Female Reporter: You all do it for each other.

- Male Reporter: What sort of facility do you use for something like that?
- Lord Mackenzie: It depends on how many numbers you're looking at.
- Male Reporter: I see.
- Lord Mackenzie: We've got a big room on the terrace, which leads out on to the terrace of the House of Lords which—the Cholmondeley room they call it—which can take standing up 150 people, 200 people; seated probably 120.
- Male Reporter: And was this where you held it?
- Lord Mackenzie: Oh no, ours is smaller than that. This function I'm talking about, the Ivy Link, that was about 40 people all together from the universities. That was a lunch in the Attlee room.
- Male Reporter: Were they all vice chancellors?
- Lord Mackenzie: They weren't all vice chancellors.
- Female Reporter: So you had a few.
- Lord Mackenzie: Several.
- Female Reporter: Do you get Oxford and Cambridge and people like that?
- Lord Mackenzie: Yes.
- Female Reporter: Fantastic. Was that recently?
- Lord Mackenzie: That's the point I'm making. Yes that was recently. That was about six weeks ago.
- Female Reporter: Oh okay.
- Male Reporter: Has that as yet drummed up any business for the Ivy Link?
- Lord Mackenzie: Yes, it has.
- Female Reporter: Has it?
- Lord Mackenzie: Because what we did was we then wrote to each of the people that attended extolling the virtues and, thanking them for coming and so on and yes, it's led to further interest.
- Female Reporter: Fantastic.
- Lord Mackenzie: Of course now we're going out, and actually going in to do surveys.
- Female Reporter: In different universities?
- Lord Mackenzie: Into universities, yes.
- Female Reporter: Really? That is fantastic.
- Male Reporter: That shows just how effective the House of Lords can be in terms of business.
- Lord Mackenzie: There's no doubt about that, but you've got to handle it right. You learn through what's gone on in the past.
- Female Reporter: Yes, absolutely. You've just got to be a bit careful because there's no point in ...

- Lord Mackenzie: If you'd been talking to me 12 months ago, I wouldn't have been discussing this because it wasn't relevant. This is all fairly recent.
- Female Reporter: It's a new thing. Really?
- Lord Mackenzie: Since the rules changed.
- Female Reporter: They just seem to make your life harder and harder.
- Lord Mackenzie: Ah, it's like walking on eggshells. Somebody once said, how the hell are they expect you to operate.
- Female Reporter: How are you supposed to make a living?
- Lord Mackenzie: Yes, exactly.
- Male Reporter: Lord Brookman from down the south coast, is that the one?
- Lord Mackenzie: No, no. He's a Welsh man and he actually lives in ...
- Male Reporter: Was he a politician?
- Lord Mackenzie: No, he was actually a trade union leader.
- Male Reporter: Really?
- Lord Mackenzie: Yes.
- Male Reporter: Which union?
- Lord Mackenzie: Steel workers.
- Male Reporter: Oh right.
- Lord Mackenzie: In the Welsh steelworks, but he now lives just outside London somewhere.
- Male Reporter: Oh does he?
- Lord Mackenzie: He commutes in, but he is a good friend. I actually share an office with him.
- Male Reporter: Oh I see now, it works so well.
- Lord Mackenzie: Well he never comes in. He's not computer literate.
- Male Reporter: Is he not?
- Lord Mackenzie: So he never comes in the office, so I've got an office to myself. So I'm fortunate.
- Female Reporter: That's good. Presumably, would it work in the same way in terms of things like, for example, I don't know if you were to want to make a speech or something or ask a question about something or whatever, and if it was going to be a bit—you know we were talking earlier about does it slightly devalue it if you've got an interest. Does it work in the same way? Could you get your friend to do that, potentially do you think?
- Lord Mackenzie: What? To ask a question?
- Female Reporter: Yes, or to make a speech if you could persuade them it was a ...
- Lord Mackenzie: Yes, it's possible. If it was discovered it would be criticised I would have thought.

- Female Reporter: Would it? Right.
- Lord Mackenzie: Yes, because that's not being open and honest. But I could ask questions. Don't misunderstand me. I'm not saying—as long as I declare it.
- Female Reporter: As long as you do.
- Lord Mackenzie: Quite often, if you listen to people in the Lords and the Commons as well presumably, but maybe less so in the Commons because they're full time MPs, but in the Lords quite often you get people asking questions. And I ask this question and I notify the house of my interest as the chairman or consultant for such and such.
- Female Reporter: For so and so.
- Lord Mackenzie: As long as you make it aware, the House aware...
- Female Reporter: Okay.
- Lord Mackenzie: ... that you have an interest, but nonetheless it's still an important question.
- Female Reporter: Yes, and does that go for things like writing to, say, a civil servant or a minister or something if there was a particular point we wanted to raise?
- Lord Mackenzie: Yes.
- Female Reporter: Would you be able to do that?
- Lord Mackenzie: Certainly, but I would declare it.
- Female Reporter: You would declare it, yes.
- Lord Mackenzie: Yes, I would say I'm writing as a consultant to so and so, and there's nothing wrong with that.
- Female Reporter: No, no.
- Lord Mackenzie: But I've got access to people that you probably wouldn't have access to if you weren't in the House. I mean the advantage is when you're voting, for example, you've got to physically vote, you've got the ministers voting at the same time ...
- Female Reporter: Right.
- Lord Mackenzie: ... so you can bend their ear ...
- Male Report: Oh right.
- Lord Mackenzie: ... you can't get through the civil service normally.
- Female Reporter: But you can do it that way.
- Male Reporter: You can meet the minister directly.
- Lord Mackenzie: Absolutely, and it's better when, I mean I'm a Labour supporter and, of course, when the Labour Government was in it was better. But even now I get on very well with the Labour ministers, sorry the Tory ministers and the Liberal Democrat ministers in the House of Lords.
- Female Reporter: Really? Is it all a bit more sort of collegiate in the Lords? Right.

- Lord Mackenzie: Absolutely yes. You haven't got the party angst in the Lords, because of course the whips don't have any power.
- Female Reporter: No, you're not elected in the same way. Yes, right, that makes sense.
- Lord Mackenzie: Absolutely yes. You're not elected. You're there for life. So really there's no sanctions they can bring to bear if you don't toe the line.
- Female Reporter: Right, you can do what you want.
- Male Reporter: So in the past have you managed to pigeon hole ministers.
- Lord Mackenzie: Yes. Yeah, yeah.
- Male Reporter: And lobby them on behalf of your client.
- Lord Mackenzie: You've got access to them, yes, as long as you make it you know—I mean I was involved in a security company and the minister was Admiral Lord West and as long as I say look I've got some interest in this security business and then I tell them about it. As long as you are not covering things up.
- Female Reporter: They'll listen to you.
- Lord Mackenzie: From time immemorial. I'm sure you know this, things like Watergate, it wasn't the original offence that caused the problem, it was the cover up. What you've got to do is be open and honest. That's the name of the game.
- Male Reporter: Yes, of course.
- Lord Mackenzie: As long as you do that then there's no problem.
- Female Reporter: Okay.
- Male Reporter: Do you still have a security company, or not?
- Lord Mackenzie: I don't have a security company, but I advise a couple of security companies.
- Male Reporter: Oh do you.
- Lord Mackenzie: There's an Australian one which produces a very, very useful radar system and we're actually looking at protecting the House of Lords ...
- Female Reporter: Oh really.
- Lord Mackenzie: ... and the House of Commons from the river with this system. That's why I was talking to Lord West.
- Male Reporter: Oh I see.
- Lord Mackenzie: It hasn't been developed yet because it takes a long time with Parliament. They've got that many interests. It's not just the police, it's the House authorities, it's the Commons, and they are all separate. So it's taking longer than we thought, but it's still on-going.
- Male Reporter: You have been talking to Lord West about the possibility.
- Lord Mackenzie: Yes.

- Male Reporter: It sounds like a good idea, this radar which protects you from ...
- Lord Mackenzie: From marauders. If somebody tried to come with boats at night and plan ...
- Male Reporter: Mumbai-style attack.
- Lord Mackenzie: Absolutely. Mumbai is a good example and we're looking at India as well as a result of Mumbai. It's a separate issue for this product. They've actually got it in Sydney securing the Harbour.
- Male Reporter: Have they?
- Lord Mackenzie: Yes, and it works very effectively, because it identifies a craft and if it doesn't recognise the craft it sends a warning, move away you're in a protected area and if they don't move away then of course it notifies the various security authorities. At the moment what we've got is policemen walking down with machine guns, which is intimidating.
- Female Reporter: Yeah.
- Lord Mackenzie: But also if you get somebody coming in the dead of night with grappling irons they could be over the top and what we've designed is this radar thing. If they don't accede to the warning, we've got like big Teflon screens come up to stop them climbing over.
- Male Reporter: Really?
- Lord Mackenzie: Yes, which would secure the place, to give the police a chance to get mobilised.
- Male Reporter: This is an Australian company that have done it?
- Lord Mackenzie: Yes, it's an Australian guy who came from Hartlepool originally, 40 or 50 years ago with his wife and he's a multi-millionaire now.
- Female Reporter: Oh wow.
- Lord Mackenzie: Involved in building and all sorts. That's an example of the type of thing that is going on.
- Female Reporter: Brilliant. Are there other things that we—I mean because we thought about all-party groups and things like questions and speeches and writing to the ministers and things. Are there other things?
- Lord Mackenzie: We can't do and what caused a lot of problems in the past was cash request [for questions?]. I think what some MPs were doing was asking a planted question for cash. There was a hell of a lot of criticism there.
- Female Reporter: Yes, okay.
- Lord Mackenzie: Again, they weren't declaring it.
- Female Reporter: No.
- Lord Mackenzie: We could say that if I was working for you and there was a question on solar energy that was a legitimate question which

- I wanted to ask, there's no problem with that at all as long as it's declared.
- Female Reporter: If you declare it you get around that problem.
- Lord Mackenzie: They weren't declaring it, you see. That was the problem.
- Female Reporter: That's the issue, right.
- Lord Mackenzie: That's the issue, yes.
- Female Reporter: Okay. Are there other things that we maybe haven't thought of that you could, because it's useful to understand what else your expertise throws up in terms of opportunities to ...
- Lord Mackenzie: Yeah, writing articles, I'm having dinner tonight with the chief crime reporter of the *Daily Mail* for example.
- Female Reporter: Oh right.
- Lord Mackenzie: So I mean planting articles in places like that is a good means ...
- Female Reporter: Oh really.
- Lord Mackenzie: ... of selling the virtues of whatever it is.
- Female Reporter: So you have good contacts with the press and they might write sort of ...
- Lord Mackenzie: Yes, well if they're interested.
- Male Reporter: I think the press will be interested.
- Lord Mackenzie: I'm sure they will.
- Male Reporter: It's difficult because at the moment, I suppose, it starts off with the technical request and then they hope it's going to be available.
- Lord Mackenzie: Exactly, and of course things like the *Mail* and so on would tone it down in terms of technicalities. That's an exciting product.
- Female Reporter: Yes, I think so. Actually, fundamentally quite a simple context, it's a window that is also a solar panel. It's not that difficult. In terms of understanding how that is possible is quite technical, but I think people will get it.
- Male Reporter: In terms of money, we envisage it to be probably, I don't know what do you think?
- Female Reporter: One or two days a month as an average.
- Lord Mackenzie: One or two days a week?
- Female Reporter: A month.
- Lord Mackenzie: Ah.
- Female Reporter: We would have thought. Yeah would that be?
- Lord Mackenzie: Yeah one or two days a month would be do-able
- Female Reporter: Okay, do you have a ...
- Male Reporter: How many clients do you have at the moment?

- Lord Mackenzie: I've got about three
- Female Reporter: Is it a similar ...
- Male Reporter: So you'd be able to fit that in.
- Lord Mackenzie: Oh yes, I mean they're all just part time.
- Female Reporter: Do you have a standard day rate that you charge, or a retainer, or just work it out individually?
- Lord Mackenzie: No. Yes, it varies considerably.
- Female Reporter: See for the sort of work we're thinking about, which is mainly sort of being out and about and talking to people for us and being an advocate and maybe asking some questions, and I suppose also being alive to opportunities for us in the House to ask a question if something comes up, because we're not there obviously.
- Lord Mackenzie: Exactly. Oh yeah I can certainly do that.
- Female Reporter: That would be great.
- Male Reporter: And hosting receptions.
- Lord Mackenzie: No problem.
- Female Reporter: Do you have an idea in mind of the sort of fee that you think? No?
- Lord Mackenzie: I don't, no. I mean I don't know what type of ...
- Female Reporter: We've been thinking about a retainer for, say, working on the basis of two days a month as a basic and then obviously you'd bill us separately for further work, a retainer of about sort of between £8,000 and £10,000 a month. Is that in the right ballpark?
- Lord Mackenzie: Yes. Yes I think so.
- Male Reporter: It sort of works out between four and five a day.
- Lord Mackenzie: Does it?
- Male Reporter: Yes, if you think of it that way.
- Lord Mackenzie: As a consultant?
- Female Reporter: As a consultant, yes.
- Male Reporter: Which is almost a hundred a year. Which is not bad. That would be a fixed ...
- Female Reporter: A fixed sum.
- Lord Mackenzie: Yes.
- Female Reporter: Yes? Then obviously if you did—we're not going to be watching the clock particularly, but if you did more, if you felt like I've actually done a whole week this month off your own bat and you decided you needed to do that, then you could obviously submit ...
- Lord Mackenzie: Yes, well that would be unlikely I should think.
- Female Reporter: I would have thought so, but if that did for some reason arise.

Lord Mackenzie: If the figure was the right amount, then I'd do whatever needed doing, to be honest with you.

Female Reporter: Okay, brilliant.

Lord Mackenzie: I'd probably pull back on that if I found it was too demanding other things, because some are fairly dormant anyway [unclear] and this sounds interesting.

Male Reporter: So you've got your Ivy League, you've got your Australian ...

Lord Mackenzie: I call it Ivy League, it's Ivy Link.

Female Reporter: Ivy Link.

Lord Mackenzie: I dreaded calling it Ivy League. There's Ivy Link, I've got the ESG which is the company. All I'm doing for them is they're looking, I mentioned the managing director used to be head of Kwik Fit and what they're planning to do, it's a £60 million turnover at the moment, it's growing, but what he says is that it's privately owned, private equity, and what he's hoping to do is float it off in two or three years and he is looking to link up with another energy company. So the work I'm doing for them is simply keep an eye open for suitable partners and try to arrange Tony Lochery as the managing director of ESG, an interview I suppose with the relevant person in some of the big producers of power. BT is one that I've looked at. Obviously Gazprom the Russian company.

So I've got irons in fires all over the place for them.

Male Reporter: How does that work. How does your role in the Lords help with that in that respect?

Lord Mackenzie: I don't know whether it does.

Male Reporter: No?

Lord Mackenzie: I suppose it does in the sense that if I write to somebody that's connected to a company, there might be a Lord on the board and if I identify him or her I'll write and say look I'm looking to have discussions between this company and your company, can you point me in the right direction? So in a sense it's the old pal's act so I suppose it helps in that sense. Even me writing to the MD of a large company, with it coming from the House of Lords it's more likely to get an interested response than otherwise.

And writing to ministers is a classic example. If the average guy on the street writes to ministers, it rarely gets past the civil servants, but if I write then at least I'll get a reply. It might be the wrong reply, but at least I get a reply.

Female Reporter: Yes, which is a good start.

Lord Mackenzie: It helps. It opens doors.

Male Reporter: Is that it; are they the three that you're doing at the moment really what we're doing at the moment.

Lord Mackenzie: I'm just trying to think. I'm involved with a Russian media company, Inter TV ...

- Female Reporter: Oh right.
- Lord Mackenzie: Which is producing, I suppose I'm just there as a figurehead in a sense because I don't do a great deal in terms of the company itself. What they do is produce Russian language TV programmes and beam them back into Russia because Putin has grabbed all the media outlets.
- Female Reporter: Right, okay, so they're sort of propaganda busting.
- Lord Mackenzie: Yes.
- Female Reporter: That's clever.
- Lord Mackenzie: Yes, exactly, and of course the guy that owns it is one of the Russian oligarchs who obviously got interests when Yeltsin was in power and he is now out of favour with them and ...
- Male Reporter: They are all dying off aren't they, I mean ...
- Lord Mackenzie: Well there getting killed off really, yes.
- Male Reporter: Which one is this one?
- Lord Mackenzie: This is a fellow called Vladimir [Castenov].
- Male Reporter: I don't know about that.
- Lord Mackenzie: No, there's a lot of names ...
- Male Reporter: There's one who owns Arsenal.
- Lord Mackenzie: Yes, you talk about the British one but this guy Israeli, he spends a lot of time in Israel, a lot of time in America, can't go back to Russia for obvious reasons, but nonetheless still runs this media, it's a much reduced media empire now than what it used to be apparently. But the guy that runs it for him in London, a fellow called [Misha], he also has a cultural magazine which replicates a similar magazine in Moscow, it's a British magazine, and I edit that for him as well. So I have a little interest in that.
- Male Reporter: Is that how you got into it?
- Lord Mackenzie: Yes, that's how I got into it. Exactly.
- Male Reporter: It doesn't really relate to your role in the Lords.
- Lord Mackenzie: Not really, no, apart from I commission people such as the Archbishop of Canterbury to write articles for the magazine, and ex-ministers, Neil Kinnock and people like George Robertson. It's a political magazine. I'm interested in NATO and things like this, mainly to do with Europe.
- Female Reporter: Brilliant.
- Lord Mackenzie: Herald of Europe they call the magazine.
- Female Reporter: Herald of Europe.
- Lord Mackenzie: They've got a website.
- Female Reporter: I'll check it out. That sounds good.
- Lord Mackenzie: A bit heavy—a bit heavy for me.

- Female Reporter: Is it right.
- Lord Mackenzie: Not something I would take on holiday with me.
- Male Reporter: It sounds like you probably have time for the two days.
- Lord Mackenzie: Yes, I ...
- Male Reporter: I wouldn't necessarily think we want you to say on 7 July we start at 9 and finish at 5.
- Female Reporter: No, no, no.
- Male Reporter: Because it wouldn't work like that.
- Lord Mackenzie: Well you couldn't police that.
- Female Reporter: No. It would be spread over a month. Some months probably you might do half a day but another month you might do two or three.
- Lord Mackenzie: I'll do what's required as long as you think you're getting value for money
- Male Reporter: Maybe just a phone call five times a month.
- Lord Mackenzie: Exactly, yes. And if you want letters writing, you know ...
- Female Reporter: Great.
- Lord Mackenzie: We can operate by email and so on. That's the way I operate.
- Female Reporter: Fantastic. That sounds really good. So we'll talk to Jen and Mike, but are you in principle interested?
- Lord Mackenzie: Yes. I am.
- Female Reporter: Fantastic.
- Lord Mackenzie: Sounds interesting—as a product.
- Female Reporter: It is. You'd have to ...
- Lord Mackenzie: It's the cutting edge isn't it?
- Female Reporter: It really is. It's kind of extraordinary. They're amazing what they can do over there. And yeah we'd have to introduce you to Yang and get him on board. He's coming in ...
- Lord Mackenzie: Well if he's coming over here, obviously we'll see him then. If you want to wine and dine him in the House, just let me know, in the Lords.
- Female Reporter: That would probably really impress him actually, which would be great.
- Lord Mackenzie: Yes, we can do that as long as we fix it in sufficient time.
- Male Reporter: Does he get the Gold tours?
- Female Reporter: The gold.
- Lord Mackenzie: He certainly doesn't get the Jeffrey Archer.
- Female Reporter: Okay, well that sounds fantastic. Is there anything we haven't thought of that you think we ought to be thinking about doing in terms of ...

- Lord Mackenzie: I don't think so. What you might want to do is to write to me confirming what we talked about and ...
- Male Reporter: We'll do that.
- Lord Mackenzie: Tell me what the remuneration would be and just set out what was discussed.
- Female Reporter: Brilliant.
- Lord Mackenzie: Then we can take it forward from there.
- Female Reporter: Fantastic.
- Lord Mackenzie: I'm not back until 3 June, but of course that doesn't stop me working because ...
- Female Reporter: You're on your email while you're away, great.
- Lord Mackenzie: I work from home all the time. I've got an office there and I do as much at home.
- Male Reporter: Are you heading back to Darlington after ...
- Lord Mackenzie: I'm actually flying back from Rome into Newcastle then I'm getting picked up from there. I'll spend the vacation there until I come back on 3 June and then we're in full swing again right through until the summer break.
- Female Reporter: Brilliant.
- Lord Mackenzie: So matters not where I am, it is obviously better to have me here if there's people to see, but even then if there's something, I would come down, no problem.
- Female Reporter: Wonderful. Can I ask you another question? We might be looking for, I think we were thinking of probably just hiring one political consultant in the House but we have a bit of budget so are there other people that you particularly like working with or you think might also be another string to our bow that could work with you, for example?
- Lord Mackenzie: In the Lords, or?
- Female Reporter: Yes, or the Commons. Actually I don't know how easy it is to employ MPs, that's the only thing, but if there's anyone.
- Lord Mackenzie: You can certainly employ them. They're just consultants.
- Female Reporter: Can you?
- Lord Mackenzie: Yes, as long as it is declared.
- Female Reporter: Is there anyone in particular that's worth talking to, do you think?
- Lord Mackenzie: I think there's people who have an interest in energy issues. That's no problem.
- Female Reporter: Is there anyone off the top of your head that you think that would be, just so we can go in and have a look, in either House?
- Male Reporter: Wasn't Peter Mandelson Darlington or am I getting that mixed up?

- Lord Mackenzie: He was Hartlepool. He was the MP for Hartlepool. He was also commissioner of course in Europe.
- Female Reporter: Yes, of course, he was trade, wasn't he?
- Lord Mackenzie: He lost his seat, or gave it up, it was a safe Labour seat.
- Female Reporter: But he's not around anymore for us to ...
- Lord Mackenzie: He's a smooth operator.
- Female Reporter: Is he?
- Lord Mackenzie: Yes, he's very difficult. I wrote to him on behalf of somebody, I can't think what it was, and I never got a reply.
- Female Reporter: Really?
- Lord Mackenzie: Yes.
- Female Reporter: Who does he work for these days?
- Lord Mackenzie: He works for a big international. He went with one of the Russian guys, the guy that owns the *Standard*. He went on his yacht with Osborne and of course the photographers were there and he was accused of mixing with the hoi polloi.
- Female Reporter: Oh yeah.
- Lord Mackenzie: He's a good operator but I think he's too busy to take interest.
- Female Reporter: Is there anyone more at a realistic level for us that you think?
- Lord Mackenzie: Yes, there are people but I'd have to give it some thought.
- Female Reporter: Have to have a think, right.
- Lord Mackenzie: A fellow called Jim Fitzpatrick who is an ex-minister, ex aviation minister, who's a nice guy.
- Female Reporter: Is he an MP?
- Lord Mackenzie: Yes, he is an MP, and I'm sure he, I know him fairly well. I think he'd be interested. He's interested in green issues.
- Female Reporter: Is he, and he's available as a consultant is he?
- Lord Mackenzie: I was at a function the other week in the House, in the Commons, and he was there. So I think he's got an interest in that area. So he's one that I would ...
- Female Reporter: Jim Fitzpatrick.
- Lord Mackenzie: Off the top of my head yeah, I will have to give it some thought because there could be others.
- Female Reporter: Okay, it might well be worth, because we're in town, next Wednesday we fly back, I can't remember. I keep forgetting. It keeps changing.
- Male Reporter: Yes, I know, but Lord Mackenzie's not.
- Lord Mackenzie: I'm away.
- Female Reporter: No, but I was just thinking if any of these other people were around we could try and put meetings in before we go back.
- Lord Mackenzie: I won't get time to see them now.

- Female Reporter: If there was anyone, would you be able to drop them an email, do you think?
- Lord Mackenzie: Yes.
- Female Reporter: That would be great, and just say that ...
- Lord Mackenzie: You tell me who you're interested in.
- Female Reporter: Yes? That would be brilliant. Because then if there's anyone you feel particularly comfortable working with and we can just think about having more than one person. It just might be ...
- Lord Mackenzie: I meet people in various groups that I attend, but you keep using the term working with, I've never worked with anybody. I tend to work independently.
- Female Reporter: On your own, yes. It may be useful having someone in both Houses that's the only thing
- Male Reporter: Especially for setting up our all-party parliamentary group ...
- Lord Mackenzie: Definitely we need another person. Two or three in both Houses as core people.
- Female Reporter: As core people. Okay.
- Lord Mackenzie: I don't think that's a problem.
- Female Reporter: So Jim Fitzpatrick is one thought and if you have any other thoughts, drop us a line.
- Lord Mackenzie: I'll give it some thought.
- Female Reporter: Great.
- Lord Mackenzie: I'm sure there are other people that are interested in these issues.
- Female Reporter: Fantastic.
- Lord Mackenzie: I look at the other groups that are involved in the energy reduction and so on.
- Male Reporter: ... renewable energy.
- Lord Mackenzie: Exactly, that's the first ...
- Female Reporter: Okay, we'll have a look at that then. Is there anything else you wanted to?
- Male Reporter: No, I don't think so. I think that all sounds satisfactory.
- Female Reporter: Anything you wanted to ask us? No? Brilliant, okay, that's been really, really fascinating.
- Lord Mackenzie: Thanks for seeing me early.
- Female Reporter: No, pleasure. You've got plenty of time to...
- Lord Mackenzie: ... I have got another thing tonight well I've got the *Daily Mail* thing.
- Female Reporter: I see.
- Lord Mackenzie: I need to get back to my apartment and get sorted out first.

- Female Reporter: Where are you based in London?
- Lord Mackenzie: I'm living at Pimlico.
- Female Reporter: Oh right, it's nice is Pimlico.
- Lord Mackenzie: It's like a little village in the ...
- Female Reporter: It's lovely, isn't it?
- Lord Mackenzie: It is at weekends.
- Female Reporter: Before I moved to Zurich I was living not far from there, in Kennington. Do you know Cleaver Square?
- Lord Mackenzie: Yes.
- Female Reporter: Just lived just off Cleaver Square, not actually on it, so I know it quite well.
- Lord Mackenzie: I like that it's within walking distance of the House, 20 minutes, which is perfect for the business of exercising.
- Male Reporter: Yes well I just think, the freedom of being able to walk to the office.
- Lord Mackenzie: On a nice spring morning. Trouble is we don't get nice spring mornings anymore.
- Female Reporter: No. What's happened to our weather? It's revolting, isn't it?
- Lord Mackenzie: So are you living in Switzerland at the moment?
- Male Reporter: Has it been like this for a long time?
- Lord Mackenzie: Yeah it's been like this for a long time, yeah we've had no spring at all really and a terrible winter and no summer.
- Male Reporter: Since we've been here it's just been grey every day.
- Lord Mackenzie: It's like this all the time. It gets you down.
- Female Reporter: It does, yes. It's miserable. It's a little bit brighter back home, but we're just back and forth. I don't know whether we're coming or going.
- Lord Mackenzie: I like Switzerland.
- Female Reporter: It's lovely, yes.
- Male Reporter: You've had much more clear blue sky.
- Female Reporter: You just don't get the kind of murk. Even if it's cold, it's just lovely fresh air. It's just murky here, getting a bit sick of it.
- Lord Mackenzie: Is it Lugano?
- Female Reporter: Lugano yes.
- Lord Mackenzie: Near Italy
- Male Reporter: Yes.
- Lord Mackenzie: I did a lecture out there actually.
- Female Reporter: Really? I haven't been myself.
- Lord Mackenzie: An ex Scotland Yard Officer actually who is a multi-millionaire.

- Female Reporter: Oh really.
- Lord Mackenzie: He wrote to me. He's a bit of an eccentric. He's in his 80s.
- Male Reporter: What's his name?
- Lord Mackenzie: Good question. You ask some penetrating questions. It's a long time since I've seen him, but he was a chief inspector in the flying squad and he wrote to me when he was 80. He was part of an organisation that I was part of. He was investigating the murder and, believe it or not, he ended up marrying the widow of the guy that was murdered. She was a multi-billionaire American. She died and left him with all this money. So, of course, he invited me, and he often writes to Ministers he runs this organisation. He's a bit eccentric to be fair. He's obviously big wheeling in Switzerland and he's part of the old Swiss British group in Legano. Anyway, he invited me across to do a lecture. It was very nice.
- Male Reporter: It's a nice part of the world.
- Lord Mackenzie: It is nice, but I for the life of me can't remember his name.
- Female Reporter: Fascinating yarn, isn't it. Imagine that, marrying. It's a great premise for a story.
- Lord Mackenzie: I couldn't believe it, first thing he said to me in his letter I remember. First of all, I'll tell you how I got my money.
- Female Reporter: Really?
- Lord Mackenzie: At least he was being open and he told the story.
- Male Reporter: He probably bumped him off himself.
- Lord Mackenzie: Well. I thought well I'm not going to delve any deeper.
- Female Reporter: Great, Agatha Christie territory isn't it.
- Lord Mackenzie: [unclear] crime.
- Female Reporter: Let me give you my card. Have you got one on you as well? Brilliant. There we go. That's mine.
- Lord Mackenzie: I didn't realise you were a lady you know.
- Female Reporter: People often get confused with my name, Robyn with a Y.
- Lord Mackenzie: On the email I got, I think from your PA, she spelt it with an I.
- Female Reporter: Did she?
- Lord Mackenzie: Yes.
- Female Reporter: I'll have to have words with her about that. Oh dear.
- Lord Mackenzie: Which I was very surprised.
- Female Reporter: Gosh, Fiona, I must talk to her.
- Lord Mackenzie: She mentioned in one point, because I thought I'm sure it was a Y and I checked further and it was, and then underneath.
- Female Reporter: Well she's going to get a beating. That is quite shocking.

Lord Mackenzie: Shall I send you a copy of it?

Female Reporter: Yes, forward it and I'll ...

Lord Mackenzie: What I don't want to do is get her into trouble.

Female Reporter: No, no, I'm ...

Male Reporter: It's alright.

Female Reporter: Thank you very much.

Lord Mackenzie: It's the last thing I'd want to do, but it did confuse me.

Female Reporter: It is confusing. No, she won't get into trouble. I don't know what we'd be without Fi. She's probably ...

Lord Mackenzie: Working ...

Female Reporter: ... been at office gin supply or something.

Lord Mackenzie: Right, well ...

Female Reporter: Wonderful to meet you. Thank you so much for your time. We'll be in touch really soon.

Male Reporter: That sounds really good.

Female Reporter: Enjoy Rome. Have a good time. See you again. Take care.

Lord Mackenzie: I hope the weather will be a little bit brighter than here.

Female Reporter: Yes. We almost guarantee it will be, I would have thought.

Lord Mackenzie: I'll not be sitting in the conference because they'll be speaking bloody Italian. So there's not a lot of mileage in that.

Female Reporter: No, that's true.

Lord Mackenzie: If there's a nice pool ...

Female Reporter: That's where you'll be. Good idea.

Lord Mackenzie: Lovely to see you.

Female Reporter: Lovely to see you.

Lord Mackenzie: And we will be in touch.

Female Reporter: Great. Speak soon. Thanks so much.

Appendix F: Emails between Lord Mackenzie of Framwellgate and undercover *Sunday Times* reporters, 21 and 22 May 2013; emails between Lord Mackenzie of Framwellgate and Jonathan Calvert, Insight Editor, 31 May and 1 June 2013

Email from Robyn Fox to Lord Mackenzie of Framwellgate, 21 May 2013, 10.53 am

I hope this finds you well. I'm getting in touch because my company, Coulton & Goldie Global, a Zurich-based strategic consultancy, is setting up a UK operation and we are looking to recruit a select group of expert consultants to support our work. One of our most exciting new projects Involves building a European launch

strategy for a leading-edge solar technology developer In the far east, with the UK as the market-entry point.

Engaging with decision-makers about the green policy environment is a vital part of our strategy and we feel that your political and business acumen could be a great asset to us- In bringing this venture to fruition.

The client is developing a range of solar PV nano-cell technologies which represent a bold leap forward In the fight against climate change and we believe could be a crucial breakthrough In the British government's progress towards meeting its renewable energy and zero carbon homes targets. The consultancy work would take up around a day or possibly two each month with an extremely generous remuneration package including a quarterly bonus.

If this is an opportunity which may interest you, my colleague James Lloyd and I are in the UK this week and would welcome the chance to tell you about it—perhaps over lunch or dinner.

Email from Lord Mackenzie of Framwellgate to Robyn Fox, 21 May 2013, 12.13 pm

Your email is of great interest but your timescales are difficult for me. I fly to Rome on Thursday and I am committed until then. Parliament rises on Wednesday and resumes on Monday 3rd June. I will be in Durham during the recess and return to London on 3rd June. I will be in Durham from 27th May. My cell phone has poor reception in Durham.

Perhaps you could send more information by email?

Email from Robyn Fox to Lord Mackenzie of Framwellgate, 21 May 2013, 3.35 pm

Thanks so much for getting back to me. We're delighted that you might be interested in the project. I understand that time is tight but it's quite key that we meet before heading back to Zurich next Tuesday because we'll need to brief our directors on the candidates then. We're very happy to be flexible about timings though. Is there any chance we could meet you for a drink this evening, an early breakfast tomorrow morning, or dinner or drinks tomorrow night? Antisocial hours are fine—we're used to it!

Do you have a cell I can reach you on?

Email from Lord Mackenzie of Framwellgate to Robyn Fox, 21 May 2013, 7.42 pm

I can do 4 pm tomorrow for a drink in the Lords. Come to the Peers Entrance for 4 pm if you can make it. I will have to get away for 5 pm.

Email from Robyn Fox to Lord Mackenzie of Framwellgate, 21 May 2013, 9.44 pm

That would be perfect—we look forward to seeing you there.

Email from Fiona Bonnington (Executive Assistant to Robyn Fox) to Lord Mackenzie of Framwellgate, 22 May 2013, 12.32 pm

Robyn and James would be delighted to see you at 3pm for tea at the Corinthia Hotel. It has entrances on Northumberland Avenue and Whitehall Place and is very close to Charing Cross station. The address is 10 Whitehall Place, London SW1A 2BD and here's a link to the directions page on the hotel website:

<http://www.corinthia.com/en/London/location/>

Email from Lord Mackenzie of Framwellgate to Fiona Bonnington, 22 May 2013, 1.59 pm

That's great! I look forward to meeting them. Thank you for your help ...

Email from Lord Mackenzie of Framwellgate to Robyn Fox, 22 May 2013, 5.11 pm

Thank you both for a very interesting meeting. An after-thought—an all party parliamentary group would need an admin staff to run it. I am sure there are experienced people who do this and I can check this out if you wish—let me know please. I forward the email as requested.

I look forward to receiving your proposal in due course.

Email from Robyn Fox to Lord Mackenzie of Framwellgate, 22 May 2013, 6.23 pm

We really enjoyed meeting you today and thanks for a really interesting chat. Good thought on admin for the APPG—let us have a think about that and get back to you. It may be that we can get some of our own junior analysts to help with that although as you say an experienced outfit may be better.

We'll have a chat with Mike and Jen in the next couple of days and come back to you with a firm idea of how to go forward. In the mean time, I'll drop Jim Fitzpatrick a line as you suggested to see if he might be interested in being our point-man in the Commons.

Hope you have fabulous time in Rome and look forward to speaking again shortly.

Email from Lord Mackenzie of Framwellgate to Robyn Fox, 22 May 2013, 6.51 pm

Many thanks.

Email from Lord Mackenzie of Framwellgate to Robyn Fox, 22 May 2013, 9.35 pm

I have now had another look at the House of Lords Code of Conduct and it is clear that functions in the Lords with a view to promoting the interests of your South Korean Client would be a breach of the code as would setting up an APPG on Solar Energy in parliament with the same purpose. These are complex matters but in the light of the recent changes I feel that such a financial relationship would be improper and therefore feel that I cannot take the matter further.

I have to say the product sounds excellent in terms of energy saving and I wish you well with your project.

Email from Robyn Fox to Lord Mackenzie of Framwellgate, 22 May 2013, 10.59 pm

That's a real shame—we were really looking forward to working with you and both felt really enthused by our meetings. Do let's keep in touch and perhaps we can work together in future. I hope you have a lovely time in Rome.

Email from Jonathan Calvert, Insight Editor, Sunday Times, to Lord Mackenzie of Framwellgate, 31 May 2013, 9.28 pm

The Sunday Times is preparing an article for publication this weekend which will contain details of a meeting you held with two representatives of a company called Coulton & Goldie Global on the afternoon of 22 May. The company was offering to hire you to provide parliamentary advice and services for one of its clients, act as a paid advocate for the client in parliament and in your dealings with the government, and to host functions on behalf of the client in the House of Lords. The provision of such advice and services in return for payment would be a breach of the House of Lords' code of conduct and the rules on refreshment department functions.

You told the executives that you would be happy to perform these services for a fee of £120,000 a year for two days' work a month, which you would declare in your register of interests. You said that the House of Lords provided a useful base for you to conduct your private business in London. You said that your position in the house gave you access to ministers and that you would lobby them behalf of the company. You said that you had lobbied Lord West on behalf of your client Dynamiq. You would also write to ministers on the company's behalf, with the advantage that you were guaranteed a reply because of your position in the House of Lords.

You said that you evaded the rules banning you from hosting functions in parliament on behalf of paying clients by getting your friends in the House of Lords to host them for you. You gave an example of a recent event that your friend Lord Brookman had hosted on behalf of one of your clients, on the back of which the company had won new business. You said you were prepared to host events for the clients of other peers in return, and you had also recently hosted a marketing function in parliament for a friend of yours who is not a peer.

You said that you would be prepared to make speeches and ask questions in parliament on the company's behalf to push for policies that would advantage its clients. You told the executives that you spoke on behalf of your other clients in parliament. You said that you could also ask other peers to make speeches or ask questions on behalf of the company, which would avoid the need to declare the financial interest behind the question.

According to Hansard, on 16 July last year, you asked Lord Henley, the Home Office minister, a question about whether he was aware of radar technology being marketed to the Olympic Security authorities by one of your clients. You declared that you had "an interest" in asking the question which was declared on your register but gave no details of what that interest was. There was nothing on the register to suggest that any of your clients were involved in selling radar technology.

Furthermore, you agreed to help the executives set up an all-party parliamentary group on solar energy and were happy to chair it even though it was made clear that this was a device for the company to make contacts and lobby within parliament. You said that as chair of the group you could write to ministers or host functions in parliament.

You said you would declare the consultancy your register of interests and when speaking in the house or writing to ministers in relevant topics. This notwithstanding, the services you were offered would have breached the House of Lords' code of conduct, which bans peers from acting as paid advocates,

attempting to influence parliament in return for financial reward or offering any parliamentary advice or services for money. You would also be in breach of the rules on refreshment department functions, which ban peers for hosting events for their own, or anyone else's, direct or indirect financial benefit.

The Sunday Times will report your offer to act as a paid advocate and parliamentary advisor, and to host functions in the House of Lords for a paying client, and therefore your willingness to breach the House of Lords' Code of Conduct, as matters of legitimate public interest and concern. Please respond with any comments you wish to make by 4pm on Saturday (1/6/2013) so that we can reflect them fully in our article.

Email from Lord Mackenzie of Framwellgate to Jonathan Calvert, 31 May 2013, 9.53 pm

Could you let me have your telephone number please?

Email from Jonathan Calvert to Lord Mackenzie of Framwellgate, 31 May 2013, 10.54 pm

Thank you for your email. Our letter has covered all the points we wish to put to you and could you please put any response you wish to make or any further questions you have in writing.

Email from Lord Mackenzie of Framwellgate to Jonathan Calvert, 31 May 2013, 10.57 pm

Can you let me have a telephone number please?

Email from Jonathan Calvert to Lord Mackenzie of Framwellgate, 31 May 2013, 11.00 pm

Did you not receive my previous email? It said:

Thank you for your email. Our letter has covered all the points we wish to put to you and could you please put any response you wish to make or any further questions you have in writing.

Email from Lord Mackenzie of Framwellgate to Jonathan Calvert, 1 June 2013, 12.32 am

Thank you for your email.

I would be obliged if you would print in full, the following statement in the interests of balance.

"I total refute that I have breached any of the parliamentary rules or lobbied on behalf of any commercial organisation in parliament or abused my position in any way. I have a great interest in renewables, carbon reduction and green issues and when approached by this company (now known to be false) I was more than happy to promote what I thought was a very innovative product [a solar energy window] on behalf of their client.

I gave a description, as I saw it, of what the parliamentary rules were and certainly would not have asked questions provided by any commercial company. I pointed

out that if I worked for the company I would need to register the interest and would only ask questions which I thought were of legitimate interest to me, declaring my interest in the topic. Throughout the interview I pointed out several times that the key matter was total transparency.

I have certainly not lobbied Lord West [former security minister] but I was involved in an Australian radar security company Dynamiq, [registered] which secured any waterborne threat to the Sydney naval base and as a former admiral I thought that he would be interested in such a system. In the event we did not get to discuss the matter.

At the interview I was making the general point that in the division lobby access to ministers is useful, not for commercial lobbying, but for discussing political and 'constituency' issues.

As a former senior police officer I take great care to conform to the rules of parliament, which are very complex and I have described it as "walking on eggshells". Following my conversation with the fraudulent company it would have been my intention to discuss the matter with the Registrar of Interest in the Lords [which I have done on previous occasions].

The report of the House Committee 2010 [HL Paper 47] on Rules Governing Facilities states "However it is acceptable Members to host meals for purposes relating to their outside interests, including their commercial interests." It has to be remembered that Members of the Lords are not paid and therefore business has to be conducted, quite often over meals, in the House. Members have to be available on the premises for votes etc.

As to the event hosted by Lord Brookman. This was a not for profit event with carbon reduction representatives from several Universities and it was an educational and not a commercial event at all. However, as I was involved in hosting the event I felt it was prudent to ask Lord Brookman to host it, which he did, so as not to possibly breach of the rule prohibiting members sponsoring events with a financial interest. There was great interest in the event and the government was represented by a junior minister. There were no paying clients!

At the interview with the fraudulent company I certainly supported the fictional product and I concluded by showing a general interest in working with them and asked them to put their proposals in writing. In the event I went back to my office and when I re-read the House of Lords Code of Conduct it was clear to me that any such promotion of the interests of the Fraudulent South Korean company and any setting up of All Party Parliamentary Group representing their interests would be a clear breach of the Code of Conduct.

Within six hours of the meeting I sent an email to the so-called representative of the South Korean company, pointing out that such a financial relationship with them would be improper and that I would not be taking the matter further. At this point I still thought they were genuine.

I reiterate I was genuinely interested in their 'green' product but certainly would not have lobbied in parliament or asked questions in parliament on their behalf."

I am more than happy for these complex matters to be investigated by the House of Lords authorities and confident that I have not breached any part of the Code of Conduct."

Thank you for allowing me the opportunity to state my position in all of this.

Appendix G: Second response to allegations by Lord Mackenzie of Framwellgate, 1 August 2013

1] I am not certain how accurate the transcript is, as I can see no mention of me saying **“the key is total transparency”** which I am sure I said on more than one occasion.

2] I think the general tenor of the full transcript bears out my original submission in that it shows that I was continually trying to explain to the fraudulent Swiss Consultants what is, and what is not allowed within the rules by members of the House of Lords. There is no suggestion of me trying to break the rules; quite the opposite in fact.

3] For example at the bottom of page 10, I pointed out the problems with consultancies and lobbying with people getting passes and gaining access. I was explaining previous rule breaking; not advocating it!

4] Likewise at the top of page 13 I point out the importance of being open and declaring interests. I reiterate that throughout I believed I was intending to work for the Korean Solar company outside the House and not as an advocate inside the House. When I used the term advocate in the middle of page 14 it was in the context of being a good speaker promoting the product in a marketing sense outside parliament.

5] Similarly with the setting up of an All Party Group on solar energy; it was in the context of an interest and networking group with ministers and other professionals speaking occasionally and not as a group promoting a particular company or product. That is why I suggested at the top of page 18, joining an existing group.

6] As to hosting functions on page 22; I believe the interview shows that I understood the general objective of the rules and that I tried and succeeded in staying within them. Similarly with lobbying on page 29 I am quoted as saying **“What you’ve got to be is open and honest. That’s the name of the game.”** Not the words of a member trying to break the rules! Likewise any reference to Lord West was as his position as a former Admiral and not as a Minister. I did not join the company until we were in opposition. I knew the rules and applied them.

7] The killer quote I believe is on page 30 at the bottom when I am explaining the errors of the past; “We can’t do, and what caused a lot of problems in the past, was cash requests for questions. I think what some MPs were doing was asking a planted question for cash.” I explain further down page 31; “we could say that if I was working for you [the Korean solar company] and there was a question on solar energy that was a *legitimate* [my italics] question which I wanted to ask, there’s no problem with that as long as it’s declared.” Again I am explaining the rules and staying within them. None of this is quoted in the article of course and shows the injustice of many of the splash headlines!

8] The transcript I believe shows a member doing his best to explain the rules with a view to avoiding their breach and, as I explained in the first submission, it provides no basis for concluding that I have wittingly or unwittingly broken the codes of conduct in the Lords and I invite you to find accordingly.

Appendix H: Interview of Lord Mackenzie of Framwellgate by the Commissioner, 13 August 2013

The Commissioner for Standards: Lord Mackenzie, I am grateful to you for agreeing to this interview. It is being taped and you will subsequently be supplied with a copy of the transcript. You self-referred yourself following the *Sunday Times* coverage, which alleged that you had breached the House of Lords Code of Conduct.

Lord Mackenzie of Framwellgate: That's right.

The Commissioner for Standards: I then formally advised you that I would be investigating your conduct and you provided an initial account, dated 27 June. I then forwarded a transcript of the *Sunday Times* meeting with you as soon as it was provided to me and you subsequently provided a second supplementary account, dated 1 August. Your two submissions, plus the *Sunday Times* transcript, are the three core documents that I will refer to during this interview. In essence, I intend to use this interview to seek clarification of points that have arisen either in the transcript or indeed in your own submissions. It is as straightforward as that, Lord Mackenzie.

Lord Mackenzie of Framwellgate: I understand.

The Commissioner for Standards: I just want for my benefit to clarify points that you have put to me or points that arise from the *Sunday Times* transcript. The only people present are yourself, myself and my colleague Nicolas Besly.

Lord Mackenzie of Framwellgate: Could I say something at the outset?

The Commissioner for Standards: Please, by all means.

Lord Mackenzie of Framwellgate: Thank you, first of all, for holding the interview so quickly. I was expecting it probably not to resume again until Parliament resumed, so I am very grateful to you for expediting it, because it is important, obviously, to me that the thing is resolved one way or the other as soon as possible, so I am grateful for that. I would like that on the record.

The Commissioner for Standards: I am grateful for that. I will be very clear with you: I think that, in fairness to any Lord who is complained against, it is essential that I push this as fast as I can. You will realise that there has been a delay—

Lord Mackenzie of Framwellgate: I know that.

The Commissioner for Standards: That is neither your fault nor my own.

Lord Mackenzie of Framwellgate: I saw the length of the delay for the generals in receiving the transcript. It was a lot longer, so at least you seem to have speeded that up, which is good.

The Commissioner for Standards: Thank you. Hopefully this will be in fairly chronological order. I see that you have the documents. I will give you the references wherever possible to help you.

In your first response to me, at paragraph 5, you come up with the concept of a job interview. I would be interested to know what job you thought you were applying for, if you felt that you were in a job application process. What do you see as different between a job interview and lobbying as such?

Lord Mackenzie of Framwellgate: I think that there is a vast difference between a job interview and lobbying. I have fully understood from the outset—and that is what annoys me about the whole thing. I was fully aware of the problems in the past with lobbying, cash for questions, all the things that had happened mainly in the Commons but none the less some of it splashed over into the Lords. So I was fully aware of the rights and wrongs of what you can and what you can't do. I must be quite frank that, when I had the initial e-mail, which you have a copy of, I was quite satisfied that it was a job, because there was no mention in that, if you have a look at it, of lobbying or any question of using influence in Parliament. As far as I was concerned, it was simply a job that I have done many times for other companies—being a consultant, perhaps advancing their marketing process, putting the thing on the map. I was very interested in the product, as I have said in my submission.

Throughout the interview, I think what comes across, as far as I am concerned, and the whole tenor of the interview is me trying to explain what you can do and what you can't do—the rights and wrongs of what you can do in Parliament. But all that was in the context of a job working for this fictitious South Korean company. Certainly, had there been any suggestion—and nowhere in the interview, if you read it again, is there any direct suggestion that I would be lobbying in Parliament, that I would be asking questions. In fact, I expressly say in the killer quote that I mention in, I think, the second submission that what we can't do, and what caused a lot of problems in the past, was cash requests for questions. I think that what some MPs were doing was asking a planted question for cash. What I was saying was that that's really a no-go area. Even in one of the questions that the lady asked, if I can very briefly refer to it, she talks, or asks a question—I am looking at page 14 of 45 in the transcript. The female reporter, just at the top, says: "I suppose the only issue I can imagine, because part of what we're looking for would be some advocacy, is I'd assume if you are talking about, solar glass and you've got a clear interest in it, is there a risk that people take you less seriously because they know that you're working for a solar glass company ... ?" She actually says, "you're working for a solar glass company", not for the consultants. That was certainly the impression I got throughout the interview that the job wasn't—I know that she does mention working for them, but as the representative of the solar glass company. I certainly never envisaged working as a consultant for the purposes of lobbying. That's the sort of question that planted that in my mind and that was in my mind throughout the interview. It wasn't until I reread the transcript that I realised that part of the hinting—and it was hinting; there was never any sort of direct question, "Will you ask questions in Parliament for cash? Will you lobby Ministers?" As far as I was concerned, there was no question of lobbying or indeed asking questions in Parliament for cash. All my intent was working outside influencing obviously the market and perhaps doing presentations. When I talked about advocacy, again I was talking about advocacy in the sense of being a proposer, a proponent of whatever it was I was proposing. Of course, that was the solar glass. But that would be outside Parliament and not inside Parliament. Sorry to be so long—

The Commissioner for Standards: No, please. It's very important that you express yourself in the way that you are happy and satisfied with. Let's be very clear about that. That is helpful.

Could I ask—without asking for a full CV—to highlight what you felt your qualifications, experience or skills were that had both attracted the interest of Coulton and Goldie and would enable you to work for them?

Lord Mackenzie of Framwellgate: I would have thought—and I did ask them this—that it was my interest in solar energy. I was involved in a number of groups in Parliament to do with green issues. I was involved in a couple of companies that were involved in, obviously, reducing the carbon footprint, so I had a direct interest in the subject matter. My history in Parliament as a consultant for other companies is on record. I've been in and out of different roles—again, all outside Parliament. If you look at my record in the House, all my questions have mainly been about—or all my interventions or speeches—the issues that, obviously, I spent most of my life dealing with, which were crime, drugs and those sort of issues. So very rarely did I ask questions involving my private interests, but if people came to me and said, “We think you've got skills in speaking, skills in presentation and you can stand on your feet in front of an audience,” which is what I did, then I was more than happy to make some income from those roles, but outside Parliament, not lobbying inside Parliament.

The Commissioner for Standards: Thank you. Do you feel that your membership of the House of Lords was attractive to Coulton and Goldie?

Lord Mackenzie of Framwellgate: I am sure—you've got to remember that it was a trap. As far as I was concerned, I was attractive to them because of my interest in green issues and my background in business as a figurehead, if you like, for the launch of this fictitious product. That was my sort of take on it and I assumed that was theirs, but of course we know differently now.

The Commissioner for Standards: Right. Just to move on slightly from that, what experience do you have in building what I think you refer to as product launch strategies?

Lord Mackenzie of Framwellgate: None at all.

The Commissioner for Standards: Right.

Lord Mackenzie of Framwellgate: None at all. That would be something that I would go with the flow with. But I have joined other companies with a similar sort of introduction and got on fine, because I simply adapted, as you do, to whatever they want in terms of helping with the product launch. I presumed that it was a presentational role and a figurehead role rather than dealing with the actual details of the product itself, because I am no scientist.

The Commissioner for Standards: Thank you for that. Moving on, I am now primarily going to be referring to the transcript. If we turn to page 7 of the transcript, the female reporter told you that the consultancy were looking at, “somebody ... in parliament ... who can help build bridges with other parliamentarians, maybe could help us with the establishment of an all-party group or something like that, and could be kind of an advocate for us and somebody who would guide us and make introductions and things like that ... Is that the sort of work that you would do?” she states, to which you reply: “Yes, clearly I would have to declare ... an interest.” My question is: do you think it is permissible for a Member to be an advocate in Parliament for a commercial interest, making introductions and generally guiding the commercial interest through the parliamentary system, so long as the interest is declared?

Lord Mackenzie of Framwellgate: Well, no, again my take on this and my view on all-party parliamentary groups—and I am a member of many of them—is that they are simply interest groups. I certainly never saw them at any stage as a lobbying group and still don't, to be honest. So I just don't see where they're coming from when they seem to suggest—even when I said that I would write to

Ministers. It happens now—you get Ministers appearing before all-party parliamentary groups. I mentioned, I think, in my submission that I was a member of the all-party policing groups. You get a whole range of people coming before those. They are purely interest groups for people interested in the topic. There's a whole range of interest groups, but I certainly never saw that as lobbying for changes in legislation or things like that. It was simply an interest group in the topic—in this case, solar energy. I did mention that there are other energy groups that they might want to join, so I couldn't see why they wanted a special one, but that's what they insisted on. Of course, I can see why now. But certainly I was so clear in my mind that all the all-party groups—and I don't know any of them that act as a lobbying group; it is purely an interest group and a whole range of different people attend from time to time, both within Parliament and outside Parliament. So it wasn't a lobbying exercise at all or a group to change legislation. I wouldn't have gone near it with a barge pole if that had been the case.

The Commissioner for Standards: In light of the quotation that I have given you from the female reporter, I am just interested that you didn't at this stage highlight that certain activities, such as paid advocacy, are prohibited.

Lord Mackenzie of Framwellgate: Well, I think I have in the interview. I might not have mentioned it there, but certainly throughout the interview itself, if I can refer to a particular—

The Commissioner for Standards: I think we will come on to it, in fairness to you, because you have said on subsequent occasions that you must declare an interest. I'm just interested, given that she was setting out there what she thought—

Lord Mackenzie of Framwellgate: Well, I didn't see it as that, you see—as a paid advocacy to actually influence Government. To me it was an interest group and I never got beyond that in my understanding of what she was talking about. I saw no problem at all with being the chairman of the group, being part of the group or anything else. I certainly did not see it as a breach of any codes of conduct at all, because that was not my intention. It was purely an interest group, like all the other ones I attend. None of them, as far as I know, actually lobbies Ministers or goes anywhere near that.

The Commissioner for Standards: That's fair enough. Now if we can move on, please, the reference is pages 12 and 13 of the transcript. You refer to being open in declaring interests and to journalists putting in freedom of information requests about Peers holding functions in the House on behalf of clients that they have an interest in. You say, and I quote: "I've got wise to it. I know exactly what they can do and what they can't do, so there's no problem, but you've got to be careful." Can I ask: what did you mean by that?

Lord Mackenzie of Framwellgate: Well, could you refer me to which paragraph that is?

The Commissioner for Standards: Yes, sorry, by all means. It's at the tail end of page 12, moving over into page 13.

Lord Mackenzie of Framwellgate: Oh yes, freedom of information. What I meant by that was that, as far as I'm concerned, the rules of conduct are a little bit complex. I have certainly studied them and I had studied them before getting involved in all this and I was fairly satisfied that what I did certainly wasn't breaching the rules. But the point I was trying to make, I think, was that where you do have functions—and I have had some experience of it, where I've held

functions. I think it was the *Independent on Sunday* that set up a school for journalists to trawl through freedom of information that had been provided to see which Members of the House of Lords had hosted different functions. I think Lord Stevens had the same problem and there are one or two things published. The one that he rang me about was in fact one that didn't go anywhere near breaching, because there was no interest at all in the company—I simply hosted the thing. But having said that, that made me realise that clearly these people were checking to make sure that there was no breach of the code, which made me even more determined that I wouldn't breach the code. So I had a full understanding of what they would be up to, because I did not know who these people were that I was talking to at the meeting, otherwise I wouldn't have said what I did. But the point I was making was that journalists are obviously forever digging to try to dig the dirt, if you like, on Members of Parliament. What I was suggesting was that you've got to be very, very careful and that's why it's important that you understand the rules. As far as I was concerned, I did understand the rules.

The Commissioner for Standards: Thank you for that. Staying on page 13, just after you've given that position, the female reporter says, three or four entries down, "So basically, as long as you declare it you can use your position". You replied, "Absolutely yeah. There's a register your interest and I declare it as soon as I'm on-board". On the next page—page 14—you say, "I'm certainly somebody that can stand up and speak about issues. That's one of the important skills, I suppose, of being a parliamentarian ... I can be an advocate. And as long as I'm not trying to hide anything, I wouldn't have thought that was a problem". Then in paragraph 26 of your first submission—I'll let you go to paragraph 26—you say that you were talking about your abilities to speak outside Parliament.

Lord Mackenzie of Framwellgate: All of that is to do with—

The Commissioner for Standards: Just bear with me for a minute. Why then did you refer to being a parliamentarian? Why should there be concern about not hiding anything?

Lord Mackenzie of Framwellgate: When I'm talking about being an advocate, I'm talking about being an advocate outside Parliament for the fictitious South Korean company, and declaring an interest. So if I'm speaking in Parliament on a topic to do with that company—for example, solar energy—then providing of course that I declare it, I am not trying to hide anything. I continually say throughout the interview, Mr Kernaghan, the importance of being open and honest. If I was trying to evade the rules, I wouldn't be saying that. It contradicts itself. The whole thing is run through by me continually trying to explain what the rules are, what you can and can't do, being open and honest—I say that several times. I thought I used the word "transparency" but it's not in here. I don't know whether anything is missing.

Having said that, I was talking about being an advocate outside Parliament, promoting this South Korean company, but if a topic cropped up in Parliament, as it does on several occasions, the particular interest that you have in terms of a role outside Parliament, clearly you need to declare that interest and therefore you are not trying to hide anything. That was the reference there. Remember, if you go further up on the same page—page 14—that is where she says, "you're working for a solar glass company". As you can see, she's not saying, "You're working for us as consultants". So I was quite satisfied that I was talking about working for the solar glass company outside Parliament and that if I did come across a question, or there was a Statement or some relevance in Parliament, I wouldn't be inhibited about speaking about it, providing I was being open and honest.

The Commissioner for Standards: Thank you for that. I now want to move on to a few questions about all-party groups. On pages 18 and 19 of the transcript, you agree that you can set up an APPG on solar energy, including sponsoring it and approaching other parliamentarians to get the requisite number of members. You later agree to chair it. The House of Commons *Guide to the Rules on All-Party Groups* states that they are essentially run by and for Members of the House of Commons and the House of Lords. How do you reconcile that description with an agreement to create an APPG at the behest of a commercial company?

Lord Mackenzie of Framwellgate: Again, I go back to the original point. As far as I was concerned, there are 1,001 APPGs or whatever they call them. It is an interest group and if there is an interest in setting one up, because I have a particular interest in green issues—I assume that is why they are asking me—and yes, I am more than happy to do that, to discuss solar energy and the issues, but not for a particular company, not to use that influence to further the ends of the company, simply because it is an interest group and because I was working for this particular company. I would be more than happy to chair the group. It certainly wouldn't be with a view to influencing legislation or planting parliamentary questions. I don't see how it could influence anything, to be quite honest. It would be interested people, both in and outside Parliament, entering the debate, if you like, perhaps once a month, with refreshments provided. There are 1,001 of them on a whole range of different topics that are funded from sponsorship outside Parliament.

As far as I was concerned, I wouldn't have discussed it in those terms if I had thought for a moment it would be breaching any rules. To be honest, I'm surprised that it's figured so greatly in it, because nearly every group I know is sponsored by some private organisation. Dinners are held, and lunches. They are simply interest groups discussing particular issues and topics, from archaeology, as I mentioned, to drug misuse—a whole range of them. Some of them are semi-commercial. On policing, obviously there is no question of us lobbying for the Police Federation or trying to change legislation to suit the Police Federation. It's purely people who are interested in that particular topic, and I was quite happy to take it on. Certainly I wouldn't have even considered it if I had known that that was what they were hinting at—and as far as I was concerned, they were not hinting at that. It was simply, in my view, just a normal all-party group on a particular topic—in this case, solar energy.

The Commissioner for Standards: Thank you for that. Can I put two points to you in response to your answer? The day before you met these people, it wasn't in your mind to create an APPG on solar energy, but after your encounter with the reporters—consultants, as you thought them to be at the time—you indicate quite unambiguously that you are minded to create such an APPG.

Lord Mackenzie of Framwellgate: Well, I was interested in the topic, but certainly I had no intention of starting one without their prompting, yes. They were obviously interested in discussing these issues, and I was quite happy to further that within Parliament to all interested parties—but not with a view to influencing government policy.

The Commissioner for Standards: Right, so you don't think an APPG could be designed as a vehicle for—

Lord Mackenzie of Framwellgate: Well, I suppose it could be, if that was the intention, but it certainly wouldn't have been my intention, and I wouldn't have allowed it to be used for that purpose. To me it was an interest group that was

going to discuss solar energy. We might invite Energy Ministers to talk to it, and people from outside who could bring expertise to bear on the topic, but not to influence Government or get Ministers to change government policy. I just can't understand—I just don't see all-party groups like that, to be honest.

The Commissioner for Standards: Right. Again, staying with pages 18 and 19, the female reporter says, “Fantastic. That would be really great. Having someone of your stature would be really, really useful. Is it a useful way, do you think, for a company like ours of kind of using it as a platform to put forward our technology and make our case?” You respond: “Oh absolutely, absolutely and, of course, quite often the press pick up things from it. You get a bit of free publicity if a statement is being made and of course you could invite people to it because parliament is an excellent forum that people will turn up”. Do you think that it is acceptable for a Member, even when they have registered an interest, to create an APPG at the behest of an outside commercial interest?

Lord Mackenzie of Framwellgate: Well, again, it's not at their behest. I would have to have an interest in it myself—and clearly I have, in green issues. It certainly wouldn't be for the purpose of that. These organisations do put out press statements and publicity and so on, on the topic that they are talking about, not with a particular private interest in mind but because of the topic that they are dealing with. Of course, you do get free publicity if the newspapers are interested in the topic as well—if it's an interesting group to do with drugs or 1,001 other areas. But certainly that wasn't the intention when I was talking about that. Again, I was simply talking about people with interests in this topic, some of whom obviously would be in the industry itself. I would think that every all-party group—I can think of one or two energy groups where energy companies and a whole range of people are represented, but they are not furthering their own ends. They are simply discussing the issues that they want to discuss, because everyone is interested in that particular topic. That's how I understand all-party groups, unless I have got it wrong.

The Commissioner for Standards: Right, thank you for that. Can I draw your attention to page 41 of the transcript? You go on to provide—let's see if I can find my reference—some advice about an APG. You have given an explanation of your thoughts on an APG, or an APPG. Actually, in fairness, for the benefit of the transcript, the parliamentary guidance refers to an APG, but it seems to be common parlance for everybody to refer to it as an APPG.

Lord Mackenzie of Framwellgate: Yes, it's an all-party parliamentary group.

The Commissioner for Standards: Yes, whereas officially they are referred to as all-parliamentary groups, “party” seems to be a more colloquial expression that everybody seems to have dropped in just to highlight the impartiality in party-political terms. As I say, you have dealt with the view about setting up an APG at the behest of a commercial interest. In paragraph 5 of your second submission—we will go to that if we may—you basically refer to page 18 of the transcript, where you are asked about joining an existing APG. That is the cross-reference you've given. At the top there, the male reporter is basically saying, “Do you think you'd be able to help us with setting one up?” “Yes, I could certainly help with that. That's no problem”. The female reporter says, “Brilliant”. Then yourself, “You wouldn't want to be part of another group, because there are a lot of groups?” I think that is a question you are asking.

Lord Mackenzie of Framwellgate: That's asking them, yes. I knew there were other groups and I thought, well, if they're that interested, why don't they join one of them?

The Commissioner for Standards: Yes. I was just going to ask: who did you have in mind as joining the APG, and in what way?

Lord Mackenzie of Framwellgate: In terms of other members?

The Commissioner for Standards: Well, you're actually saying to this consultancy, "Why don't you join another group?" Or you are asking, "You wouldn't want to be part of another group, would you?" Surely, in a sense, these consultants could never be members of an APPG—or in what way could they be members?

Lord Mackenzie of Framwellgate: No, they couldn't. The people who were involved in the production of this fictitious solar panel, the people who were developing that, might be interested in attending, if they were interested in green issues. They were the people—not the consultants—that I was envisaging working for. They were the ones that I was talking about. That is the case all the way through. They were the interest group that may well be involved in an APG if that was the case and one was set up.

The Commissioner for Standards: Right. I was wondering why you didn't pursue that idea of inviting these people to join a group.

Lord Mackenzie of Framwellgate: I mean, to be honest, when I look at it now, I could have pursued a whole range of things, but of course this was just a discussion. I was not agreeing to anything. I was simply discussing what might and might not happen. I did suggest that there were groups already, so why start another one? But they were interested in solar energy because it is a fairly specialist area, so they said—whether it is or not, I don't know. I thought I'd have no difficulty at all in finding people who were interested in this particular type of solar energy production, this cutting-edge product that they were producing. I thought, "Well, yes". Again, it was just a throwaway comment. It wasn't an agreement as such to actually set the thing up. You know, I may well have changed my mind later on if I thought it wasn't practical. I was simply having a conversation with people about what might and might not occur—all within my understanding of the rules of the Code of Conduct. I certainly wouldn't have even gone there if I'd thought for one moment that it was a breach of any rules—and as far as I'm concerned, it wasn't. It was simply an interest group that they wanted to set up to discuss these issues—perhaps on a technical basis, I don't know.

The Commissioner for Standards: Right. Thank you for that. If we can move on, I now want to look at the area of sponsoring Refreshment Department functions and using the facilities of the House. In paragraph 8 of your initial response, you suggest that you would not be stupid enough to talk candidly about the rules about facilities and how they can be circumvented. Would you not accept that many people can be indiscreet or injudicious, not least in the context of a job interview?

Lord Mackenzie of Framwellgate: Oh, yes, indeed. But I don't think I would have gone into the detail that I did if I had thought for one moment—I wouldn't have told them about it if I had thought it was an illegal function that I hosted, because I had checked it out in great detail. I went through the fairly detailed reasons why I felt it hadn't breached any of the guidelines.

The Commissioner for Standards: Right. On page 22 of the transcript, in the middle of the discussion about hosting functions in the House of Lords, you say, “What I’m going to tell you now is all top secret”. Why did you say that?

Lord Mackenzie of Framwellgate: Well, I think what I meant was top secret in the sense that the rules had changed and therefore it wasn’t commonly known what the new rules were. Because of all the hoo-ha previously there had been, well, we know what the rules are saying, and, of course, when they were agreed. So they were relatively new. And again, it was a throwaway comment; it didn’t indicate that it was top secret, because it wasn’t. They are published documents and anybody can see them. What I probably meant was that it was fairly new and therefore it wasn’t well known exactly what the rules are now. Again, as with all this interview, I was trying to explain what you could do and what you couldn’t do within the rules. That isn’t what somebody would do if they were intending to breach the rules, I would suggest.

The Commissioner for Standards: Thank you for that. Staying, as I say, on page 22 of the transcript, I quote what you have said: “And I thought that’s bloody nonsense. Nonetheless, how do I get around, how would you get round that?” You then answered your own questions as follows: “I just say to a colleague who has got nothing to do with it, would you host a function for me? That is bloody common sense, isn’t it?” I invite you to clarify your remarks in that respect there. It does seem to indicate that you don’t agree with the rules: “How would you get around that? How would you get around the rules?”

Lord Mackenzie of Framwellgate: Again, what I was saying was that the rules are very difficult to navigate, in my view, having looked at them. I had looked at them long before I hosted this function. I discussed it with the people who are involved in the function, and I was fairly clear, and I always thought, until I read the details of it, that if you had a financial interest in a company that was involved in hosting a function or sponsoring a function, then the function couldn’t be held. I think I now probably disagree with that, and I probably could, I think, have hosted it without the involvement of Lord Brookman. But Ivy Link, the company that was actually promoting the function, which was a non-profit making—it was an educational function; there’s no question of anybody paying to come to the function, so it wasn’t a commercial venture at all. But clearly, they could have gone to any Member of the House of Lords and said, “We’re wanting to do this thing in the House of Lords because we want to invite a Minister to speak, to address it on green issues. Would you promote it for us?” That would have been well within the rules, because the peer wouldn’t have had a financial interest. It seemed to me—and I think I said that—fairly logical that it would be easier for me to mention to Lord Brookman rather than for them go to a Peer that they didn’t know so well, to invite him to host the function.

So it seemed fairly obvious, and as far as I was concerned, there was no breach of the rules. But when I look at the details, and I think I spelt it out in one of the submissions, I think probably, given the wording—and again, I still come back to the point that it’s fairly complex—I could have probably done it myself. I refer to paragraph 10 of my first submission: “Functions are not to be used as a purpose of direct or indirect financial or material gain by a sponsoring member, political party or any other person or outside organisation”. Of course, this function wasn’t for the purpose of any direct or indirect financial gain at all, because it was a non-commercial event, so there was no direct or indirect benefit to anybody. It was purely to explore, if you like, the value of reducing energy and the benefits thereof.

The Commissioner for Standards: Sorry, can I just ask you, given what you just said, Lord Mackenzie, but is the Ivy Link not a commercial entity?

Lord Mackenzie of Framwellgate: Why yes, of course it is.

The Commissioner for Standards: So basically, it is there to generate money.

Lord Mackenzie of Framwellgate: Yes, but that would mean that no people like Siemens and Northumbrian Water—a whole range—who often have functions in the House of Commons or the House of Lords, could ever hold a function. That is the point I am making. It wasn't till I read the detailed wording that it made it clear to me that clearly, if you promote—if you're holding the function to promote the company, then that's one thing, but if you're holding the function for some other purpose, in this case to explore the question of the value to lower the carbon footprint of reducing energy use in universities, then that's a totally different issue. As far as I was concerned, to say otherwise would mean that no private company could ever host or sponsor a function in the House of Commons or the House of Lords, and of course that would be a nonsense, because it happens all the time and presumably they are not all in breach of the codes of conduct—and they aren't, when you look at the wording of it. But it takes some navigating.

The Commissioner for Standards: Right. Thank you for that. If I can turn to paragraphs 16 and 17 of your submission, you highlight in bold, referring back to the transcript, that you believed that the rules were “bloody nonsense”. Have you taken any action, either individually or with colleagues, to address the rules that you feel are “bloody nonsense”?

Lord Mackenzie of Framwellgate: Well no—again, choice of words, I suppose. What I meant was that they were nonsense in the sense that they were very difficult to navigate. I think I mentioned “like walking on eggshells” at some stage. Because there is a contradiction, and I mentioned one in there. On the one hand they're saying that we recognise the importance of Members being able to continue pursuing their outside interests, particularly in an unsalaried House, notwithstanding that the House sits during business hours in the evenings. It then goes on to refer to refreshment outlets such as the Attlee Room: “However, it is acceptable for Members to host meals for purposes relating to their outside interests, including their commercial interests”. That seemed to me to be a contradiction in terms, in a sense, but I don't think that it was my job to go back to whoever wrote the rules and say—I mean, I suppose it could have been raised at some meeting that had been held to discuss the changing of the rules, if there had been one, but it was only recently that I'd become au fait with the details of them, and I have to say that I still find that there is a contradiction in many of the rules that are laid down. But it's our job to try to navigate them and, as far as I was concerned, I've done exactly that. That was the bloody nonsense I meant: the difficulty of actually understanding the contradiction in some areas between the various rules and the guidance.

The Commissioner for Standards: Can I just ask you: do you see any difference between navigating the rules and complying with the rules?

Lord Mackenzie of Framwellgate: Oh yes, a big difference, yes. I mean, navigating is complying, because if you navigate it means you go through without breaking them. I don't break any eggshells, as it were, but it is difficult.

The Commissioner for Standards: Thank you for that. At para 14 in your response, as you say, you use the phrase “to be on the safe side”. You got another Member to sponsor the Ivy Link lunch in the Attlee Room on 23 April, which you

were supporting. Why did you not obtain the advice of the Director of Facilities as highlighted in the relevant guidance from which you quote, because you have said that you find the rules complex and difficult, et cetera?

Lord Mackenzie of Framwellgate: Yes.

The Commissioner for Standards: But all the rules, I think, make it quite explicit that if the Director of Facilities says, “Legitimate. You’re fireproof”, to use the colloquial expression, or equally, if he was to say, “No, outside the rules”, you would be ill advised in the extreme.

Lord Mackenzie of Framwellgate: Well, because there’s nothing in the rules at all, as far as I could see, to say that a Peer who has no financial interest in the event can’t sponsor it. There was no bar to that, so it was fairly clear to me that that was perfectly legitimate. I mean, if the rules prohibited Lord Brookman from hosting that within the rules, then it would prevent any company that had a Lord involved in it in a financial sense from ever hosting a function in the Lords, wouldn’t it, because nobody could do it.

The Commissioner for Standards: I accept that entirely. If we can just focus: you’re connected and you’re involved in the Ivy Link; obviously there is an idea to have a lunch. I’m just interested—and please take your time on this—what information did you convey to Lord Brookman? Did you ask him to sponsor this function? Did you ask him to sponsor this function on your behalf? I’m just interested in how Lord Brookman came to be the officially sponsoring Member in respect of this particular function.

Lord Mackenzie of Framwellgate: Well, because I simply said that I had a financial interest in the event itself, right? I didn’t breach the rules, as far as I was concerned, because the event wasn’t promoting any company; it was an educational function. But I still felt a little bit uncomfortable—and again, I come back to the press interest previously, the experience I’ve had, and I didn’t want all that hassle, with the press fishing and saying, “Lord Mackenzie’s hosted a function where he has an interest in the company”, and then they start doing all their mischief. But I still think it probably would have been legal for me to sponsor it, but to be on the safe side, which is what I said, I thought it was better to have an independent Member sponsor it, and that is why I asked Lord Brookman. Because they could have gone to anybody, and I simply suggested Lord Brookman because he was in my office.

The Commissioner for Standards: Sorry. You say, “they could have gone to anybody”. Did Ivy Link approach Lord Brookman or did you approach him?

Lord Mackenzie of Framwellgate: I mentioned it to him, yes.

The Commissioner for Standards: So you decided—

Lord Mackenzie of Framwellgate: No, but they could have gone to anybody to run the function, had they been so minded.

The Commissioner for Standards: Yes, indeed, but in a sense you were working with Ivy Link; for the reasons you have articulated, you decided that it would be better if in this case it was Lord Brookman rather than yourself.

Lord Mackenzie of Framwellgate: Yes, just to avoid the press interest, merely.

The Commissioner for Standards: Can I ask you: what information did you provide Lord Brookman? Did you brief him that you had a financial interest, and therefore you felt that it would be—I am just speculating here; you use the correct words, please. Did you say to him, “Look, I have a financial interest. I think it

would be better if you sponsored this function”? I am just interested—what information did you give to Lord Brookman?

Lord Mackenzie of Framwellgate: I might not have used the word “financial”. I probably said, “I have an interest in this event, and therefore would you mind hosting it on my behalf? I’ll be there; you won’t have to do a great deal”, and he readily agreed to do it, yes.

The Commissioner for Standards: Right. What I’ve got to put to you, Lord Mackenzie, is that not surprisingly, when doing my preliminary background work, I made contact with Lord Brookman, and basically asked him, in a sense, how he came to have dealings with this. Basically, what he has said to me is that you asked him to do this as a favour: “He said that he was going to host a function in the Attlee Room, but there was a possibility that he would be late or that he may not be able to attend at all. I agreed to his request.”

Lord Mackenzie of Framwellgate: Me?

The Commissioner for Standards: Yes.

Lord Mackenzie of Framwellgate: No, that’s not right.

The Commissioner for Standards: So that’s not how you recall your conversation with Lord Brookman.

Lord Mackenzie of Framwellgate: No. Well, it wasn’t the conversation—I’ll be quite honest. I see why he’s saying that, because he doesn’t want to be—but to be fair, I probably didn’t say “a financial interest”. But I would certainly have told him—in fact I did tell him—“I’d like you to host this, if you would, but I’d go to somebody else”. But seeing as he’s a regular attender in the House, I said, “If you want to come along, and if you host it, because I have an interest in the event”. That was the reason. I’m not going to fall out with Lord Brookman over it, but that wasn’t my—

The Commissioner for Standards: But that’s not your understanding.

Lord Mackenzie of Framwellgate: No, not that I would—

The Commissioner for Standards: Basically, I think what you’ve said is that you may not have mentioned the words “financial interest” but you indicated you have a connection with Ivy Link, and it would be better if he sponsored it.

Lord Mackenzie of Framwellgate: Yes.

The Commissioner for Standards: It would avoid what you highlighted earlier: it would avoid—

Lord Mackenzie of Framwellgate: Any unnecessary press questions about my hosting the interests. But I still think that I probably could have hosted it quite legally anyway, within the rules.

The Commissioner for Standards: Right. Thank you for that. Other than Lord Brookman, who were you thinking of? What are the names of other colleagues in the House who swapped sponsorship of functions between themselves?

Lord Mackenzie of Framwellgate: I don’t know any, to be honest.

The Commissioner for Standards: Well, I’ve got to put it to you, Lord Mackenzie, that you indicated that this is a practice.

Lord Mackenzie of Framwellgate: Where did I indicate that?

The Commissioner for Standards: I'm sorry; bear with me. Basically, if we look at page 22, I'll read the dialogue, basically from yourself: "And I thought that's bloody nonsense"—referring to the rules.

Lord Mackenzie of Framwellgate: Wait a minute, where's—

The Commissioner for Standards: Sorry; halfway down page 22. "And I thought that's bloody nonsense. Nonetheless, how do I get around, how would you get round that?" You then state, "I just say to a colleague who has got nothing to do with it, would you host a function for me? That is bloody common sense, isn't it?" Then the male reporter: "Why would he do it for you?" Yourself: "Because he's a mate who knows it's a nonsense". Female reporter: "You'd do it for him as well, presumably". Yourself: "So when the press check and see that Lord Brookman is hosting this thing". Male reporter: "Is this your mate, Lord Brookman?" Female reporter: "One of them". And then you respond: "He's the one who did the last one I did. That's why I mentioned him. Because what the press do, they trawl through and they say right, Lord Mackenzie hosted that function there, has he got an interest, a financial interest? Then they'll ring you up and say you know have you got a financial interest? I hosted one for another pal of mine, fortunately I worked with him, not a financial interest".

Lord Mackenzie of Framwellgate: That was not a Member.

The Commissioner for Standards: "But I could have done and, of course, it was ... *Independent on Sunday*".

Lord Mackenzie of Framwellgate: Yes, I mentioned that. When I referred to the other one—you know, the pal of mine—that was not a Member of the House of Lords. So I was not hosting it for another Member; I was actually hosting it for a guy that wanted to do a presentation in the House.

The Commissioner for Standards: Right.

Lord Mackenzie of Framwellgate: But I did not have a financial interest. As far as I was concerned, it was quite legitimate, and it was not a marketing exercise, anyway.

The Commissioner for Standards: So, let's be clear: you are not claiming that other colleagues swapped sponsorship of functions?

Lord Mackenzie of Framwellgate: Well, certainly I don't know anybody that swapped anything like that. No.

The Commissioner for Standards: The only one you are aware of is on this occasion, when you asked Lord Brookman to sponsor it on behalf of yourself?

Lord Mackenzie of Framwellgate: Indeed, yes; absolutely.

The Commissioner for Standards: Thank you for that. In your first submission you stressed that the Ivy Link launch was a non-commercial event and that its purpose was education and training.

Lord Mackenzie of Framwellgate: Yes.

The Commissioner for Standards: You say that "its purpose was not direct or indirect financial or material gain".

Lord Mackenzie of Framwellgate: Sorry, which paragraph are you reading from?

The Commissioner for Standards: I am sorry—paragraph 10. That is your first response to me. But on page 23 of the transcript, you described it as a “marketing exercise”. And then on page 24 you talk about—

Lord Mackenzie of Framwellgate: That is not the Ivy Link thing; that is the other one I was talking about there. But, again, that was hype because it was not a marketing exercise. That was simply me sort of trade puffing, if you like. And I did not have a financial interest in that one, but that is the previous one, not the Ivy Link one. It is an important distinction.

The Commissioner for Standards: On page 25—please bear with me—you highlight that in fact the event had drummed up business for Ivy Link.

Lord Mackenzie of Framwellgate: Yes. Again, that was an exaggeration, because if you look at the evidence, it did not. There was no question of that because it wasn't a business venture. You see, again, at a job interview you tend to try and make things look better than they are. Perhaps what I am trying to suggest to them is that I am the man that can help them with their business, but certainly the event that I was talking about there did not have any financial benefits whatsoever. Again, that was me probably exaggerating and hyping it up simply to sell Brian Mackenzie as a consultant to the Korean business.

The Commissioner for Standards: Yes. Thank you for that.

Lord Mackenzie of Framwellgate: What we are talking about is the actual facts rather than what I am saying. What I am saying, a lot of it is probably not right anyway.

The Commissioner for Standards: Still on page 25, towards the end of the conversation about hosting functions in the Lords, the male reporter says, “That shows just how effective the House of Lords can be in terms of business.” You reply, “There is no doubt about that, but you've got to handle it right”. What did you mean by that?

Lord Mackenzie of Framwellgate: Well, what I mean is that the House of Lords is a tremendous place to obviously be in a position to discuss things with people because, the thing is, there are lunches, there are dinners, there are receptions all the time. People don't hold them in the House of Lords just because it is the House of Lords. It does attract people because of the venue. Therefore it is a perfectly ... it is an ideal place really to have events that people have a common interest in. Dinners or promotional events for whatever it is: water, 3Ms, it happens all the time. I attend some of the dinners, and of course “you've got to handle it right”—that was the second bit. What I mean by “you've got to handle it right” is that you've got to do it obviously within the codes of practice. That is the point I was making there. So it is a good place to do business. It is a great place. And, of course, another factor which I probably haven't emphasised enough is the importance of being able to hold functions—which is encouraged, incidentally, by the same guidance, if you remember. It is important that we have people interested in outside things. You've got to be here to vote quite often at night, and therefore it is important that you are on the premises as opposed to being in some restaurant somewhere at a similar function outside. It is important that you spend time in the premises if you are interested politically in voting and attending. Therefore you have to handle it right and make sure you do it within the rules. Again, I come back to the whole tenor of the interview. It was explaining what the rules are and trying to stay within them, which I think I succeeded in doing.

The Commissioner for Standards: Thank you for that. You state that they, the consultants, could combine an APPG reception with taking people around—

Lord Mackenzie of Framwellgate: Sorry, which page are you on?

The Commissioner for Standards: Sorry. I am looking at page 37.

Lord Mackenzie of Framwellgate: That's of the transcript.

The Commissioner for Standards: Of the transcript, correct. Basically, you offer to “wine and dine” the South Korean investor in the House of Lords. Can I ask why you made that offer?

Lord Mackenzie of Framwellgate: Well, again, it is back to the point I have just made. If the guy has not been in the House of Lords, it is an interesting place to have a discussion and a dinner, and we are fairly tied here anyway. The rules actually encourage that. It says you can host meals. I quoted previously a little piece that—if I can see it—where it actually suggests that lunches and meals can be held on the premises even if it is in connection with a commercial interest. I can't see exactly where it is, but—

Nicolas Besly: Paragraph 16.

Lord Mackenzie of Framwellgate: Yes. “However it is acceptable for Members to host meals for purposes relating to an outside interest”, and that would be right bang within that paragraph, wouldn't it? I saw nothing wrong with that because clearly it actually encourages it. Also, it is important that I am here, so it might be difficult for me to go out, whereas it is easy for them to come in, plus they get some benefit from seeing the House of Lords. So I think it is a combination of both. A benefit to both, if you like. That is the purpose of the House of Lords, and I think that the danger is that the press tend to think that we have got the same rules as the House of Commons, and of course we haven't.

The Commissioner for Standards: Thank you for that. Moving on slightly, if we can look at page 27 of the transcript. You agreed that it was possible to get a friend to make a speech in the House—

Lord Mackenzie of Framwellgate: Where did I say that?

The Commissioner for Standards: Sorry. If you go to the last paragraph of the preceding page, page 26:

“Female Reporter: That's good. Presumably, would it work in the same way in terms of things like, for example, I don't know if you were to want to make a speech or something or ask a question about something or whatever, and if it was going to be a bit – you know we were talking earlier about does it slightly devalue it if you've got an interest. Does it work in the same way? Could you get your friend to do that, potentially do you think?”

Lord Mackenzie: What? To ask a question?

Female Reporter: Yes, or to make a speech if you could persuade them it was a ...

Lord Mackenzie: Yes, it's possible. If it was discovered it would be criticised I would have thought.”

Lord Mackenzie of Framwellgate: And then she says, “Would it? Right”. And I say, “Yes, because that's not being open and honest. But I could ask questions. Don't misunderstand me. I'm not saying” I could not ask questions, as long as I declare it, bearing in mind that I am talking about working for this South Korean

company, not asking a question on behalf of the lobbying company. That is the point.

The Commissioner for Standards: Can I just ask: do you see any—you obviously do—can you just clarify the difference you see between working for the consultant company and working for the South Korean solar energy company?

Lord Mackenzie of Framwellgate: I think that goes to the whole nub of my understanding. If I am misunderstanding this, then I am clearly in difficulty. To me—and that is why David Cameron has recently asked for a register of all lobbying organisations—they exist simply to get in Parliament and to influence Government policy by questions, by lobbying Ministers, by getting passes as they used to, to get into the premises so that they could lobby Ministers themselves, presumably: mix with them in the bars, have dinners with them; a whole range of activities within Parliament. That is totally different, as I understand it, from working for a private commercial company and working for them outside Parliament. That is what I do. I work outside Parliament and there is no history at all, if you look at my record, of any lobbying at all within Parliament. If a question or a topic arises in the House of Lords which is close to my heart in terms of subject matter, and I have a commercial interest with the Korean company, for example—if there is a question raised on solar energy—then I would be able, within the rules, to stand up and either ask a question or make a short speech involving that, providing I make it clear to the House that I do have an interest in this. But it is an outside interest. It is not—it is a contradiction in terms. You can't work for a lobbying company whose sole purpose is to influence Government policy and declare that as an interest, I would have thought. That has got to be done secretly, because otherwise it is a contradiction in terms. Lobbying is illegal. Cash for questions is illegal. The only way you can really work and ask a question on a topic that you are interested in financially is by declaring it and by the interest being an outside interest. I think there is a big difference between the two. That is where I was quite clear in my mind, and nowhere in this interview, Mr Kernaghan, have they directly said to me, "Will you get up and ask a question for cash? Will you lobby a Minister on our behalf for cash?" I think that is probably why they have done it, seeing where I am coming from, and they've skated around it. They haven't made it too obvious because they know what they would get. My understanding all the way through, bearing in mind it was a private interview and I was quite happy to throw things about, my understanding all the way through was that I would be working. She even suggested the South Korean solar energy company. She actually planted that in my mind fairly early on, so I was in no doubt that that's the rules within which I would be operating.

The Commissioner for Standards: So, basically, would it be fair—is it your view—that if you were working for a South Korean energy company, in this hypothetical, you could ask a question on their behalf?

Lord Mackenzie of Framwellgate: No, not on their behalf. No, certainly not. That is the difference. What I could do is ask a question or intervene on a subject that I felt was relevant. If I could bring some experience from this company to the Floor of the House for whatever reason, then I could bring that experience, providing the House knew my interest in it commercially and financially. So I have got little doubt about what I can do and I can't do under those terms. I certainly couldn't ask a planted question. I make that clear right through. So the company could not come to me and say, "Look, we want you to ask this question or that question". That would be out of the question.

The Commissioner for Standards: Thank you for that. Later on the page you are talking about submitting issues to Ministers and civil servants, as long as you declared an interest.

Lord Mackenzie of Framwellgate: Yes.

The Commissioner for Standards: If I can take you—

Lord Mackenzie of Framwellgate: Are we still on page 27?

The Commissioner for Standards: Yes, page 27, about two inches from the bottom:

“Female Reporter: Yes, and does that go for things like writing to, say, a civil servant or a minister or something if there was a particular point we wanted to raise?”

Lord Mackenzie: Yes.

Female Reporter: Would you be able to do that?

Lord Mackenzie: Certainly, but I would declare it.

Female Reporter: You would declare it, yes.

Lord Mackenzie: Yes, I would say I’m writing as a consultant to so and so, and there’s nothing wrong with that.”

So, basically, you are quite happy as long as you declare it both on the register and actually declare when you are submitting your letter to a Minister or a civil servant, that is acceptable behaviour.

Lord Mackenzie of Framwellgate: Well, it is because I am simply writing a letter or asking a question about a topic that I am interested in. Somewhere I actually say, if you go to page 31, “We could say that if I was working for you”—that is the solar energy company I am talking about there—and there was a question on solar energy that was a legitimate question which I wanted to ask”. I actually said it in terms there. There is no problem with that as long as it is declared; as long as it is me that is asking it, and not them. That is the point. The two things get closely bound together at times because obviously if I go to meetings with them and questions arise and they say, “I wonder what the score is on this or that? I wonder what the Government policy is on this?”, to me it seems perfectly reasonable for me, because I might want to know, which I would do because I am supposed to be probably dealing with the issue in the company. There is nothing at all as long as I declare the interest in me writing as a Member of Parliament to the Minister and saying: could he clarify the position on this particular issue, ask a question in the House? Or, if there is a Statement in the House, then I could contribute to that Statement, I would think, by making a speech on this topic. Again, it is a close dividing line, but I would not be working for the lobbying company, obviously I would be working for me in terms of the question. But I would declare an interest because it arises from the business interest.

The Commissioner for Standards: Thank you for that. Turning to paragraph 23 of your initial response, in essence we are talking about access to people whom non-parliamentarians would not have access to; for example, in the Division Lobbies. In paragraph 23 you say that this was said in the context of your “tour guide’s speech”, yet it appears on page 21 of the transcript in the discussion of other topics. If this was not meant to be a reference to your “tour guide’s speech”,

what was meant by it? I am interested in this access that you have that non-parliamentarians wouldn't have, and the use of that access.

Lord Mackenzie of Framwellgate: Yes, it's a well known fact. Most Peers would agree—and most Members of the House of Commons, I suppose—that one of the advantages of our voting system, physically voting in the House of Lords, particularly in my experience, is that you do rub shoulders with the Ministers. People write to you on a whole range of issues—prisoners write; people write about crime to me, particularly—and I want to raise something with somebody, rather than write to him I can actually bend his ear or her ear in the Division Lobby, where you might be standing for four or five minutes, waiting to vote. That's the advantage. I always tell that to people when they come round and they say, "Why do you have to come in within eight minutes to vote?" I say, "Well, it does have its advantages and one of them is that you get access to people who otherwise you would have a bit more difficulty finding". I mean, you can arrange an interview with them but it takes a bit of time. It's a lot easier if you can catch them on the Floor, and you've got time because people are just talking about anything while they're waiting. That was the point I was making. I do tell people that when I give them tours in the House.

The Commissioner for Standards: Thank you for that. You have said, while we have been talking here this afternoon but also during your interview with the *Sunday Times* journalists, that the problem about cash for questions was that the MPs didn't declare it; that is the issue. Is that your understanding of the rule on not asking questions in Parliament in return for cash, that so long as it is declared it is permissible?

Lord Mackenzie of Framwellgate: No, of course it's not. That's the point I made earlier on. That's the whole point. Clearly, I said right at the outset, Mr Kernaghan, that lobbying—cash for questions, trying to influence legislation—is *persona non grata*; it's illegal, full stop. The only commercial interest that you can have is outside Parliament, and that was the whole point. Certainly, I have never suggested that, as long as you declared it, you could ask questions for cash. I mean, that would be ludicrous. That is why I'm saying that I don't see how you could work for a lobbying company and declare it as an interest because it would be clear that you wouldn't be much use, I would think, because you're telling the world. By the nature of the beast, you would need to do that in secret. I made it clear throughout the interview that you've got to be open and you've got to be honest in Parliament, because that's important.

The Commissioner for Standards: Thank you for that. Moving on slightly, on page 33 of the transcript, basically at the top of the page, you discussed a retainer from the consultants of between £8,000 and £10,000 a month, which was then described as, "almost a hundred a year". You then stated that, "If the figure was the right amount, then I'd do whatever needed doing, to be honest with you". Would it be unfair to characterise that statement as an accurate summary of your negotiating relationship with the consultants?

Lord Mackenzie of Framwellgate: I was negotiating for the South Korean position, not for the consultants' position—that's the important point throughout. That was my mindset and there was no question of working for the consultants.

The Commissioner for Standards: Right, so if I was to alter my question to you and ask whether it would be unfair to characterise that statement as an accurate summary of your negotiating relationship with the putative South Korean solar

energy company, would it be an accurate statement of your negotiating relationship?

Lord Mackenzie of Framwellgate: Well, I'd do anything within the rules because clearly I wouldn't be operating for them in Parliament. I'd certainly adapt my working day to suit whatever they wanted, if the circumstances were right. But we never agreed on any figure. It was simply being thrown about by them. I never, ever suggested any figure at all. To be honest, when I heard the amount they were talking about it, it started to ring little alarm bells anyway because it seemed an excessive amount for what they were asking. But my intention was always to work for the South Korean energy company, not to work for the so-called consultants. They had a different agenda from the agenda that I had. That's why I think I said at the end of my submission that we were either at cross-purposes throughout or they were trying to mislead me and misquote me, which is what I think happened in the event.

The Commissioner for Standards: Thank you for that. Now, you'll probably be pleased to know that I'm moving on to the final section, from my perspective. If we can go to paragraph 30, please, of your first submission, you say that after the meeting you "continued to express interest in what I believed to be a launch and marketing consultancy for work outside parliament".

Lord Mackenzie of Framwellgate: Yes, yes.

The Commissioner for Standards: Given that the majority of the discussion was about what could be done within Parliament, why did you hold this particular belief?

Lord Mackenzie of Framwellgate: I don't think it was. I don't think it was about what could be done within Parliament. I mean, there was the all-party group, which again was a networking exercise, which happens all the time; all the all-party groups are the same, as far as I was concerned. That certainly wasn't to do with the lobbying and to do with influencing the Government; it was to do with the people who attended the group. But the rest of it, certainly, was to do with—and I was explaining the rules about—if questions arose on solar energy in the House of Lords while I was working for that company, it would be registered as a company and I would need to declare the interest. I made it clear—again, I keep coming back to it—that you've got to be open and you've got to be honest. You can't be open and honest and be breaking the rules at the same time, I would have thought.

The Commissioner for Standards: Right, thank you.

Lord Mackenzie of Framwellgate: I had no intention of breaking the rules and I didn't see it as breaking the rules.

The Commissioner for Standards: Staying with paragraph 30, you state that you left the meeting and then, after consulting the Code of Conduct, decided to let the consultants know that you were withdrawing your interest.

Lord Mackenzie of Framwellgate: Yes.

The Commissioner for Standards: Yet, at 17:11 on the same day you e-mailed Robyn Fox offering to identify possible personnel to staff the APPG admin function. Robyn Fox replied at 18:23 and you acknowledged receipt at 18:51. Was there any reason why you did not refer to those particular e-mails in your first submission to me? To put it in context, it wasn't until 21:35 on the same day that you sent a further e-mail withdrawing your interest, following receipt of Lord Bassam's e-mail advising Members to be cautious re any lobbying company

approach. What would you say to the proposition that this sequence suggests that your withdrawal was prompted by Lord Bassam's warning and was not a personal decision prompted solely by reference to the Code of Conduct?

Lord Mackenzie of Framwellgate: I read the Code of Conduct, part of it, and I realised that—again, it brings us back to the complexity of it—we were getting into a difficult area. I started to write an e-mail to Robyn Fox or whatever her name was and then I decided to go back to my apartment. It wasn't until I got back to my apartment that I saw the e-mail from the Lord Bassam. I don't know what the times are, unfortunately.

The Commissioner for Standards: I haven't got the documents but basically my analysis shows that at 17.11 you e-mailed Robyn Fox offering to identify possible staff for the APPG admin function—

Lord Mackenzie of Framwellgate: Well, I think I was pointing out that we'd need some admin to run the—

The Commissioner for Standards: I think you offered actually to identify individuals.

Lord Mackenzie of Framwellgate: Well, there are probably companies that do it. I don't know how it operates because I've never run one but I could find that out. I think there are companies that actually do the administration—in fact, I'm sure there are, because I know the people involved in other ones.

The Commissioner for Standards: If you'll just bear with me, actually what your e-mail states is: "Hi Robyn. Thank you both for a very interesting meeting. An after-thought—an all party parliamentary group would need an admin staff to run it. I am sure there are experienced people who do this and I can check this out if you wish—let me know please".

Lord Mackenzie of Framwellgate: That's what I was probably after, yes.

The Commissioner for Standards: Right. Then she acknowledges that and you then acknowledge receipt at 18.51. Then, two and a half hours later, you basically withdraw your interest in this—

Lord Mackenzie of Framwellgate: That's right.

The Commissioner for Standards:—after you've received Lord Bassam's warning e-mail.

Lord Mackenzie of Framwellgate: Well, I'd started that e-mail before, in the office, but I hadn't finished it. It was getting late, I'd had a long day and I decided to go back to my apartment. That's where I saw Lord Bassam's e-mail and of course it confirmed my thoughts that this was something I shouldn't get involved in. So I completed the e-mail and sent it. I might have left it till the next day otherwise but that certainly prompted me to finish it. It was on the iPad.

The Commissioner for Standards: Thank you for that. Lord Mackenzie, those are all the questions I have for you. As I say, I am extremely grateful for your time. It has been very helpful from my perspective.

Lord Mackenzie of Framwellgate: Thank you.

The Commissioner for Standards: Any comment you'd like to make?

Lord Mackenzie of Framwellgate: Yes, I simply want to say that, you know, having my background, I certainly would have no intention of breaching parliamentary rules—in fact, quite the opposite. I spent a lot of time looking at the

rules for hosting functions, looking at the rules for lobbying when the rules changed, and I think I had a very good handle on them. Certainly, I think the whole tenor of the interview, as I've said before, is somebody not trying to evade or break the rules but trying to explain to them what I could do within the rules. There was nothing to hide in that; I was simply trying to explain how difficult they are to navigate at times, and my understanding of the rules was as I laid out. They never, ever made a direct request to me to be an advocate in Parliament, to ask questions for cash in Parliament. It was always this dual meaning and the female reporter certainly at one point talked about me working for the South Korean company so, as far as I was concerned, that's what the discussion was all about. I continually say, "You've got to be open and honest". Again, that is not something that somebody who is wanting to break the rules would say. It just doesn't make sense. I was simply trying to explain what you can do within the rules. So as far as I'm concerned, the rules weren't broken. I understood them and I think I still understand them so I'm quite happy that what I did was within the codes of practice.

The only other thing I would want to mention, Mr Kernaghan, is that if you're going to publish this transcript, there are people mentioned in here—Tony Lochery, the ex-Met man, the Russia media tycoon, George Robertson, Neil Kinnock—who aren't relevant, really, because it's at the end, when we're discussing different things, and I would hope that you could find it within your power to redact their names or at least leave that bit out, where it's not relevant to what we're talking about.

The Commissioner for Standards: My response to that, Lord Mackenzie, is that is an extremely valid point you raise. The practice I have established with the sub-committee is that my report goes to it un-redacted—absolutely un-redacted. However, the committee is mindful of legitimate concerns raised by other Peers previously. It and the Committee for Privileges have in the past agreed that some of what I will refer to generically as "domestic" details are removed to avoid embarrassment. Equally, in another case I can think of, the committee has said that the transcript will stand.

Lord Mackenzie of Framwellgate: Well, if it's relevant.

The Commissioner for Standards: But actually, as this procedure progresses, there will be an opportunity for you to say, "At certain points I would prefer you to redact". That would be a matter for the sub-committee and the committee to decide. I am very clear that as, if you will, the investigator I do not make decisions on that. But the point of principle you raise is recognised by your peers.

Lord Mackenzie of Framwellgate: I was thinking of when it gets published for the world to see.

The Commissioner for Standards: Yes, there is an opportunity. I can't prejudge what your colleagues will think. In some cases they have redacted; in other cases, they have said, "No, there should not be redaction", but that point is noted.

Lord Mackenzie of Framwellgate: Thank you.

The Commissioner for Standards: Okay, I think at that point we'll close the interview. I'll simply reiterate that in due course you will receive a transcript. Nicolas, I think it is not unlikely that we shall be able to provide Lord Mackenzie with a transcript by the start of next week.

Nicolas Besly: I hope so, yes.

Lord Mackenzie of Framwellgate: Bit quicker than the *Sunday Times*.

The Commissioner for Standards: No comment—we'll now turn off the recording device.

Appendix I: Third response to allegations by Lord Mackenzie of Framwellgate following interview by the Commissioner, 19 August 2013

1] At page 9 of the transcript (5th paragraph)—I don't think I made clear that whilst the APPG arrangements are for parliamentarians, experts on subject matter (including ministers) are invited from time to time to give presentations and answer questions from members. This is how I saw the solar panel scientists, if invited, attending the putative group.

2] At page 10 (last paragraph, penultimate line) a Freudian slip—should read **“because the peer wouldn't have had a financial interest.”**

3] Other than that it is an accurate record.

4] I would in conclusion stress that from the start to the finish of this whole matter my story has been a consistent one of believing that my role would be mainly outside parliament promoting the cutting edge solar panel described and **not** one of lobbying, asking questions for cash etc which are clearly prohibited by the codes of conduct. To talk of being “open and honest” with other intention is a clear contradiction in terms. The Lords is different from the Commons in that business interests are encouraged and it is understood that there is a duality of functions which actually adds value to the Upper House. It is within this context that I was seeking to operate within the rules as many of my answers clearly demonstrate.

Appendix J: Letter from the Commissioner to Lord Brookman, 31 July 2013

I am currently investigating Lord Mackenzie of Framwellgate, at his own request. I would be grateful if you would answer the following questions:

1. Have you ever sponsored a Refreshment Department function at the House of Lords at the request of Lord Mackenzie of Framwellgate?
2. If so, what were the details of the function, and what is your recollection of why Lord Mackenzie of Framwellgate asked you to host the function?
3. Have you ever requested Lord Mackenzie of Framwellgate to sponsor a Refreshment Department function at the House of Lords?
4. If so, what were the details of the function, and why did you ask him to sponsor it?
5. Can you please supply a list of all Refreshment Department function bookings at the House of Lords you have made in the last year, together with a brief explanation of the reason behind each booking?

Paragraph 121 of the Guide to the Code of Conduct requires correspondence and evidence relating to an investigation to remain confidential unless and until

published by the Committee for Privileges and Conduct. Accordingly, I would be grateful if this letter and your reply were treated as confidential.

Appendix K: Letter from Lord Brookman to the Commissioner, 8 August 2013

May I first of all thank you for ‘phoning, you were very understanding and made it clear the reason for your correspondence.

Regarding the questions you pose:

Q1. Lord Mackenzie and myself share an office in Fielden House, although I spend very little time there basically because Lord Mackenzie has every conceivable IT at hand and I feel that as I have not it’s better for him to have more “space”.

Lord Mackenzie asked me to do him a favour. He said that he was going to host a function in the Atlee Room but there was a possibility that he would be late or that he may not be able to attend at all!

That Commissioner is the truth. I agreed to his request. I knew nothing of those attending or the company Ivy Link who he stated in the *Sunday Times* on the 2.6.13 as being a “client”.

At the Refreshment Department function on 23 April 2013 Lord Mackenzie did indeed turn up and took charge of proceedings.

Q2. As previously stated, I knew nothing of the purpose of the function. I was asked to do a favour and as Lord Mackenzie entered the House at the same time as me (i.e. 1998) and we shared an office I agreed.

NB I was very pleased he turned up.

Q3 & 4. I have never asked Lord Mackenzie to sponsor a Refreshment Department function at the House of Lords. Therefore question 4 is not an issue.

Q5. I cannot recall any functions I booked in 2012. However please check with the Banqueting Office if you wish.

I said to you over the phone that I sit on the board of the UK Steel Enterprise (I have done for over 20 years) which is a subsidiary of Tata Steel (once British Steel). Its function is to help steel communities by building innovation centres to create jobs as a result of steel closures. For several years we held a dinner at the House (about eight of us). We hold in total 4 meetings a year in London, Sheffield, Wales and Scotland. NB The House of Lords dinner is in the main dining room.

I have not consulted anyone regarding your correspondence.

Appendix L: Letter from the Commissioner to Lord Brookman, 13 August 2013

I write further to our telephone conversation this afternoon.

In my letter to you dated 31 July 2013 I asked if you had ever sponsored a Refreshment Department function at the House of Lords at the request of Lord Mackenzie of Framwellgate.

You responded in a letter dated 8 August 2013:

“Lord Mackenzie asked me to do him a favour. He said that he was going to host a function in the Attlee Room but there was a possibility that he would be late or that he may not be able to attend at all!

That Commissioner is the truth. I agreed to his request. I knew nothing of those attending or the company Ivy Link who he stated in the Sunday Times on the 02.06.13 as being “clients”.

At the Refreshment Department function on the 23 April 13 Lord Mackenzie did indeed turn up and took charge of proceedings.”

I have now seen the relevant booking documentation and note that you were the sponsoring member. Why did you not mention that when replying to my original enquiry?

In our telephone conversation you accepted that you had signed the booking form. Please explain and clarify the background to your doing so. What exactly did Lord Mackenzie of Framwellgate tell you prior to signing the booking form? Did he explain that he had a financial interest in Ivy Link? Or did he, as you previously advised me, say that he might merely be late or unable to attend at all?

A reply by 22 August 2013 would be much appreciated.

Appendix M: Letter from Lord Brookman to the Commissioner, 17 August 2013

I have just received, at home, your further letter dated 13 August 2013.

To be quite frank with you I would much prefer to meet up with you and Lord Mackenzie as these exchanges of correspondences are worrying for me and my family. So would you please consider my request for a meeting?

Anyway, you have quoted correctly my statement regarding the function on 23 April.

At the time of agreeing to “host” the reception I did indeed sign the booking documentation handed to me by Lord Mackenzie or Avril (I think that’s her name) who works in the Banqueting Office.

I did not fill the form in, I just signed it, as requested again by Lord Mackenzie.

I repeat, I did not know who was attending or anything about Ivy Link.

Lord Mackenzie did not say a word about Ivy Link or anything regarding a financial interest with the company.

I’m sorry about not being clear, which is what you are saying, that I didn’t mention the word “sponsoring”.

My view is and was “hosting” implied “sponsoring”. I have to repeat myself:

Lord Mackenzie asked me to do him a favour as he may be late or unable to attend at all.

As I stated earlier in this further reply I would be pleased to attend a meeting which I believe is better than dealing through correspondence. After all you stated “that you are investigating Lord Mackenzie at his request.”

I also wish to repeat my final comment in your original letter of the 31 July: “I have not consulted anyone regarding your correspondence”. (Both letters!)

Appendix N: Interview of Lord Brookman by the Commissioner, 29 August 2013

The Commissioner for Standards: Lord Brookman, first may I thank you for agreeing to this meeting, the background to which I will explain before asking you a few questions? This meeting is being recorded and a transcript will be produced. You will be sent a copy of the transcript and given the opportunity to correct anything if you feel it is inaccurate. The transcript will form part of my report on Lord Mackenzie of Framwellgate, but will not be published until the Committee for Privileges and Conduct reports on the case.

You are aware that I am investigating allegations of misconduct published in the *Sunday Times* against Lord Mackenzie of Framwellgate. Lord Mackenzie self-referred himself and I have received the agreement of the Sub-Committee on Lords’ Conduct to undertake an investigation. The *Sunday Times* has supplied a transcript of an interview their undercover reporters held with Lord Mackenzie, and your name features in that record, in connection with a function held in the House of Lords.

I wrote to you on 31 July and asked about your sponsoring of functions in the House of Lords, including at the request of Lord Mackenzie of Framwellgate. You responded in a letter dated 8 August and I again wrote to you on 13 August seeking further clarification. You replied on 17 August and indicated that you would appreciate a face-to-face meeting. That coincided with my plan and so we are meeting here today.

Lord Brookman: I wanted this meeting originally, if I could say, with Lord Mackenzie present, and you wouldn’t do that.

The Commissioner for Standards: No. I would like to clarify for the record: you are quite right, Lord Brookman. You indicated that you would prefer a meeting with myself and Lord Mackenzie. I have indicated to you I do not believe that would be appropriate. For the purposes of the tape, the interview is being conducted between Lord Brookman, myself—Paul Kernaghan, the Commissioner for Standards—and my colleague Nicolas Besly.

I now intend to go through the transcript of the conversation between Lord Mackenzie of Framwellgate and two undercover *Sunday Times* journalists, our correspondence and associated House of Lords documentation. Please feel free to stop me at any stage and/or to provide additional information. My sole objective in this interview is to establish the facts from your perspective; this is in no way an investigation of your conduct.

Lord Brookman: Thank you.

The Commissioner for Standards: The event that is at issue is a lunch hosted in the Attlee Room on 23 April 2013 on behalf of the organisation Ivy Link, which you sponsored at the request of Lord Mackenzie of Framwellgate. I will not ask you about your sponsorship of any other events.

If I can turn to the transcript of Lord Mackenzie's meeting with *Sunday Times* reporters, Lord Mackenzie volunteered that he asked colleagues who had no association with the relevant bodies or guests to host functions for him. He then mentioned your name in this connection and used a function on behalf of the Ivy Link as an example of such a practice. I would now invite you just to set out your involvement, as you saw it, in connection with the Ivy Link function held on 23 April in the Attlee Room.

Lord Brookman: Well, I'd never come across the word "Ivy Link". I don't think it was mentioned in the conversation that I had with Lord Mackenzie. He came on to me and said, "I'd like you to do me a favour. I've got a reception coming on in the Attlee Room and I probably will be late; indeed, I may not be there at all, but I want the function to go on"—full stop, end of conversation. Then I was supplied, either by him or the young lady, to sign the appropriate form so that the funding of it would be properly held and done with. That was the last I had anything to do with that financial side of it, signing that form. And then I turned up, as I said in the first letter I wrote, and Lord Mackenzie did arrive, a little bit later than me, took over the proceedings, and I faded into the background and left. They went to talk—certain people; I don't know them—on the Terrace, have a drink or two again maybe, and I left. That is my involvement in it completely.

The Commissioner for Standards: Thank you very much for that. I am going to ask you a few questions around that, but that is very helpful to have your main account.

Lord Brookman: And by the way, the *Sunday Times* did phone me at home, and I told them the same message, and they said, "That's okay by us", or words to that effect.

The Commissioner for Standards: Thank you very much. Lord Mackenzie told the reporters that he had a financial interest in the Ivy Link. Were you aware of that interest?

Lord Brookman: No—didn't know the company, even, truthfully.

The Commissioner for Standards: Thank you. I am now showing you the House of Lords Banqueting Office documentation in connection with the function. Can you please confirm that it is your signature shown in the signature section at the bottom of the two pages?

Lord Brookman: Oh yes, that is my signature. Yes, it is—but you note that I didn't fill the form in.

The Commissioner for Standards: No, I think you've made that clear that you didn't fill it in, but you did complete the—

Lord Brookman: At his request.

The Commissioner for Standards: Thank you very much. So would you know who completed the forms more generally—who filled them in before you signed them?

Lord Brookman: No, I wouldn't know.

The Commissioner for Standards: Fair enough. Thank you for that. But I take it—was it Lord Mackenzie who handed you the forms for your signature?

Lord Brookman: I can't remember. It was either the young lady in the banqueting room, with him asking me to go down there, or he handed me the

form himself. I am not trying to be obstructive; I just cannot remember how I put pen to paper—who gave me the forms.

The Commissioner for Standards: May I emphasise I am really keen on what you genuinely remember? If you can't remember something, it is totally acceptable to indicate that. Were you aware that the invitations to this particular function actually bore your name when they were circulated?

Lord Brookman: No.

The Commissioner for Standards: Thank you for that. I think you have indicated that Lord Mackenzie was organising this function, but he thought he might be late, et cetera. What did he tell you, if anything, about this actual function?

Lord Brookman: Nothing—just a function. He's a busy bee, is Lord Brian Mackenzie. He's full of vitality and effort, and I think he does quite a lot of work with outside bodies, and in a fair and proper way.

The Commissioner for Standards: Thank you for that. Can I ask what was going through your mind when you agreed to sponsor the event?

Lord Brookman: Nothing really—doing him a favour, truthfully.

The Commissioner for Standards: Thank you for that. Did you ever ask yourself whether your sponsoring this event was appropriate?

Lord Brookman: Not really, honestly. I was probably a bit foolish there but I didn't question his integrity. I thought I would do him the favour that he was requesting of me. He wanted the function to go ahead, and I thought I could do it for him. I didn't think I was doing anything illegal.

The Commissioner for Standards: I don't think there's any suggestion of illegality. Please correct me if I'm wrong, Lord Brookman, but would it be fair to characterise your situation that if Lord Mackenzie was indicating to you that it was appropriate to sponsor it, you were trusting in his integrity?

Lord Brookman: We didn't have that conversation, really. He said, "I'd like you to do me a favour", and the favour would be to host that reception. He didn't go into any detail about the company, why he couldn't host it himself or his reasons for not properly hosting it. He said he'd be late and he wanted the show to get on the road, and secondly he may not be able to turn up at all, and he wanted the function to go ahead. But I know nothing about Ivy Link; I know nothing of what their business is, even. You may regard me as being a bit naïve but that's the honest truth.

The Commissioner for Standards: That's all we're looking for. I'm grateful for that. I have a question I was going to ask you, but obviously it didn't occur to you that you might have wanted to seek the advice of the Director of Facilities about whether you should sponsor it or not.

Lord Brookman: That's absolutely true.

The Commissioner for Standards: Fine. Thank you for that. I think you have covered this, but at the lunch itself did you play any active part in hosting the event?

Lord Brookman: No, no.

The Commissioner for Standards: Right. So you didn't welcome guests or do a speech?

Lord Brookman: I don't think I did.

The Commissioner for Standards: Right.

Lord Brookman: He was there. I'm sure.

The Commissioner for Standards: Fine, thank you for that. The final question from myself: in your letter to me of 8 August, you said that Lord Mackenzie did in fact turn up to the lunch and took charge of proceedings. How did he take charge of proceedings?

Lord Brookman: He stood up and addressed the gathering. I can't remember what he said.

The Commissioner for Standards: Oh no, don't worry about that. Nicolas, are there any questions you would like to put to Lord Brookman or points you think we haven't covered?

Nicolas Besly: No, I think that's covered everything, thank you.

The Commissioner for Standards: Great. I think, Lord Brookman, it just remains for me to reiterate my thanks for you coming here today. That has really been helpful and has allowed me to tie up a few loose ends.

Lord Brookman: Thank you so much. You have both been very courteous to me and proper, I think. One point I would like to make, as we are recording, is: how do you play this out with Lord Mackenzie? I don't know whether he's coming down from where he is in County Durham, but do I say to him, "I've had an interview with the Commissioner"? Do I say, "They've spoken to me on the phone and I've told them what actually happened from my perspective, that you asked me to do you a favour and I did that favour"? Should I do that?

The Commissioner for Standards: No. I've got to be very clear, Lord Brookman: your relationship with Lord Mackenzie, even after this interview, has got to be a matter for yourself. All I can say to you is that the only point that will arise from this interview, I currently believe, is that when I write my report—and this would apply to any Peer—if there are any factual discrepancies I have to say to the Peer concerned, "You said A but I have reason to believe that B may exist. Would you like to clarify that?" The best example I can give you is, "You did something terrible on Monday 1 January. You've told me you were in America, but I've now got evidence that you were actually in the Palace of Westminster. Explain that. Maybe you can give me an explanation so that my report is totally accurate". In this particular instance, the only point that I will be making to Lord Mackenzie, and it won't be for at least a week, will be simply that I believe that our evidence suggests that he asked you to sponsor the event because he wouldn't turn up, et cetera.

Lord Brookman: Or he could be late or may not eventually turn up at all.

The Commissioner for Standards: Exactly—either would be late or would not turn up. I will simply give him the opportunity to say, "Yes, that's accurate", or, "No, it's not".

Lord Brookman: Right, fair enough.

The Commissioner for Standards: That's the only point I will be raising, and that will not be for at least a week.

Lord Brookman: But he doesn't know that I'm seeing you.

The Commissioner for Standards: No.

Lord Brookman: And you're advising me not to go up to him—

The Commissioner for Standards: No, sorry, to be very clear: I did not want you coming to this meeting with Lord Mackenzie. What you say to him is a matter for yourself. I would simply, with respect, suggest to you that you don't need to get into the fact that you've been interviewed by me. I do not believe that Lord Mackenzie, given his professional background, is a naïve individual; he will understand that it's my duty to carry out a proper investigation. I think that's the basis. I would simply say: if it comes up in conversation, don't feel constrained. Operate with the integrity you've displayed during this interview. I wouldn't want to give you advice about your relationship with Lord Mackenzie. I will simply say that I will not be highlighting the fact that we've had this meeting. The only time I will be saying it is when I question his account of how you came to sponsor the event, and that will give him an opportunity to correct the account or confirm it. The full published report—frankly, being realistic—will not come out for several months.

Lord Brookman: Okay. Well, I hope I don't see him today, because it would not be my intention to ring him to tell him (a) we've had the meeting and (b) what I've said.

The Commissioner for Standards: You're under no obligation to do that. I think at that stage we'll now terminate the interview.

Appendix O: Letter from the Commissioner to Lord Mackenzie of Framwellgate, 29 August 2013

I am writing to advise you that I am currently drafting my report in relation to your alleged breaches of the Code of Conduct.

Paragraph 126 of the Guide to the Code of Conduct requires that I advise a member of material evidence where that is at variance with the member's version of events.

Lord Brookman has advised me that you asked him to sponsor the Ivy Link function held on 23 April 2013 in the Attlee Room, as there was a possibility that you might be late or even unable to attend at all. You will recall that I put that version of events to you when we met on 13 August 2013. You responded as follows:

Lord Mackenzie of Framwellgate: No, that's not right.

The Commissioner for Standards: So that's not how you recall your conversation with Lord Brookman.

Lord Mackenzie of Framwellgate: No. Well, it wasn't the conversation—I'll be quite honest. I see why he's saying that, because he doesn't want to be—but to be fair, I probably didn't say "a financial interest". But I would certainly have told him—in fact I did tell him—"I'd like you to host this, if you would, but I'd go to somebody else". But seeing as he's a regular attender in the House, I said, "If you want to come along, and if you host it, because I have an interest in the event". That was the reason. I'm not going to fall out with Lord Brookman over it, but that wasn't my—

The Commissioner for Standards: But that's not your understanding.

Lord Mackenzie of Framwellgate: No, not that I would—

The Commissioner for Standards: Basically, I think what you've said is that you may not have mentioned the words "financial interest" but you indicated you have a connection with Ivy Link, and it would be better if he sponsored it.

Lord Mackenzie of Framwellgate: Yes.

You also said in paragraph 14 of your first submission to me (dated 27 June 2013) that you "explained to [Lord Brookman] that to be on the safe side it was better that I did not sponsor the lunch myself". Lord Brookman advised me that he did not know of your involvement in Ivy Link.

I am faced with Lord Brookman's account—which is that he agreed to sponsor the function owing to the possibility that you might be late or even unable to attend at all and that he did not know about your involvement in Ivy Link—and your account, which denies having said you might be late or unable to attend and says you explained your interest in Ivy Link.

I invite you to comment on this apparent divergence in recollection. I should say, though, that you are not obliged to comment further and are entitled to rely on your previous statements.

Appendix P: Fourth response by Lord Mackenzie of Framwellgate following request to comment on conflict of evidence, 30 August 2013

INTRODUCTION

1] This response is made on the premise made clear in my first submission to the Commissioner (paras 7–18) that I had checked the rules governing the hosting of functions in the House of Lords very carefully prior to the lunch, and discussed it with those proposing the informative luncheon and concluded for all the reasons set out in the first written response that the function in the Attlee Room on the 23rd April 2013 would **not** have breached those rules, even if hosted by myself.

2] That said, I was conscious of the practice of the press of trawling through the record of functions held under the provisions of the Freedom of Information legislation and publishing allegations of self interest by members of the House in hosting receptions and lunches in connection with their own companies. There were several allegations about 12 months ago, I believe in the Independent on Sunday, concerning Lord Stevens of Kirkwhelpington and several others. Even though the guidance states, "**However, it is acceptable for Members to host meals for purposes relating to their outside interests, including their commercial interests.**" (See Rules Governing the Use of Facilities—HL Paper 147 Rule 1).

3] It seemed to me that the press could still publish their damaging innuendos without fear of sanction by the House authorities or the current press watchdog and it was for this reason alone that I thought it was prudent to ask Lord Brookman to host the luncheon on behalf of myself to avoid press interest. There is nothing in the Rules prohibiting this.

THE CONFLICT OF EVIDENCE

4] As to the substance of the conflicting versions. I have reflected on the conversation I had with Lord Brookman and I believe that in addition to asking him to host the lunch because of my interest, I probably did say something like, **“...if anyone enquires [meaning the press] you can say that there was a possibility that I might be late or might even be unable to attend.”** I fully concede that he might not have taken it all in.

5] I can confirm that I did not specifically mention Ivy Link to Lord Brookman and I reiterate that as I was quite satisfied that the lunch was within the codes of conduct it did not matter who actually sponsored it and the reason for the change of sponsor was to keep the press from again misunderstanding the guidance and printing a damaging story without substance, as with Lord Stevens and the others where I assume there was no action taken.

6] Needless to say your comment that had I discussed the matter with the Director of Facilities and he had said “Legitimate”—I would have been fireproof is exactly right. Indeed I have taken his advice previously. On this occasion I was certain I had interpreted the rules correctly and did not feel the need to consult. If a similar situation occurred in the future you can rest assured that I would pass it by him first.

7] I hope this helps to resolve the conflict of evidence and I am grateful for the opportunity to respond to your concerns.

8] In conclusion I reiterate that these were probing discussions about a consultancy with the South Korean solar panel company, held with their fraudulent representatives, at their behest; and at no time did I agree take the matter forward until they sent me their understanding of the discussions in writing which of course never occurred.

Appendix Q: Letter from the Commissioner to Lord Mackenzie of Framwellgate, 2 September 2013

Thank you for your fourth submission, dated 30 August 2013, in response to my letter of 29 August 2013.

There is one point arising from the submission on which it would be helpful to have further clarity. In paragraph 4 you say, “I have reflected on the conversation I had with Lord Brookman and I believe that in addition to asking him to host the lunch because of my interest ...” Paragraph 5 starts, “I can confirm that I did not specifically mention Ivy Link to Lord Brookman”.

It does not seem clear how you could have asked Lord Brookman to host the lunch because of your interest without mentioning Ivy Link to him. I would be grateful for any clarity you can offer on this point.

Appendix R: Email from Lord Mackenzie of Framwellgate to the Commissioner, 2 September 2013

With reference to your additional query I submit the following:-

“There would have been little point in mentioning Ivy Link to Lord Brookman as it would have been meaningless to him. I simply said ‘I don’t want to host it as I

have an interest' I then went on to tell him that the lunch was being attended by university people and it was to do with energy conservation and a minister would be speaking."

I hope this helpful.

Appendix S: Fifth response by Lord Mackenzie of Framwellgate, 16 September 2013

Re: case of Peter Cruddas v Jonathan Calvert & Heidi Blake

Full judgment see: <http://www.theguardian.com/media/2013/jun/05/peter-cruddas-wins-sunday-times-libel>

1] I am now in possession of the full judgment in the above case published on 31st July 2013 and feel this is critically relevant when considering the integrity of those making the allegations under investigation against myself in the Sunday Times.

2] I believe it shows a consistent and systematic course of conduct by the two same journalists to entrap, deceive, falsify and mislead in order to produce false allegations of corrupt conduct which bear no relationship to the interview from which they have extracted sound bites and comments totally out of context; whilst omitting other parts of the interview which would show clearly the context in which the interview as a whole should be understood.

3] Mr Justice Tugendhat in **Cruddas** has been highly critical of the two reporters in that case and I attach for ease of consideration the relevant paragraphs to which I will refer.

4] Paragraphs 2–7: set out briefly the circumstances of the case.

5] Paragraph 79: This shows the intention of the two reporters to prove a case rather than try to establish the facts or the intentions of the interviewee. Indeed I believe, as stated by the judge, there was a lowering of expectations by the interviewee not assenting to what they asked. This I believe is identical to what happened with me when my declarations of the need to be **"open and honest"** and **"We can't do ...was cash for questions."** were totally unreported!

6] Paragraph 87: This is also commented on by the judge here and has the effect of totally altering the meaning of what is being said.

7] Paragraph 89: Again, "without such an explanation, that reference ... would totally mislead the readers".

8] Paragraph 159: This illustrates that even though warned by the editor about use of *agent provocateur*, Jonathon Calvert used it in that case and again in the present case under investigation and there was no evidence at all **"that Mr Cruddas had ever before done anything along the lines alleged in the articles."** I submit that this is identical to my case!

9] Paragraph 176: The judge is in essence accusing the defendants of telling lies. Nothing more need be said.

10] Paragraphs 238–240: more evidence of the judge criticising the inaccuracy and misleading nature of the article.

11] Paragraph 264–277: This is a summary of the conduct of the defendants' witnesses and indicates a dishonest course of conduct which falls well below any reasonably to be expected standard of investigative journalism. The judge concluded, and I suggest it is identical to my case, that the investigation, without any evidence to support it, had become a fishing expedition.

12] My final submission is that whilst all of this is really more relevant to defamation, the case of **Cruddas** is important in showing that the methods and standards of the two Sunday Times journalists involved in my case have been recently severely criticised by an independent judicial figure and it and suggests that these are important factors when considering the facts on a balance of probabilities. In essence it would be dangerous to judge the conduct of a person of good character on the basis of so-called evidence produced by two such discredited journalists using same deceitful, dishonest and dishonourable methods.

ANNEX 3: SUBMISSION BY LORD MACKENZIE OF FRAMWELLGATE TO COMMITTEE FOR PRIVILEGES AND CONDUCT

Conduct of Lord Mackenzie of Framwellgate

Appeal against Findings of the Commissioner for Standards

Findings of breach of paragraphs 8(b) and (d) of the Code of Conduct (parliamentary services)

I am mortified by the findings of the Commissioner for Standards, set out in his Report to the Sub-committee on Lords' Conduct. I have been proud for the past 15 years to serve as a peer. The idea that I would seek payment from anyone as a reward for lobbying or exercising any influence in Parliament on their behalf or for providing parliamentary advice or services is to me unthinkable. I am shocked that the Parliamentary Commissioner has found that I expressed to undercover journalists a willingness to do so.

Following my self-referral of the allegations made against me by the Sunday Times, set out in its article of 2 June 2013, the Parliamentary Commissioner wrote to me on 7 June. His letter to me states:

“It appears on the basis of the articles in The Sunday Times that you may have breached the following provisions of the 2010 Code of Conduct —...

8. Members of the House :...

- (b) should always act on their personal honour;
- (c) must never accept or agree to accept any financial inducement as an incentive or reward for exercising parliamentary influence;
- (d) must not seek to profit from membership of the House by accepting or agreeing to accept payment or other incentive....”

The full text of paragraph 8(d) of the Code of Conduct reads that Members must not seek to profit from membership of the House by accepting or agreeing to accept payment or other incentive or reward in return for providing parliamentary advice or services.” The words I have underlined, although they are quoted in the body of the Commissioners' Report, were omitted from the Commissioner's letter to me of 7 June 2013. As a former senior police officer I have been used to seeing charge sheets which set out the relevant extracts from legislation so that the accused will know what offence he is charged with, and will therefore know the case he is expected to meet and can prepare his defence accordingly. In this case I understood the Commissioner's letter to have set out those parts of the Code of Conduct which he considered relevant to his investigation and to omit the parts which he did not consider relevant. I did not understand that I was being accused of seeking to profit from my membership of the House by expressing a willingness to accept payment “in return for providing parliamentary advice or services.” Nor was the allegation that I was willing to do so ever directly put to me by the Commissioner in the course of my interview with him 13 August 2013. Accordingly, I cannot help but feel that I have been charged and condemned without having had the case against me clearly stated and therefore without my having been given a proper opportunity to respond.

I firmly deny that I ever contemplated, let alone expressed a willingness, to accept payment in return for providing “parliamentary advice or services.” I recognise

that much of what I said to the undercover journalists who were posing as representatives of the manufacturer of high-tech, energy efficient solar glass panes was not as carefully worded as in hindsight I would have wished. However, I believe that it is clear from what I said, and the context in which my meeting with them took place, that throughout I envisaged that, if we reached agreement, I would be engaged by the solar panel company as a consultant to advise them on a strategy to increase public awareness of their product outside parliament. It did not occur to me that our conversation could be misconstrued as a discussion about my being paid for what I could do for the company in parliament. Had I, for example, been asked directly by the journalists, "*How much would you charge for setting up an APPG?*" or "*How much would you charge for asking a question in parliament*" my answer would have been very clear. It would have been "*Nothing, because it is not permitted to accept payment for parliamentary advice or services.*"

I recognise, reviewing the transcript of the meeting again, that, after the undercover journalists had described in outline the fictitious product which they claimed to be promoting and offered to send me some literature about it, a large part of the discussion consisted of open-ended questions as to what I could or could not do in parliament as a peer if I were to be engaged as a consultant. Of course, I had no inkling at that time that these were journalists whose object was to entrap me. I did not detect any sinister motive in the questions they asked me. For my part I took what they said in good faith. It seemed to me from their questions they were interested to know what could or could not be done if I were to be engaged as a consultant for the solar panel company. In answering their questions I emphasised the need for openness and transparency in everything I did.

With the benefit of hindsight I recognise that I did not probe the undercover journalists on what they were looking for me to do for their fictional client outside parliament. It has to be understood that as far as I was concerned this was an entirely preliminary and exploratory discussion, with no commitment on either side to enter into any commercial relationship. I would certainly have wanted to know more about the product and what my role would be, if the discussions had continued after I had learned more about the company and its product. However, at this initial meeting I was prepared, in effect, to allow the company representatives to set the agenda for discussion. Everything I said to them was predicated on my understanding that what was envisaged was a genuine, bona fide consultancy for work outside parliament. Had it become apparent to me at the time or subsequently that all that their fictitious company was looking for from me was parliamentary advice or services, or for me to exercise influence for them in parliament I would have withdrawn at that point, as in fact I did within a matter of hours of my meeting with them. I have always understood the bar on lobbying and using influence within parliament and my record of parliamentary questions, speeches and other interventions shows this.

It is important that the context of my meeting with the undercover journalists is fully understood. They had written to me by email on 21 May 2013 claiming to represent a Zurich-based strategic consultancy working on a project involving "*building a European launch strategy for a leading-edge solar technology developer*" and stated "*Engaging with decision-makers about the green policy environment is a vital part of our strategy and we feel that your political and business acumen could be a great asset to us in bringing this venture to fruition.*" (my emphasis). The email went on to say that the technology they were promoting "*could be a crucial breakthrough in the British Government's progress towards meeting its renewable energy and zero carbon homes targets.*"

In my interview with the Commissioner on 13 August 2013 he asked me *“What experience do you have in building...product launch strategies?”* The answer I gave to the Commissioner was *“None at all,”* but that I presumed that *“it was a presentational role and a figurehead role rather than dealing with the actual details of the product itself, because I am no scientist.”* This is a role in which I do have experience outside parliament. The journalists would no doubt have picked up on my interest in “green” issues and the fact that I do work for companies that have leading-edge technology in different fields. For example I am involved with an innovative company in the north east which is developing cutting edge technology for determining drug taking in the workplace. Another provides radar based security to prevent waterborne attacks [as in Mumbai]. I also outlined my role with Awards Intelligence to the undercover journalists as a means of explaining my understanding of the role they appeared to have in mind for me: *“I’m simply fronting up. Similar sort of role that you’re asking me I think, to sort of front the thing up and associate myself with their work, which I’m quite happy to do because I’m a firm believer and there’s nothing wrong with that.”* (which there is not—indeed such commercial experience is encouraged.)

The scenario with which I was presented was very different from the previous Sunday Times “sting” to which the Commissioner refers in his Report, which led to the Committee for Privileges Report in 2009 concerning the Conduct of Lord Moonie, Lord Snape, Lord Truscott and Lord Taylor of Blackburn. In that case, as I understand it, the allegation was that the peers in question had expressed a willingness to promote in return for payment an amendment to legislation then passing through Parliament. In my case the undercover journalists referred only vaguely to the ideas they claimed to have in mind, saying it was *“in a kind of blue sky phase,”* to *“lobbying for an adaptation of the building regulations to incorporate this sort of technology...potentially tax breaks for corporations which use this technology...grants for schools to install this stuff, local authority buildings, government buildings...talking to parliamentarians in this country and just kind of creating a climate of interest and opinion...build bridges with other parliamentarians, maybe could help us with the establishment of an all-party group or something like that, and could be a kind of advocate for us and somebody who could guide us and make introductions and things like that.”*

On the face of what I was told, there was nothing suggested to me which in itself would be improper or wrong for me as a peer to assist. Indeed when the journalists spoke of assisting the government meet its energy targets and telling me specifically that the product would be manufactured in the UK, had they been telling me the truth it would in my view have been remiss of me not to take interest in assisting with what sounded to be a product which would be of great benefit to the country. Of course, we now know that everything they told me was a pack of lies; no doubt I would have discovered this through the enquiries I would have made before taking the initial approach to me any further, but at the time I met with them I accepted what I was told in good faith, and spoke to them on the basis that they had in mind a genuine consultancy under which I would assist them insofar as permitted under the Code of Conduct. This is re-enforced by my parting comments to the reporters *“What you might want to do is to write to me confirming what we have talked about and...”* [Top of page 121]

I had in mind the Guidance to the Code of Conduct which states:

“Members of the House of Lords have a wide range of outside interests and careers, and the House thrives on their expertise. The Code in no way seeks either to curtail these interests or careers, or to discourage

Members from drawing on the knowledge and expertise so gained in their parliamentary work. It is thus entirely appropriate for a Member of the House of Lords also to work in any non-parliamentary sphere of activity, for example as chairman or director of a company; as a member or chief executive of a non-departmental public body; as an officer of a trade union; as a doctor or lawyer. Moreover, it is not only permissible, but desirable, that such Members, having declared their employment and other interests, should contribute to debate on issues to which these interests are relevant.”

With regard to their suggestion of establishing an APPG, it is fair to say that it came as a surprise to me when they raised it at the meeting. It was not something of which I had any prior notice. Whilst I am in general terms familiar with APPGs, of which there are over 600 registered in parliament, I have never myself been involved in the process of setting one up. I think it is clear from the transcript of the meeting with the undercover journalists that my knowledge of APPGs was limited. To me, they represent a forum for discussion groups amongst MPs and peers who have an interest in the particular subject matter. My understanding was that, perhaps because they have no parliamentary funding, functions and administrative costs are commonly sponsored by outside organisations. My greatest involvement with an APPG has been as a member attending functions of the APPG on Policing, chaired by Lord Harris. According to the Register, the APPG receives funding to a total of £35,000 per annum from the Association of Police and Crime Commissioners, the Association of Chief Police Officers, the Police Federation, the College of Policing and the Police Superintendents’ Association. Given the number of APPGs I was surprised when the journalists told me that there was not one specifically devoted to solar energy. I have since noted that there are APPGs for “*Energy Studies*,” “*Energy Costs*,” “*Intelligent Energy*,” “*Nuclear Energy*” and even for “*Thorium Energy*.” There is also the APPG for “*Renewable and Sustainable Energy*” of which, as I told the journalists, I am a member. This APPG, according to the Register, has received funding from, amongst others, Philips 66 UK and Mitsubishi Electric UK.

At the time the undercover journalists raised with me the possibility of setting up an APPG on solar energy, it did not occur to me that this was in itself anything which might be considered objectionable, let alone a breach of the Code of Conduct. My immediate reaction was “*Why not?*” If, as they said, and which I have since checked is indeed the case, there is no APPG specifically for solar energy, I did not initially see that it would present any problem as a specific interest of mine, provided all relevant interests were properly declared, in my assisting with this.

After my meeting with the undercover journalists, at the Corinthia hotel near Charing Cross on 22 May, I returned to my office and, as a courtesy, emailed them (timed at 5.11pm) almost immediately after I got in to thank them for a “*very interesting meeting*.” In my email I mentioned as an after-thought that an APPG would “*need an admin staff to run it*.” This was based on the invites I receive from other APPGs which are often from outside parliament. However, as I explained in the letter of 27 June which I sent to the Commissioner in Response to the allegations made by the Sunday Times, after my 45 minute meeting with the undercover journalists, when back in my office I reflected further on what they had said to me, and reviewed the Code of Conduct. Although I did not consider that anything which had been suggested to me at the meeting was improper in itself—whether, if I held a consultancy, I could speak to ministers, ask questions or speak in debates I considered would depend on the specific context and the full

circumstances—I nevertheless, on reflection, felt uncomfortable about the way I had been approached and the general tenor of what the journalists had said to me. I also thought that the whole project would be a huge undertaking.

Although they made no mention to me of “lobbying” it appeared to me that essentially that was the role that they were looking for, which as I made clear to them was not permitted. Specifically, when I reflected on what they had said about setting up an APPG, I concluded that, whilst there did not appear to be anything wrong about this in itself, nevertheless it struck me that, if the purpose of setting it up was to benefit one specific company in parliament, this was not right and not permissible. I therefore decided that I would disengage from any further discussion with them. I then received the email (timed at 7.15pm) from Lord Bassam which mentioned that another peer had been approached “*by a lobbying company*” and that this might be “*linked to a prominent national newspaper and timed to coincide with the arrival in the Lords of the Government’s Energy Bill.*” Within an hour I emailed Lord Bassam back (timed at 7.54pm) explaining the approach which had been made to me and specifically referring to the interest which the people I had met had expressed “*in my chairing an APPG on solar energy.*” I then emailed the undercover journalist the same evening (timed at 9.35pm) to say “*I have now had another look at the House of Lords Code of Conduct and it is clear that functions in the Lords with a view to promoting the interests of your South Korean client would be a breach of the code, as would setting up an APPG in parliament with the same purpose*” and “*...I feel that such a financial relationship would be improper and therefore feel that I cannot take the matter further.*”

It is true that, with the benefit of hindsight, when the question of setting up an APPG was raised with me by the undercover journalists I could and perhaps should have said immediately that this was not permissible. However, as I have explained, it did not occur to me, when the idea was floated by the journalists, that there was anything intrinsically improper in setting up an APPG, and I also thought an APPG on solar energy might be useful generally for parliamentarians interested in the subject. It was only when I reflected on the purpose which appeared to lie behind the undercover journalists’ suggestion, that they seemed to have in mind using an APPG on solar energy specifically to promote the South Korean company’s commercial interests in parliament, that it occurred to me that what they were suggesting was improper and I would have no part in this.

I emphasise that my meeting with the undercover journalists had been entirely exploratory. The only information I had about them at the time was what they had told me, and their bogus website which I had looked at. There was no sense of any commitment on either side to enter into any consultancy agreement or to agree any specific course of action. All we were discussing was in very general terms. It was as far as I am concerned purely a preliminary discussion, and plainly there would have had to have been much more detailed discussion of the Company’s plans and of the role they saw for me before any agreement was reached. There was nothing specific put to me which was in itself was improper *as a consultant for the solar panel company*. They did not ask, for example, for my support with regard to any legislation or for me to ask any specific question in parliament or for me to agree to act for them as some kind of “advocate” in parliament. Had they done so, I would have recognised immediately that this was improper, and refused. The fact, however, is that, within four hours of my meeting with the undercover journalists, having reflected on the whole of my conversation with them and having reviewed the Code of Conduct, I had decided, and informed them, that I could not assist them and was not prepared to take the matter further.

Findings of breach of paragraphs 10 (c) and 8(b) of the Code of Conduct (facilities)

I apologise unreservedly to the Committee and to the House for my error of judgment in asking my friend and respected colleague Lord Brookman to agree to host the lunch in the Attlee Room. The lunch, as I saw it, was not promotional; or for the purpose of direct or indirect financial gain. I have since checked with the company and they have confirmed (despite what I said to the undercover journalists) that Ivy Link did not profit from the function in any way and the lunch has not generated any additional business for the company.

I accept however that I should have consulted the Director of Facilities for his advice and been guided by that advice. It was not my intention when I omitted to do this, nor when I spoke with the undercover journalists, nor in what I said in my interview with the Commissioner to appear in any way contemptuous of the rules. The reason I asked Lord Brookman to host the lunch was not because I regarded the use of facilities as a “bureaucratic impediment to be got around” but because of the way that the press in the past has sought to criticise members of parliament for their use of the facilities.

In conclusion I ask the Committee to consider my appeal against the findings of a breach of paragraphs 8(b) and (d) (*providing parliamentary services*) in light of this submission and the full evidence with the Commissioner’s Report.

I also submit that taking all the circumstances into consideration, including:-

- (1) The absence of any firm or concluded agreement,
- (2) My continuous efforts to explain to the bogus consultants what could, and what could not be done in raising issues in parliament *as an external consultant* [registering interests and declarations of interest etc],
- (3) Plus my hitherto exemplary record,

that the sanction of suspension from the House for 6 months to be harsh and ask the Committee for Privileges and Conduct to reconsider this.

Transcript of evidence taken before The Select Committee on Privileges and Conduct 2 December 2013

Members present

Lord Sewel (Chairman)
Baroness Anelay of St Johns
Lord Brooke of Sutton Mandeville
Lord Eames
Lord Hill of Oareford
Lord Howe of Aberavon
Lord Laming
Lord Newby
Baroness Royall of Blaisdon
Baroness Scotland of Asthal
Lord Scott of Foscote
Lord Wallace of Tankerness

Examination of Witness

Lord Mackenzie of Framwellgate

Q1. The Chairman: Good morning, Lord Mackenzie. The purpose of this meeting is to hear your appeal both against the findings of the Commissioner and the determination of the sanction by the sub-committee. I think you know all members of the Committee, so I will not go around introducing people. Could I first of all apologise for my voice? If you cannot hear me any time, please indicate and I will try and speak a bit louder.

The format of this meeting will be that I will ask you to make a statement in support of your appeal. Members of the Committee will then have a series of questions that they wish to ask you. We will do the questioning, basically, in two elements: one on the substance of the case and your appeal and then on the recommended sanction. You will be invited to make comments on both. We will then ask you to retire, and we will consider our decision. Would you like to proceed with an initial statement?

Lord Mackenzie of Framwellgate: Thank you, Lord Chairman. Can I start by saying from the outset that I am extremely proud to be a Member of your Lordships' House and would certainly do nothing intentionally to damage it? I start by reiterating my unreserved apology to the Committee and the House for my error of judgment in asking Lord Brookman, my noble friend and respected colleague, to agree to host the lunch in the Attlee Room for the reasons I set out in my written submission.

Having said that, this case is a clear case, a story of entrapment. The enticement was the possibility of a consultancy with an innovative, leading edge, South Korean company wishing to launch a unique product in the UK. It was of course totally bogus, and I had no grounds to suspect this. Nor was there any previous evidence of lobbying activities by me in 15 years of loyal service to the House. As far as I am concerned, it was just a random fishing expedition. Indeed, if the police had used such methods in a criminal investigation, they would have been criticised, quite rightly, and any evidence so obtained would have been ruled out. Having said that, I make no complaint as this was not a criminal matter, although the consequences, of course, can be just as severe.

In the e-mail targeting me, unlike the four Peers in 2009 mentioned in the Commissioner's report, there was no mention of lobbying, cash for questions, putting down amendments or indeed using any influence to do anything within Parliament. If there had been, I would not have responded. It was for this reason that I attended the fateful meeting with the bogus company representatives on 22 May of this year. The unique product they were advertising was a solar energy panel described as state of the art, which could not be distinguished from ordinary glass. It sounded very exciting technology and I had long had an interest in green issues—lowering the carbon footprint and the like—and I have attended carbon reduction meetings in Parliament on many occasions. My intention at that initial 45-minute meeting was to first hear more about the product and then, if I was interested, which I plainly was, put myself forward for consideration as a consultant to advise the South Korean company in the launch of their unique, energy-saving product.

I have always seen a clear distinction between working for a lobbying company inside Parliament for the purposes of influencing policy, changing legislation, putting down questions and the like on the one hand, and on the other hand working with an organisation outside Parliament, perhaps as a figurehead advising them on marketing, strategy, presentation, communications and the like. I have done that several times before with other companies, and none of the work involved lobbying in any of its forms. I must stress that my whole understanding throughout the meeting was that I was a candidate for the latter role, working for the South Korean company, and not for a lobbying company working within Parliament.

The whole of my working life before entering Parliament was in law enforcement and I instinctively take badly, clearly, to rule-breaking. I have a degree in law and I am a graduate of the FBI academy in Quantico, Virginia, so in my view my standards have always been very high. That is why I felt mortified when I saw the findings of the Commissioner's inquiry into my conduct. I cannot believe all this resulted from a 45-minute conversation in a hotel responding to an advertisement for a part-time job.

Looking at the transcript, the interview with the undercover reporters is peppered with me stressing the need to be open and to be honest, to be transparent, to declare interests and the like. These are not the words of somebody trying to break the rules, but somebody who is trying to explain them and that was my intention. As I understand it, if you are working for a lobbying company you cannot declare an interest and make it legal. Lobbying for payment in all its forms is illegal, full stop. I have always understood that, so it was never really on the agenda as far as I was concerned. That is why I believe the Commissioner has misinterpreted the point I was making at paragraph 58 in his report when he says, "I think he felt that working for the South Korean company was more likely to comply with the Code of Conduct than such a relationship with C&G", which was the lobbying company.

I believe that working for a lobbying company would be in breach per se as that is its *raison d'être*, whereas working as a consultant for a manufacturer, for example the South Korean company, would allow questions, speeches, contributions on the relevant interests—in this case solar heating—provided, of course, that it was registered and declared. Indeed, the guidance to the code, quoted in italics in my submission at page five, makes it clear that it is not only permissible but actually desirable to speak on things that you have interests in and knowledge of. That is the distinction, and I would ask your Lordships to rule on this important point.

This is not a case of parliamentary corruption or “Parliament for Sale”, as described in the splash headlines of the *Sunday Times*. It is the case of an interview for a perfectly legal consultancy outside Parliament, and the whole of the interview, from my perspective, was on that basis. I am not so sure I got that across to the Commissioner for Standards. Everything I said to the bogus company representatives was based on my understanding that if we reached agreement I would be working as a genuine consultant, with my interests properly registered, advising the company outside Parliament on its European launch strategy. Looking at the situation from my point of view at the time, I think it alters the whole context of the interview with the undercover journalists and my answers can be seen in a totally different light.

On a number of occasions in his report, the Commissioner states quite fairly that, “Lord Mackenzie’s comments to the journalists may be open to different interpretations.” I give an example at paragraph 60. I submit to you that if that is so, these findings are dangerous. These were initial discussions regarding the possibility of a consultancy for services, not parliamentary services, outside Parliament. If I had been employed as a consultant by this South Korean company, I would clearly have had an interest in solar energy, and it would not be unreasonable for me to join a relevant party group dealing with solar energy. If there was not one in existence, I submit it would be reasonable for me to explore setting one up if there was sufficient interest amongst other parliamentarians, not at the instigation of anyone else but for my own benefit in order to increase my understanding of this subject. Again, I submit therefore that this tentative discussion could not possibly amount to my seeking to profit from my membership of the House by accepting or agreeing to accept payment or other incentive or reward in return for providing parliamentary advice or services.

When the Code of Conduct at 8(d) talks about “accepting or agreeing to accept payment or other incentive”, it surely must mean “agreeing” in the normal understanding of the word. I would ask you to consider the interview I had with the undercover reporters. It was light years away from any agreement in the normal meaning of the word. I was simply telling them what was possible within the rules. Further down the line, after further consideration, if I had discovered that it was not allowed, obviously I would not have continued. Indeed, at the end of the meeting I asked them to let me have a written record of what we had talked about so that I could be clear what we had discussed, in order to allow me to consider the matter further. I honestly believe that I had not agreed to provide parliamentary services or indeed anything else, and to so construe is to stretch the meaning of the English language. Therefore, to visit such serious consequences on such a misinterpretation, in my view, would be a serious miscarriage of justice. I submit to your Lordships for a legal ruling on this particular point.

Could I have done things better? Yes, of course I could with hindsight. Have lessons been learnt? Again, yes, of course. It has taught me to listen more and talk less. It has also illustrated the importance of using the wise counsel of the Facilities Director and the Registrar of Interests, both of whom I have used in the past for advice. I remind your Lordships that the meeting was not instigated by me. I thought it was a private meeting and any embarrassment caused in consequence was totally unintended.

In conclusion, I take this opportunity once again to apologise for any lapses of judgment or unguarded comments that may have unwittingly tarnished the image and reputation of your Lordships’ House. This was caused principally, I suggest, by the exaggerated hyperbole in the splash headlines of the *Sunday Times* itself,

which in many respects bore no relationship to the facts of the interview with me. Your Lordships may wish to reflect on whether such press conduct has tarnished this case. In any event, in the light of the whole of the evidence, I would ask your Lordships to consider my additional submissions and to seriously reconsider the sanction recommended by the sub-committee, which of course I did not have the opportunity to address. Thank you, Lord Chairman.

The Chairman: Thank you very much, Lord Mackenzie. That was very helpful.

Q2. Lord Laming: Lord Mackenzie, thank you very much indeed. I wondered whether I could ask you some questions that relate to something you have already addressed for the Committee, just to clarify the position for us, please. First of all, may I ask you whether, throughout the Commissioner's investigation, you believed that the allegations about the breach of the Code of Conduct—paragraph 8(d), which you are familiar with—which prohibits the provision of parliamentary services in return for payment or reward, was or was not a central part of the investigation?

Lord Mackenzie of Framwellgate: I suppose it was. I simply pointed out that it was not mentioned in the original notification that I had. Yes, I am quite sure that the whole thing, taken as a complete piece, was all part of it. There is very little difference, I think, between the two issues. I simply pointed out that that particular thing was not mentioned in the original letter.

My understanding was that clearly it was looking at the allegations made in the *Sunday Times*, but certainly I never at any stage thought that I was offering any services for a lobbying company. I was always in the frame of mind that I was perhaps being considered as a consultant for the outside company. I knew what the rules were. I knew that lobbying was certainly not allowed and I would not have gone near it if I had thought for a minute that lobbying was involved, but I knew that if I was working for an outside company there were circumstances, as I have tried to explain, provided that you were open and honest and the thing was registered—I have always scrupulously kept up my Register of Interests—and declared the interest, there was no problem. There has been no problem in the past.

Lord Laming: Despite whatever was missing from the Commissioner's letter, you were in no doubt that payment for services was a central part of the Commissioner's inquiry.

Lord Mackenzie of Framwellgate: Payment for services for the outside company, yes, but not for a lobbying company.

Lord Laming: May I just ask you then whether you would agree that in your statement to the Commissioner—I can refer to the pages if it would help: it is pages 42 to 50—there was a very detailed range of references to being an advocate in Parliament, lobbying Parliament, asking questions and directly approaching Ministers, all of which would be parliamentary, not outside, matters, and that anything in that connection that attracted anything to do with a reward would be in breach of the code?

Lord Mackenzie of Framwellgate: Of course, and of course when I mentioned things like contacting Ministers I was simply outlining the advantages of the voting the way we do. When I do tours of Parliament—I said this to the Commissioner—people ask, "Why do you use such antiquated methods of voting in person all the time when you could do it electronically?", and I always point out that there are advantages because you have the ear of Ministers, which is quite useful. You find

yourself rubbing shoulders, perhaps, with Ministers. Of course, people write to you about various questions. There are questions on Parliament dealing with particular aspects of criminal law, and it is quite useful to have the ear of a Minister whilst you are waiting to vote. It certainly was not in connection with lobbying on behalf of any other company. I was simply pointing out the advantage of voting. Similarly, on writing to Ministers, if I wrote on behalf of a prisoner who has written to me saying he has suffered some injustice, then clearly I was writing to Ministers, and it was in that context as a Member of Parliament and as an outside consultant that if I wrote about a particular issue that I had an interest in, I would declare it in the letter, and I always have done. I would always declare the interests, but it would always be on the basis, clearly, of having a financial interest working for a company that was not operating within Parliament. I certainly would not write letters or contact Ministers or do anything on behalf of a company in which I had an interest.

Lord Laming: If I may say so, that distinction does not come across in your statement to the Commissioner.

Lord Mackenzie of Framwellgate: I was not expecting that area to be addressed in such detail. I was not expecting to be asked about setting up all-party groups and so on, to be honest. It had not even occurred to me that was relevant to the whole question of lobbying. Again, if I had got involved in that—I probably would not have done, but had I agreed to do it—it would have been on my behalf as an interested party in solar energy, which is the point I think I made in the opening statement.

Q3. Lord Laming: May I just ask one final question? Is it your evidence to this Committee that you were, at the time this happened, familiar with the Code of Conduct?

Lord Mackenzie of Framwellgate: I was familiar with it, not in detail—I have to be honest—because it is fairly complex, but I had certainly referred to the Code of Conduct on hosting luncheons for them, and in my mind I was quite clear that it was a not for profit lunch, that it was clearly designed simply to highlight the savings that could be made with energy to universities—it was a public sector event—and that it was not in breach of the code. The sole reason I asked Lord Brookman to sit in was because of the press, because I was conscious last year of the press doing a trawling exercise. I think it was in the *Independent on Sunday*. Quite a few Peers were mentioned as hosting functions, which presumably were legal because nothing ever happened about them. None the less the publicity had been already let out of the bag, as it were, and I thought that to avoid that I would get Lord Brookman to host the lunch. Clearly it was a mistake and I unreservedly apologise for that.

Lord Laming: Sorry, just so I am absolutely plain, and I think the Committee would appreciate being absolutely clear, at the time of this event, you might not have been able to sit an examination on the Code but you were sufficiently clear about the sections of the Code that referred to paid advocacy in Parliament.

Lord Mackenzie of Framwellgate: Absolutely, and when I mentioned advocacy, of course, I was using it in the meaning of being able to speak. I did a lot of after-dinner speaking; I have chaired conferences. It never even crossed my mind to think of being an advocate for a particular company. It was simply being able to represent the company outside, fronting a video and stuff like that. That was what was in my mind at that time.

Lord Laming: I am terribly sorry, Chairman, but I do think it is very important to be clear about this, which is that I am not talking about after-dinner speaking or taking tours round Parliament or any of those types of thing; I am talking specifically about advocacy within Parliament, for which there is a financial reward.

Lord Mackenzie of Framwellgate: That is out of the question.

Lord Laming: You knew the code well enough.

Lord Mackenzie of Framwellgate: Absolutely.

Lord Laming: And you are in no doubt about that.

Lord Mackenzie of Framwellgate: Absolutely, yes. It is quite clear in my mind what lobbying is.

Q4. Lord Newby: On page three of your appeal you refer to your understanding that you would be engaged as a consultant for the solar panel company rather than the lobbying company. How does that understanding relate to the exchange quoted in paragraph 55 of the Commissioner's report, where you said you would be working for Coulton & Goldie as a consultant and so you would not have to declare the ultimate South Korean client?

Lord Mackenzie of Framwellgate: I cannot explain it in the sense that it was an interview that was taking place and I either misheard or did not quite grasp what he was getting at. As far as I was concerned, it was the South Korean company. I thought that Coulton & Goldie was representing the South Korean company in looking and trying to find a consultant. I saw the two things as being one company, but the main thrust of the consultancy would be with the South Korean company. I certainly never envisaged working for the lobbying company. In fact, I did not even consider it to be a lobbying company.

Lord Newby: In your statement to the Committee just now you said that you envisaged that your role would be essentially working outside Parliament. Am I correct in that?

Lord Mackenzie of Framwellgate: Absolutely.

Lord Newby: I am just wondering how you formed that view, given that the reporter said right at the start of the interview, "We're looking at lots of, basically—what we're doing is we're trying to devise a public affairs strategy, which would help us to engage with parliamentarians and sorts of decision-makers and also other interest groups". Then in supporting your credentials to do that you said, "I'm in the various green lobby groups in the Lords". This does not seem to me, at first blush, to relate to activities outside Parliament but to activities inside Parliament.

Lord Mackenzie of Framwellgate: I was simply explaining what qualities or qualifications I had for taking on the role, but as I understood it the work would certainly be promoting the company for its European launch strategy outside Parliament. I knew the rules and I certainly would not have envisaged breaching the rules. I was simply explaining that I was interested in green issues. I knew other parliamentarians who were similarly interested, and obviously it would further the launch strategy I suppose, but certainly the work was clearly outside Parliament as far as I was concerned.

Lord Newby: I am just trying to understand how you formed that view, because at no point, as far as I can see, did the reporters suggest that it would be work

outside Parliament. They explicitly stressed the elements of the work that would be inside Parliament.

Lord Mackenzie of Framwellgate: I certainly did not pick that up, and I actually mentioned that I worked for another company where I fronted a video. I think that is mentioned in the interview as well. I knew the distinction, so there would have been no question of me working inside Parliament because I knew it was clearly against the Code of Conduct. I was aware of what they were.

Q5. Baroness Royall of Blaisdon: Lord Mackenzie, I think that paragraph 58 of the Commissioner's findings is rather important. In fact, in your opening statement you said that you believed that the Commissioner has "misinterpreted" what you were saying. Is it the case that you dispute the Commissioner's finding in paragraph 58 that your view of who your ultimate employer would have been is immaterial to the question of whether or not there was a negotiation of an agreement that would involve the provision of parliamentary services? You have talked about this in relation to the question from Lord Laming, but do you dispute the Commissioner's findings in paragraph 58?

Lord Mackenzie of Framwellgate: I do, yes. Yes, I think he has misinterpreted the rules, if you like. As far as I was concerned, I was working for the outside company, and certainly I would not have even envisaged providing parliamentary services within the definition for payment. It just was not on the agenda. At the interview I was simply discussing a whole range of issues, and of course I was not aware that it was a bogus interview; I thought it was a private interview. I was simply trying to explain how the system worked, if you like. I knew the distinction between lobbying in all its forms and raising issues in Parliament relevant to interests, which are properly declared. There is a big distinction, and that is why I would like a ruling on this from this learned Committee because it is a very important point.

The Chairman: I will ask a supplementary question on that. Throughout your interview with the Commissioner, you frequently talk about the need to declare an interest. Why would you wish to declare an interest if you were purely operating outside Parliament?

Lord Mackenzie of Framwellgate: Because I might raise a topic in Parliament. That was the whole point. I have worked for companies outside Parliament previously and still do. Of course, if there is something that is relevant, say I work for a security company and I think it is useful for me to intervene on a question of security with the Minister, either during a question or during a debate, I am entitled to do that. In fact, I would think you would expect me to do that. It says so in the guidance, but I think it is still important to have the thing registered, which it is, and to declare the interest, which I always do and always have done. My history displays the fact that I have certainly never intentionally breached any of the codes of conduct or the guidance, and nor would I.

Lord Hill of Oareford: Just going back to a variant of the question Lord Newby put to you, reading the transcript, how could you be under any doubt, given the remarks that the reporters made to you, that they were anything other than interested in having someone helping them in Parliament? The whole tenor of their comment was that they wanted someone to help them in Parliament.

Lord Mackenzie of Framwellgate: I clearly did not pick that up, and I think you have to understand that in an interview like this, where it is going from topic to topic, I am not paying attention to every detail. It is purely a preliminary application, if you like—a sounding interview—to see whether there is anything

that could be taken further. I think I said in my opening remarks that I have certainly learnt to listen more and talk less. I think what happens in a fast-moving interview with two people is that you do not always pick up the detail of what is being said. You are interested really in getting your own message across. I agree with you: having read it, it looks like they are clearly talking about that, but certainly I did not pick that up at the time, and that is important, because clearly it is important that if I am being accused of something, I should really have the necessary mental element—the mens rea, if you like—of being guilty of it. Certainly I knew what my intention was right from the outset, and I may well have overlooked what they were saying, but I knew exactly what the dividing line was between the two and always have done ever since the previous cases four years ago.

Q6. Baroness Scotland of Asthal: Lord Mackenzie, I wonder whether I could just add a supplementary to that. I absolutely understand what you say inasmuch as you appear, certainly at the beginning of the conversation, to reiterate on a number of occasions that you have to declare your interest. I want you to help me. Perhaps we can just go through some of the conversation so that I can understand, and maybe I can help refresh your memory as to what they were asking you. It is about on the seventh page of the interview. The female reporter tries to make clear to you that they are differentiating between the work that other public affairs people do and the things that they are asking from you. In the middle of the question near the bottom she said, “So we’re not sure whether there’d be a bit of duplication and we wonder whether it’s better to have someone who is actually in Parliament like yourself who can help build bridges with other parliamentarians, maybe could help us with the establishment of an all-party group or something like that, and could be kind of an advocate for us and somebody who would guide us and make introductions, and things like that. That’s the, kind of, what we’re looking for, so that’s why we wanted to talk to you”. Do you remember that paragraph?

Lord Mackenzie of Framwellgate: Yes, indeed.

Baroness Scotland of Asthal: Then you say, “Yes, clearly I would have to declare that as an interest”, and then you go on, “It goes without saying that I don’t think it clashes with anything else that I do. I mean, I would need some documentation just to say exactly what it is that we are talking about”.

Lord Mackenzie of Framwellgate: Of course, that was on the basis of me working for the solar energy company and certainly not for the lobbying company.

Baroness Scotland of Asthal: I just want you to think about that for a moment, because you go on to talk about the fact that we have been through a very difficult period in Parliament over consultancies, and you explain some of those difficulties, and the importance of authorities. You go on and say what an honour it is to be in the House, et cetera. Then you are asked some very specific questions later on that I just want you to help me with, because you seem to say that there is no problem about being an adviser, provided you declare it and it is all open because the press will check your interest.

Lord Mackenzie of Framwellgate: That is right.

Baroness Scotland of Asthal: Then there is an exchange between you, after you have explained how historically people have got themselves into difficulty, when you are asked this by the female reporter, “So, basically, as long as you declare it you can use your position”, and you say, “Absolutely, yes. There is a Register of Interests and I declare it as soon as I’m on board”. Then the male reporter says,

“Presumably you will declare us on the Register. That’s Coulton & Goldie Global, yeah?”, and you say, “Yes. Well, I’ll do that once I’m on board”. They say, “Once you’re on board?”, and you say, “I don’t have to do it just by talking to you”. Then they say, “Do you have to declare the ultimate client as Haemosu, or would you just declare that you are an adviser to the strategic consultancy?”, and you say, “No, if I’m working for you as your consultant, which I am, I suppose”, and you then say, “No, the ultimate client doesn’t matter, but if I was speaking about the product, then it would be. As a matter of duty I would have to declare that interest”. Forgive me if I am wrong, but it sounds there as if you are saying that you believed it was the consultancy that you would be working for.

Lord Mackenzie of Framwellgate: It does, and I think I have to explain that my mindset was that Coulton & Goldie was simply representing the South Korean company in looking for a consultant. Its task was to find somebody who fitted the role that was wanted. Certainly I did not distinguish between the two, so when they said, “You are working for us”, I assumed they were representing the South Korean company. It may well be that I was clearly wrong, and I see now that their intention was to divide the two, but at that time certainly in my mind they were simply representing this other company and the two were indivisible, as it were.

Baroness Scotland of Asthal: Whatever you were going to do, you were going to declare it. Is that correct?

Lord Mackenzie of Framwellgate: Indeed, yes. That goes without saying, and it certainly would not involve any lobbying.

Baroness Scotland of Asthal: Do you think on reflection that maybe you want to change anything you have said to the Committee, having had your memory refreshed from that part of the transcript?

Lord Mackenzie of Framwellgate: No, I certainly cannot deny what was said. All I am saying is that some things were said, clearly, without thinking. Some things were said probably in a form of trade-puffing to suggest that I could do more things than I could do, but certainly none of it was any intention to break the rules or lobbying. It was probably a bit of exaggeration in some cases perhaps to persuade them to consider me for the position as a consultant. It was always as a consultant for the outside company and never for a lobbying company inside Parliament. I knew the rules and certainly I would not have gone down that road, Lord Chairman.

Lord Hill of Oareford: Can I just pick up precisely on that point? In your appeal on page four you say that, “On the face of what I was told there was nothing suggested to me which in itself would be improper or wrong for me as a Peer to assist”, but then we also see some of the suggestions that were made: lobbying for amendments to building regulations, for example, or asking another Member to make a speech or to ask a question. Would you accept that if those things were done in return for payment, it would be a breach of the code?

Lord Mackenzie of Framwellgate: Absolutely, that is clearly lobbying. Whether I picked up on what they were saying in detail, probably not, but certainly I was quite clear in my mind of the distinction between the two. I think I said in my opening submission, Lord Chairman, that paid lobbying in any form is clearly illegal per se and that any recording of the interest or declaring it would make no difference. Lobbying is simply not allowed, whereas speaking on interests for an outside company is allowed, and that was my understanding all the way through. I probably should have listened more to where they were coming from, but I did

not. That does not mean that I intended to break the rules. I certainly did not intend to break the rules, nor would I.

Q7. Baroness Anelay of St Johns: My question follows on from and develops Lady Scotland's. I am looking at paragraph 60 of the Commissioner's report. I am puzzled because you have been explaining to us how you believe in openness, you would declare everything, and it would not be underhand—it would be out in the open. Here in the middle of the paragraph not only is the Commissioner saying that you agreed that you could write to Ministers on the client's behalf, but you suggest you could use this privileged access in other ways. It goes on to say, "And he indicated that he could get another Member to ask questions on the client's behalf". If one is being open, why would one ask somebody else to ask a question?

Lord Mackenzie of Framwellgate: It simply did not cross my mind, quite honestly. I would not ask anybody else to ask a question. It is just beyond me that that is even being suggested. I was simply having a conversation. Perhaps, again, I did not hear what it was hinting at, and certainly I have no doubts that asking somebody else to ask a question would be totally out of order.

Baroness Anelay of St Johns: Are you disputing the extract that is quoted by the Commissioner: that you did not say that?

Lord Mackenzie of Framwellgate: No, I probably did say it. All I am saying is that I said a lot of things that, when I examine them, I probably did not intend to say or did not realise I was saying, because it was a fast-moving conversation. Quite often, some of it is probably exaggerated—promising things that I probably could not provide or even think about providing—but at no stage did I doubt the distinction between lobbying and doing the work that I understood I was going to do: promoting this company outside Parliament. Certainly, getting somebody else to ask a question would not be on the agenda, or asking a question on behalf of the company would not be on the agenda. Any questions that were asked or conversations that were had in Parliament would be things that I had an interest in, which had been declared. I always understood the distinction between the two.

Q8. Lord Eames: Lord Mackenzie, I want to go back briefly, if I may, to what you said just now in reply to Lady Scotland. We are now dealing, at this point in our discussion with you, in a contradiction of what is now your opinion of what was said and what is conveyed by the Commissioner's report. I am going to ask you a very blunt question, and I hope it is perhaps not as naive as it may sound. What do you consider in this interview with the reporters that you did agree to do?

Lord Mackenzie of Framwellgate: I consider—and I will give you a very blunt answer.

Lord Eames: I really urge you to look on this very carefully.

Lord Mackenzie of Framwellgate: I did not agree to anything because it was an exploratory discussion. This goes to the whole heart of the point I am trying to make: that the rules say you should not agree to things. There was never an agreement. It was a million light years away from any agreement. At the end of the interview I asked them to write to me with details of what we discussed so I could consider the matter further. That is in the transcript. As far as I was concerned, I had not agreed to anything. It was simply an exploratory discussion and, of course, in an exploratory discussion all sorts of things come up. You throw things on the table. Some of the things may well be exaggerated, but certainly there was never in my mind any agreement whatever.

Lord Eames: In hindsight, can you see how an interpretation could be—?

Lord Mackenzie of Framwellgate: I think, to be fair, the Lords Commissioner for Standards said that a lot of the things that I said, or some things I said, could be interpreted in different ways. Yes, in hindsight I suppose that is true, but I know what my mindset was when I was making the comments.

The Chairman: Do you understand the importance of the phrase, “A clear willingness to breach the Code of Conduct”?

Lord Mackenzie of Framwellgate: Yes, I do.

The Chairman: It is different, necessarily, from an agreement.

Lord Mackenzie of Framwellgate: I certainly had no willingness to breach the Code of Conduct because I knew what the Code of Conduct allowed and what it did not allow. I have made the distinction between working for the lobbying company, which is certainly completely prohibited, and working for the South Korean company, where interests are declared and can be raised in certain circumstances. I have always had that understanding.

Baroness Scotland of Asthal: Lord Chairman, I think you may have asked the question that I was going to ask. Let me put it more specifically. Do you accept that even if there is no specific amendment or question suggested by the undercover journalists, a Member who demonstrates a clear willingness to negotiate an agreement, which would involve breaching the Code, will have failed to have acted on his or her honour?

Lord Mackenzie of Framwellgate: I do accept that. Of course, if it is interpreted that I did show a willingness, then it was a means, obviously, of currying favour with the interviewers to perhaps get the job that I was seeking to get. I knew the distinction and I certainly would not have done that. I would not have agreed to do it once I had the details of the conversations that we had, and of course considered it more, because that was the whole purpose. It was an exploratory interview. There may well have been hints here and there, but certainly there was no willingness on my part intentionally to agree to anything that involved lobbying.

The Chairman: Now we move on to the creation of an all-party group. Lord Wallace.

Q9. Lord Wallace of Tankerness: On page five of your appeal you state that when the prospect of setting up an all-party group was first raised you did not consider it objectionable or in breach of the code. You stated that you did not see that it would present a problem for you to assist with its creation, provided all relevant interests were declared. Do you accept that a Member who accepts payment in return for helping to set up an all-party group would in fact breach the bar on accepting payment in return for providing parliamentary services?

Lord Mackenzie of Framwellgate: I think I do accept that, if that was the purpose of setting the group up. I think that is absolutely right. First of all, I see all-party groups as not being lobbying groups. They are simply interest groups and I am a member of several. The All-Party Parliamentary Group on Policing is the one that I give as an example. I know that there are private interests involved with these various breakfast groups, business groups and everything else. I have to confess that I did not know the details of it. That is why I was not really in a position to discuss it in too much detail, but I would have checked, presumably. I certainly would not have set it up at their behest. I envisaged that if I did get the offer of a consultancy in that area, I would join, clearly, an all-party group dealing with the issue. If there was not one, then I saw nothing wrong with exploring the

possibility of setting one up with other parliamentarians interested in solar panel heating and so on. If the company was involved—the South Korean company—I envisaged it being involved perhaps as you invite a speaker at any all-party group to address things to do with its business. That happens all the time, as I understand it, with all-party groups, covering a whole range of topics on many subjects.

Lord Wallace of Tankerness: Do you accept—as I think you did, but I do not want to put words into your mouth—that actually helping to set up or receiving payment for helping to set up, or accepting payment to setup an all-party group, would breach the bar of accepting payment in return for providing parliamentary services? That would be the case whatever the purpose of the proposed all-party group, whether it be generic or whether it be very specific to the promotion of the interests of one company.

Lord Mackenzie of Framwellgate: I would not be doing it at the behest of a company. I would be doing it because of my own self-interest in the topic concerned. Presumably that is how these groups are set up in the first place: somebody is interested in a particular area and they explore the possibility of setting up an interest group. That is how I was thinking when I was talking about that.

Lord Wallace of Tankerness: If I can go back to some of the questions that Lord Newby was asking, there is no way when you were discussing the all-party group that you could have been thinking that you were being asked to do something that would be outside Parliament? The very nature of an all-party group is that it is a parliamentary matter.

Lord Mackenzie of Framwellgate: Indeed, and I did not see it as being a breach of any of the Code of Conduct.

Lord Wallace of Tankerness: You just said to me just a moment ago that you did not think it was lobbying, but you were asked—it is at paragraph 68 of the report; the extract of the interview transcript is there—the male reporter says, “So if we had someone like you as chair you could, say, write to the minister as the chair of your party group or something like that, which would be really useful. Or, alternatively, we could maybe host receptions or things like that”, and you agreed, “Absolutely, yes. That happens all the time”. I am just interested to know, because you used the word once or twice, what you understand by “lobbying”.

Lord Mackenzie of Framwellgate: Clearly, writing to the Minister is lobbying, but what I envisaged when I answered that was writing to a Minister to come and address the group, the same as we did with the lunch on 23 April, where the Energy Minister came and, of course, addressed the lunch on saving energy. Again, there was nothing wrong with that, as far as I could see, provided you declare the interest, obviously. It certainly would not be to lobby on behalf of the company; it would be to invite the Minister, as when we get Chief Constables coming to the all-party policing group. The Commissioner and a whole range of people who are interested have to be written to. The Chairman writes to them and invites them along to address the interest group. I never saw all-party groups until now as a lobbying group at all, to be honest, and I certainly did not think about it then as a lobbying exercise at all. I can see the implications of that.

Lord Wallace of Tankerness: In the context, just shortly before that exchange you were asked by the female reporter, “Having someone of your stature would be really, really useful. Is it a useful way, do you think, for a company like ours of kind of using it as a platform to put forward our technology and make our case”,

and you replied, “Oh, absolutely, absolutely, and of course quite often the press pick things up from it. You get a bit of free publicity. There are statements to be made, and of course you can invite people to it because Parliament is an excellent forum and people will turn up”. Again, when you said that were you thinking in terms of the whole, generic solar power industry, or were you actually looking, as the female reporter said, at, “A company like ours”?

Lord Mackenzie of Framwellgate: I think I was talking about green issues and saving power generally. Again, it was probably a bit of trade-puffing, trying to suggest that there are a lot of benefits, obviously, in employing me as a consultant. I certainly did not mean it to be understood as lobbying within Parliament. I never even saw it in that light.

Lord Wallace of Tankerness: I have just one final question. The female reporter asked you, “Would you chair the group for us?”, and you said, “Yes, more than happy”. In your mind, did that constitute an agreement?

Lord Mackenzie of Framwellgate: I know exactly where you are coming from, and I probably did not pick up on the “for us”. I was quite happy to chair a group that I got involved in—more than happy to chair a group if I was interested in solar energy—but certainly not at their behest and on their behalf. Perhaps I did not pick up on exactly what was said. I make the point again that at these interviews—I am sure you understand where I am coming from—sometimes you do not quite pick up what is being said. The acoustics are not right and I am probably speaking more than I am listening. That is something I have to learn, clearly, but not knowing this was a recorded interview obviously I did not, so I have probably been negligent in that sense. That does not make me guilty of breaching the rules.

Q10. Lord Hill of Oareford: What happened between 17.11 on 22 May when you finished an e-mail saying, “I look forward to receiving your proposal in due course”, and another e-mail at 18.50, where you thanked them for their reply? What happened between 18.50 and just after 21.30, when you said that you had had a look and did not want to take anything further? Clearly at 17.11 you were hot to trot, and then by 21.30 you were not. What happened?

Lord Mackenzie of Framwellgate: I reflected, looked at the Code of Conduct and tried to reflect on the interview itself. I started an e-mail on my iPad. Another consideration was really, “Have I got time to take on this task?”, enormous as it was. I started the e-mail declining the invitation to be involved. I then walked home to my apartment in Pimlico and, of course, I got an e-mail from [Labour Chief Whip] Lord Bassam, which clearly reinforced my doubts about the whole exercise. That is when I completed the e-mail to the company. I had already decided not to proceed before that.

Lord Hill of Oareford: Lord Bassam’s e-mail had no bearing on what you did?

Lord Mackenzie of Framwellgate: It certainly did. It did not have a bearing on the initial feeling I had that I was not going to proceed, and I had actually started the e-mail, but I had not finished it. I had not completed it, but I thought, “Well, I am not going to wait for the letter detailing the conversation”, so I decided that really I did not have the time. Plus, it was obviously an area that was filled with doubt, as it were. Once I saw Lord Bassam’s e-mail, there was no question.

Lord Hill of Oareford: You have just referred to it, saying that you thought it would be a massive job and you might not have the time, but you have been at pains to say throughout this conversation that the work you would be doing would only be outside Parliament. What was it that you therefore thought you would be

doing so much outside Parliament that would be such a huge job, and what do you think they thought they were going to get for their £120,000?

Lord Mackenzie of Framwellgate: We did not discuss details of finance to that extent. They threw figures in that I thought were exorbitant in any event. I thought that I was involved in the launch strategy. I thought it might involve time away from Parliament, which obviously I have to consider, perhaps standing at public meetings, providing them with advice on communications and things like that. It was all to do with that side of things outside Parliament and not within Parliament.

Lord Hill of Oareford: It is funny, because I used to work in this world. The tenor of the e-mails that you sent in the afternoon suggests someone who is really quite keen to take forward the proposal.

Lord Mackenzie of Framwellgate: This is about the all-party group?

Lord Hill of Oareford: No, generally to take forward a relationship with these people: that you are looking forward to their proposal. People send e-mails back, making enthusiastic noises?

Lord Mackenzie of Framwellgate: Just before the interview?

Lord Hill of Oareford: No, this was after you had seen them in the course of that afternoon of the 22nd up until 18.50. There was quite a lot of enthusiasm, I felt, reading the e-mails, about wanting to take the thing forward, and then it changes, but you have explained that.

Baroness Anelay of St Johns: I have just a narrow point that follows on from what the Leader of the House has just asked. In response to his questions, you made a comment about the amount of money that was on offer, so to speak, and that from your point of view it was clearly just far too much. Can you then explain why when the female reporter asks you about the further work, “A retainer about, sort of, between £8,000 and £10,000 a month. Is that in the right ballpark?”, your answer is, “Yes. Yes, I think so”?

Lord Mackenzie of Framwellgate: I am not going to say, “No, I think it is far too much”, because I did not know enough about the role and responsibility at that stage. All I can say is that I perhaps was not paying much attention or giving the answers that I should have given, but it was just part of the rolling conversation, so I cannot say more than that. Certainly, I did think the amounts they were talking about were excessive, which made me think that perhaps there was more work involved in this than I originally envisaged.

The Chairman: In your appeal you accept the findings that you breached the code in respect of the Ivy Link lunch held in the Attlee Room. Is there anything else you want to add to that?

Lord Mackenzie of Framwellgate: No, I think I said already, Lord Chairman, that I certainly checked the rules for holding lunches and, as far as I was concerned, because the lunch was a not for profit lunch there was no charge for people attending and it was purely by invitation. It was to do with reducing energy. I thought it was clear of the regulations. The reason I asked Lord Brookman to stand in was not because I thought it was in breach of them. It was, as I said, because of the press interest last year in Lord Stevens’ case, Lord Plumb’s and one or two others who held meetings for their own companies, as it were. I probably misunderstood the whole of the regulations when I reconsidered it. I simply set it in context that it was not for profit. In fact afterwards, I thought I could have quite comfortably hosted the meeting without any problem myself. The reason I asked

Lord Brookman was to get round this press interest in these things, which clearly has backfired massively.

Q11. Baroness Royall of Blaisdon: Lord Mackenzie, you clearly state that in relation to the lunch and the breach you did not think you were in breach of the regulations. I am deeply alarmed and concerned by the way, when you were talking to the female reporter about the rules and the changes in rules, you said, “There’s a rule that you shouldn’t host a reception in Parliament where you have a pecuniary interest, a financial interest, which is bizarre”, and you continue to say, “I thought that’s bloody nonsense and, nonetheless, how would you get around that?”, and then you say that you explain to your colleague blah de blah, and you have unreservedly apologised to Lord Brookman. It seems to me that you were bent upon going around the rules. Indeed, later on, when asked by the female reporter, “Could you help out in the same way if a friend of yours has got a client as well, you know, do a similar thing?”, you continue to say, “Oh, yeah. I’m sure that’s the only way it can operate”. Whilst I acknowledge that you have apologised to Lord Brookman about the way in which you organised the lunch or asked him to organise your lunch, I do feel that you were very willing, and indeed that you felt that this was the way, to circumvent the rules as they stand now.

Lord Mackenzie of Framwellgate: As I say, I did check the rules and it states quite clearly in the guidance that you should not host a lunch where it is promoting a company that you have an interest in. This was not promoting the company at all. The company was simply facilitating the green energy agenda, if you like, with the Minister speaking. Nobody paid to come in. There was no profit made from the lunch. So as far as I was concerned it was a legal lunch.

Baroness Royall of Blaisdon: I understand that you believe that to be the case. However, you were clearly willing, and you said to the female reporter that you thought the rules were “bloody nonsense”. Therefore, you were bent upon finding a way around them.

Lord Mackenzie of Framwellgate: Again, I think I was probably exaggerating for effect, to be honest. I certainly did not mean that the rules could be got round illegally. Probably what I meant, although I must be honest I cannot remember exactly what I was thinking when I said that, was that the rules had clearly been changed and my understanding of them was that you could still host lunches, provided it was not making money on behalf of the company and it was not promoting the company. That was clear in my mind.

Baroness Royall of Blaisdon: Would you accept, as you clearly said what you said for whatever reason, that that is a really serious way of bringing the House of Lords into disrepute, because it looks as though a Lord or Peers in general are willing to breach the rules in order to gain a pecuniary advantage?

Lord Mackenzie of Framwellgate: It was a bad choice of words. I will certainly accept that.

Baroness Anelay of St Johns: Just following on a narrow point with regard to that, I noticed on the last page of your appeal against the Commissioner’s findings that you are apologising to the Committee and to the House. You go on to say, “The lunch, as I saw it, was not promotional”, which you have just mentioned, or for the purpose of direct or indirect financial gain”. I appreciate what you then go on to say, which is that the company did not actually make any money, but of course in our Committee we have to look at the purposes behind what you did. You said that the lunch was not commercial or for the purpose of direct or indirect financial gain. Can you then explain this, please, to the Committee? This is

reported in the Commissioner's paragraph 35. The Commissioner refers to the fact that when you were asked by the journalists whether the lunch had drummed up any business for Ivy Link, you actually replied at the time, "Yes it has, because what we did with them was we wrote to each of the people that attended, extolling the virtues, thanking them for coming and so on, and yes, it has led to interest". If one is trying to follow up, as you are saying, a meeting to drum up a benefit, how is that not seeking to get indirect financial gain? Can you explain that?

Lord Mackenzie of Framwellgate: I was simply exaggerating in the conversation that I had. Again, I can only apologise for that. When you say things you do not always intend what you mean and you do not always mean what you say in an interview like that. In fact, we specifically made it clear that it was not a marketing exercise. It was simply to explore the benefits, if you like, of reducing energy in the university sector, and there was no intention to drum up business or anything else. That was an exaggerated comment, of which there are a number in an interview like that.

The Chairman: In a moment I will go on to your appeal against the recommended sanction, but do members of the Committee have any other questions on the substance of the matters before us?

Q12. Lord Laming: May I just ask one question of Lord Mackenzie? Would you agree that had these two representatives or consultants been genuine members of Coulton & Goldie, they would have gone away from their meeting with you believing that they had had a most successful meeting with a very experienced, long-standing and regarded member of your Lordships' House?

Lord Mackenzie of Framwellgate: I think they would have been encouraged by my interest, by all means. That is why I asked for more information before I finally decided.

Lord Eames: But you still hold to the answer you gave earlier on: that in your opinion, throughout this entire episode, you did not agree to anything? It was exploratory.

Lord Mackenzie of Framwellgate: Indeed. That is the tenor of my whole—

Lord Eames: You have not changed—

Lord Mackenzie of Framwellgate: No. An agreement is a meeting of minds, and certainly I did not agree to anything, as far as I was concerned.

Lord Wallace of Tankerness: Can I just seek clarity on that? I think I did ask: did you agree that you would chair an all-party group?

Lord Mackenzie of Framwellgate: Without looking at the words, no, I did not agree. I simply said it was possible, I think, or words to that effect. I saw no bar as the rules stood, but it would not be on their behalf, it would be for my interest. I see nothing wrong in that. In fact, I used to chair the All-Party Parliamentary Group on Policing when I first came into this House, so I have been used to chairing an all-party group.

Lord Wallace of Tankerness: When you were asked, "Would you chair the group for us", and you said, "Yes", do you think that constituted an agreement or not?

Lord Mackenzie of Framwellgate: No, I do not think it did. Quite honestly, I asked them for further information. I had not said yes to any of the proposals. I wanted more details. If I had explored it further and found that clearly it could be construed the way you are suggesting, clearly I would have dropped out. I did not

know a lot about all-party groups, but I did not see any bar to me chairing a group that I had an interest in or, indeed, being a member of a group if I had an interest in carbon reduction particularly to do with the solar panels. I never saw that as an agreement. It was simply a conversation exploring the possibility of these things.

The Chairman: Can we deal now with your appeal against the recommended sanction in the event of the Commissioner's findings being upheld? Do you wish to say anything in support of your appeal against the recommended sanction of suspension from the service of the House for six months?

Lord Mackenzie of Framwellgate: Just to reiterate that it seemed to me to be extremely harsh. Six months is virtually the whole of the parliamentary year and it would cause me extreme hardship. I have an apartment here that I would need to maintain. I clearly still have to pay the rent and it would be extremely difficult to do that simply with the sanction as it stands. I have apologised to the House. It is clearly something that I have learnt from and it certainly would not happen again, my Lords. I simply ask you to reconsider the sanction that has been recommended. I did not get the chance to speak to the Sub-committee or to address them, and I am hoping that what I have said today will help you to consider.

The Chairman: So the essence for the case for reviewing the six months is the impact it has as a result of your own particular circumstances.

Lord Mackenzie of Framwellgate: Indeed, and the effect, clearly—because it is going to get some publicity and it is something that obviously I am not looking forward to. If the sanction can be varied with the same effect, I think you will find that I am truly rehabilitated, if that is the right term, and this certainly would not happen again because it has made me look at this whole business in a completely different light as far as consultancies and so on are concerned. I simply rest my plea there.

The Chairman: You have also requested some redactions in the evidence that you gave. Would you wish to say anything in support of that request?

Lord Mackenzie of Framwellgate: Simply that, again, these people that I have mentioned—and I think it is in the written submission—I sent a list of redactions that I would request. All the people that are mentioned have no relevance to the case in point. They are simply mentioned in passing, again, as part of the ongoing conversation, and I think it would be unfortunate if they realised that I was using their names in an interview such as the one that we have been discussing. I do not think it detracts from the evidence and I would ask your Lordships to consider at least taking the names out.

The Chairman: Thank you, Lord Mackenzie. Before we finish, is there anything that you would wish to say that you do not think you have had the opportunity to say?

Lord Mackenzie of Framwellgate: No, I am more than happy with the appeal hearing, and I simply leave the matter in your hands.