

Prime Minister

Report on investigation under the Ministerial Code

Baroness Warsi wrote to you on 4 June about allegations that arrangements for a visit she made to Pakistan in July 2010, shortly after she became a minister, may have resulted in the appearance of a conflict of interest and a breach of the Ministerial Code. In your reply, you noted there were some lessons for future handling, and asked me to consider the issues that had been raised with respect to the Ministerial Code and to provide advice to you.

With the agreement of your office, the Cabinet Secretary and Baroness Warsi, I have extended my investigation to cover additional allegations that have been raised since 4 June.

I should record that my investigation is separate from the one that Baroness Warsi has asked the House of Lords Commissioner for Standards to undertake into other allegations made.

My investigation

During my investigation, I have interviewed Baroness Warsi, Mr Naweed Khan (Baroness Warsi's special adviser), and Mr Abid Hussain; I have spoken on the telephone to Mr Adam Thomson (British High Commissioner in Islamabad); and I have spoken to a number of other officials.

The visit in July 2010

As Baroness Warsi said in her letter to you, both the Foreign Secretary and the High Commissioner felt that an early visit by her to Pakistan would capitalise on the interest and goodwill that her appointment had generated. Baroness Warsi discussed this with the High Commissioner when he was in London, and detailed arrangements were taken forward by the High Commission and Baroness Warsi's office.

It was agreed that the programme should include outreach events in Mirpur and Bewal, centres with close ties to the UK and to Baroness Warsi personally. Because these events were outside the type of event that the High Commission normally organised, Baroness Warsi's office were invited by the High Commission to suggest a number of names from among their contacts in the UK Pakistani community who might be able to help, including Abid Hussain.

Mr Hussain, with a few others, assisted the High Commission in organising the two events. The High Commissioner confirmed to me that the events could not have been organised without the sort of help that Mr Hussain

provided. The High Commission did, however, retain the ultimate say over the arrangements for the events, including in particular the security arrangements.

The events were successful, attracting large crowds and generating favourable media coverage. Baroness Warsi, the High Commissioner, and Abid Hussain, among others, spoke at both events, though Mr Hussain was not part of the official UK delegation. He did not receive any Government funding for his travel and accommodation costs.

A recent report commented on Baroness Warsi's role in cutting a ribbon to mark the opening of the Mirpur Apartments during the same visit. This was not part of the originally planned programme. For security reasons an alternative visit was moved to the premises where the Mirpur Apartments are located. Baroness Warsi and her party were provided with refreshments, and the owners asked for a photograph of her cutting a ribbon, which she did (the Apartments had, I understand, already been open for at least a year). Neither Baroness Warsi nor her husband had previously met Mr Zafar Anwar, the owner of the apartments, and have never had any financial interests in the Apartments or any other business links with Mr Anwar

The visit in February 2011

In February 2011, Baroness Warsi attended and spoke at the launch of the Office for Overseas Pakistanis and British Nationals in Lahore. Mr Hussain had been closely involved in the development of the Office, and continues to provide support to them on a voluntary basis. He was in Pakistan in connection with a British Parliamentary visit to Kashmir and travelled to Lahore for the launch. The High Commission had been involved in organising Baroness Warsi's and the High Commissioner's attendance at the launch, though not in the broader arrangements. The Office has played a helpful role in providing support for UK residents of Pakistani origin.

Mr Abid Hussain

Mr Hussain is a second cousin of Baroness Warsi's husband. He is heavily involved with the Pakistani community in the UK, including through his role as Third Sector and External Funding Manager for the London Borough of Tower Hamlets. As noted above, he is also involved as a volunteer with the Office for Overseas Pakistanis and British Nationals. He makes a number of visits to Pakistan each year.

A number of allegations have been made about Mr Hussain's past links to Hizb ut-Tahrir. Mr Hussain has publicly accepted that he attended some Hizb ut-Tahrir meetings in his youth some years ago, but has since been active in promoting democratic values and community cohesion. I have seen no

indication that any issues of national security were raised by Mr Hussain's involvement in organising the events in Pakistan referred to above.

Rupert's Recipes

Rupert's Recipes was set up in 2009 by Mr Hussain, Baroness Warsi and Baroness Warsi's husband. The original shareholdings had been divided equally between Mr Hussain, Baroness Warsi and a Mr Sadique. Baroness Warsi had been a director of the company but gave up her directorship when she was appointed to ministerial office in May 2010.

When Mr Sadique gave up his connection with the company in February 2012, his shareholding was transferred partly to Mr Hussain and partly to Baroness Warsi. Baroness Warsi transferred those shares to her husband shortly afterwards.

Both Baroness Warsi and Mr Hussain have explained that Rupert's Recipes does no business in Pakistan, nor has supply contracts from Pakistan.

Baroness Warsi declared her shareholding to the Cabinet Office following her appointment as Minister without Portfolio. It was not included in the published list of ministerial interests since it was considered *de minimis* and of no relevance to her ministerial portfolio. The Cabinet Office was not aware of the identity of the other shareholders, including in particular Mr Hussain.

Her special adviser, Naweed Khan, told me that he was aware of the family connection between Baroness Warsi's husband and Mr Hussain, but did not know about her business links with him through their shareholdings in Rupert's Recipes.

Events in the UK

Recent reports have commented on Mr Hussain's presence at, and Baroness Warsi's involvement in, two events in the UK: a reception in Downing Street in November 2010 to celebrate the festival of Eid; and a lunch in May 2012 to launch the Conservative Friends of Pakistan.

For the Eid reception in November 2010, Baroness Warsi's office were asked by Number 10 for suggestions for who might be invited. They put together a list of about 80 names from among those prominent in the Muslim community and those whom her office had worked with. Mr Hussain was one of those on the list. Baroness Warsi's involvement was limited to ensuring that Muslim women were properly represented. The list was subject to the usual checks for a reception in Downing Street.

Allegations have also been made in relation to Baroness Warsi's attendance at the Conservative Friends of Pakistan lunch in May 2012. I do not, however, see any issues around the Ministerial Code arising from her involvement with this event.

The Ministerial Code

Paragraph 7.1 of the Ministerial Code says

"Ministers must ensure that no conflict arises, or could reasonably be perceived to arise, between their public duties and their private interests, financial or otherwise."

Paragraph 7.7 says:

"Ministers must scrupulously avoid any danger of an actual or perceived conflict of interest between their Ministerial position and their private financial interests."

Baroness Warsi has accepted that she should have made officials aware of her business relationship with Mr Hussain, and has apologised for the oversight. But, as she says, this was not a trade-related visit; Rupert's Recipes does not do any business in Pakistan and there was no financial benefit to either Baroness Warsi or Mr Hussain; Mr Hussain was not a member of the official delegation, no part of his travel or other costs were met by the British government, and no arrangements were made by her office or the British High Commission for Mr Hussain to meet leading politicians.

I am satisfied that, had she declared her business relationship, that would not have been seen as a barrier to Mr Hussain helping to organise the visit. Nonetheless, she should have been more aware of the perception of a conflict of interest, and the potential criticism which could arise.

Baroness Warsi should also, on the same grounds, have made officials aware of her business relationship with Mr Hussain when she became aware that Mr Hussain's name was on the guest list her office had drawn up for the Eid reception in Downing Street in November 2010.

I should place on record the High Commissioner's view that Baroness Warsi made an effort in her five visits to Pakistan to be mindful of issues concerning propriety and ethics.

Any action you decide to take in the light of the facts of this case is of course a matter for you, but I record my view that the breach of the Code was a minor one, and that Baroness Warsi did not use her office for personal financial gain. I note that you have already accepted Baroness Warsi's apology.

Issues raised and future handling

In his report on Liam Fox and Adam Werrity, Sir Gus (now Lord) O'Donnell made a number of recommendations. Most of these are not relevant to this case: there was, for example, no question of Baroness Warsi attending meetings on official business without officials present.

The thrust of a number of Sir Gus's recommendations was about the relationship between Permanent Secretaries and Ministers, including:

“The Minister and the Permanent Secretary should take action as necessary to ensure there can be no actual or perceived conflict of interest in line with the principles of the Ministerial Code.”

And

“Permanent Secretaries should take responsibility for ensuring departmental procedures are followed, and for raising any concerns with Ministers.”

This most clearly relates to departmental Ministers, and raises the question in relation to Baroness Warsi which Permanent Secretary is responsible for supporting and advising her on issues over the Ministerial Code.

In discussion with Baroness Warsi, a number of related issues arose. She would, for example, welcome clearer guidance on travelling with spouses

More generally, Baroness Warsi's office was clearly stretched when it came to handling arrangements for overseas travel, especially given that her overseas visits tend to involve issues and arrangements which are out of the ordinary for regular departmental ministers.

I therefore **recommend** that the Cabinet Office and the Foreign Office should discuss and agree arrangements for providing advice and support to Baroness Warsi in relation to the Ministerial Code.

Alex Allan
26 June 2012