

# MPs' Outside Interests

**Committee on  
Standards in  
Public Life**

July 2018





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Committee on Standards in Public Life

*Chair: Lord Bew*

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## **The Seven Principles of Public Life**

The Principles of Public Life apply to anyone who works as a public office holder. This includes all those who are elected or appointed to public office, nationally and locally, and all people appointed to work in the Civil Service, local government, the police, courts and probation services, non-departmental public bodies (NDPBs), and in the health, education, social and care services. All public office holders are both servants of the public and stewards of public resources. The principles also have application to all those in other sectors delivering public services.

### **Selflessness**

Holders of public office should act solely in terms of the public interest.

### **Integrity**

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

### **Objectivity**

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

### **Accountability**

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

### **Openness**

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

### **Honesty**

Holders of public office should be truthful.

### **Leadership**

Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.





Dear Prime Minister,

I am pleased to present the 19th report of the Committee of Standards in Public Life, on the subject of MPs' outside interests.

The issue of MPs' outside interests touches on broader questions facing our representative democracy. How do we ensure Parliament is open to and understood by the public? How can we make sure MPs are not subject to undue influence, while enabling them to engage fully in their decision making? And, most importantly, how can MPs and Parliament build and promote greater public trust? Throughout our review we've seen that these issues are complex and that there is a wide spectrum of views, both amongst the public and MPs, as well as those who regulate ethical standards for MPs.

Nine years ago, the then Prime Minister specifically asked the Committee to consider the issue of MPs who also undertake paid employment outside the House of Commons as part of its inquiry into expenses and allowances. The Committee recommended a balance: that MPs should be able to undertake paid employment, providing that these activities remain within reasonable limits, and that there was transparency. At that time, there was a consensus between the parties on this settlement, however, it is regrettable that the recommendations made then have not been fully implemented by Parliament, MPs and government.

We therefore recommend a package of important reforms to address issues concerning MPs' capacity to fulfil their Parliamentary duties and responsibilities to their constituents and mitigate the potential for undue influence on our political system. We've placed our proposals in the contemporary reality and traditions of British Parliamentary life in the modern era. We understand that that each individual MP must retain the flexibility to perform their roles in the way they choose, and that Parliament must be open to as wide a range of people from different backgrounds and professions. These reforms recognise that.

For this review, in line with our Code of Practice, our political colleagues did not take part in drawing conclusions or formulating the recommendations made in this report. Indeed, they may not necessarily agree with every aspect. We are, however, grateful to our political members for sharing their knowledge and advice on Parliamentary life.

Foremost, MPs themselves should continually demonstrate leadership and integrity, considering how any outside interests might impact on their work in the legislature and be prepared to be fully open and honest with the public about any outside interests they choose to hold. From our evidence we have seen, however, that most MPs are hardworking and carrying out their important work in the public interest.

To demonstrate high standards, Parliament needs to be more transparent with the public about the registration and declaration of interests. The Register of Members' Financial Interests must be more accessible, searchable and usable. Voters should know whether candidates intend to carry on any of their existing jobs if they are elected. The Code of Conduct for MPs should be clarified to state that any MP's interests outside the House should not compromise their principal role as MPs. The rules on lobbying need to be clearer.

My first report as Chair of this Committee recommended strengthening transparency around lobbying; my final report demonstrates that this continues to be an issue of public concern. As I complete my 5-year term, it is clear that Lord Nolan's principles remain the cornerstone of ethical standards in public life.

I commend this report to you.

Lord Bew  
Chair, Committee on Standards in Public Life



# Executive summary

The issue of MPs' outside interests reflects the changing nature of our representative democracy. Even over the 24-year lifetime of this Committee, the nature of MPs' working lives has shifted dramatically. The working hours of Parliament have been changed to more closely reflect a standard working week; the volume of constituency work has increased; and MPs are more likely to have worked in politics before being elected to Parliament. The networks of organisations and individuals outside Parliament who seek to influence MPs have also become more complex.

A majority of MPs do not hold remunerated outside interests, and a number of MPs hold outside interests that can be considered within 'reasonable limits'. However, where a small number of individuals have taken up outside interests beyond what might be considered reasonable, it risks undermining trust in Parliament and Parliamentarians.

As requested by the then Prime Minister, the Committee made recommendations on MPs' outside interests as part of its 2009 review on MPs' expenses and allowances. We regret that these recommendations have not been fully acted upon by government and Parliament. Nine years on, this report provides an opportunity for Parliament to act, in order to address this issue, and to prevent further erosion of public trust.

Some people's perception that MPs are in office for their personal gain is shaped by a small number of high-profile cases. In these cases, the current Code of Conduct for MPs is insufficient to address the standards issues raised by outside interests. As such, we recommend a package of reforms to ensure that MPs' outside interests remain within reasonable limits. We do this by recommending a principle-based approach to regulating outside interests in the Code of Conduct for MPs. We also make recommendations to promote transparency to the public, and prevent outside interests leading to undue influence on the political system.

For this review, we have taken wide-ranging evidence on the issue of MPs' outside interests. We undertook 25 individual meetings, received 91 written submissions to our public consultation, held a roundtable with academics and experts, undertook a quantitative survey and held two focus groups with members of the public. We are grateful to all those who gave evidence to the review. For this review, the political members of the Committee did not take part in drawing conclusions or formulating our recommendations, although we are grateful for their advice on Parliamentary life, practice and procedure.

Any strengthening of the regulation of MPs' outside interests needs to consider the potential for unintended consequences on the diversity of careers and background of MPs. A financial limit on outside earnings could have the impact of limiting some outside interests, such as writing books or occasional newspaper articles, which do not bring undue influence to bear on the political system, nor distract MPs from their primary role, and are acceptable to the public. A limit on the time MPs are allowed to spend on outside interests could likewise prevent MPs from doing valuable work which brings experience to Parliament, as well as impeding those (such as doctors and nurses) who seek to maintain a professional registration.

The Committee, therefore, proposes a system of regulation of MPs' outside interests which is based on the principle that any outside roles MPs undertake, whether or not they are paid, should not prevent MPs from fully undertaking the range of duties expected of them in their primary role as an MP. Any breach of this principle should trigger an investigation by the independent Parliamentary Commissioner for Standards. Dependent on the findings of that investigation, sanctions should be recommended by the Commons Committee on Standards.



Transparency is an important tool in enabling members of the public to make well-informed decisions about their representatives. Openness can help both reduce the likelihood of poor behaviour and increase the chances of it being detected when it does occur. At present, however, there is insufficient transparency to the public about what outside interests are held by some MPs. The current thresholds for registering interests are complex and unclear. The register of MPs' financial interests is not easily searchable or in an accessible digital format. The electorate is not always aware of what outside interests Parliamentary candidates intend to maintain if elected. The rules on the declarations of interests in Parliamentary proceedings are inconsistent. We make recommendations to Parliament and government on how to ensure that information on MPs' outside interests is accessible to the public, to promote openness and accountability.

Debate and discussion is a fundamental part of our democracy, and MPs need to be open to new ideas and to hear the views of different groups including their constituents, campaign groups, their parties, and their colleagues. While outside interests can enable MPs to remain in touch with the world outside Westminster, and for some provide a degree of security in what can be a precarious job, there may be cases where outside interests can lead to undue influence on our political system.

Based on our evidence, the Committee has concluded that MPs should not undertake outside employment as a Parliamentary strategist, adviser or consultant, as this can lead to MPs having a privileged relationship with one organisation, and therefore bring undue influence to bear on Parliament. We have found that Parliamentary advisory and consultancy roles have become much less common since the Committee first considered this issue in 1995, but a handful of MPs still hold such positions. In order to further prevent the risks of undue influence, Parliament should consider whether former MPs should be required to register, for two years, any occupation or employment which involves them or their employer in contact with ministers, MPs or public officials.

In the course of this review, it has become clear to the Committee that a number of changes need to be made to the Code of Conduct and Guide to the Rules for MPs. In the past, however, proposed revisions to the Code have been delayed by the fact that they must be considered by the House of Commons Committee on Standards and then debated in Parliament and these debates are subject to timetabling of the business of the House of Commons. Given the importance and relevance of the issue of outside interests, the changes we propose in this report should be considered and implemented by Parliament in a timely manner.

This review has also raised issues of lobbying and the rules surrounding the employment of public office holders once they leave office. While outside the scope of this review, the Committee will continue to keep an active watching brief on both of these issues.



# Recommendations

## Recommendation 1:

The Code of Conduct for MPs should be updated to state that:

Any outside activity undertaken by a MP, whether remunerated or unremunerated, should be within reasonable limits and should not prevent them from fully carrying out their range of duties.

## Recommendation 2:

The Parliamentary Commissioner for Standards and the Commons Committee on Standards should undertake a review of the rules for the registration of interests. They should consider how the rules could be revised to make them clearer to MPs and the public.

## Recommendation 3:

The Code of Conduct for MPs and Guide to the Rules should be revised to state that MPs should register any non-pecuniary interests on the public Register of Interests, on the same basis as pecuniary interests: that the interest might reasonably be thought by others to influence actions taken in their capacity as a Member of Parliament.

## Recommendation 4:

As a matter of urgency, the Register of Members' Interests should be updated to ensure it is digitally accessible to the public and other MPs.

## Recommendation 5:

The Code of Conduct and Guide to the Rules for MPs should be revised to make clear when MPs do need to declare pecuniary and non-pecuniary interests, and what level of detail should be provided in declarations of interest.

## Recommendation 6:

The Parliamentary Digital Service should develop and implement a digital tool to identify where MPs have declared interests during Parliamentary proceedings.



**Recommendation 7:**

The Code of Conduct for MPs and Guide to the Rules should be updated to provide explicitly that Members should not accept any but the most insignificant or incidental gift, benefit or hospitality from lobbyists. Guidance should be offered on the limits of 'insignificant or incidental'.

**Recommendation 8:**

The Code of Conduct for MPs and Guide to the Rules should be updated to state that MPs should register accepted gifts and hospitality. The register of MPs' gifts and hospitality should be published regularly and in an easily accessible format. The Parliamentary Commissioner for Standards and Commons Committee on Standards should have responsibility for sanctions should gifts or hospitality not be registered.

**Recommendation 9:**

All candidates at Parliamentary elections must publish, at nomination, whether they intend to continue to hold any existing interests if elected. The Cabinet Office should issue guidance on the registration of these outside interests in time for the next general election.

**Recommendation 10:**

The Code of Conduct for MPs and Guide to the Rules should be updated to state:

MPs should not accept any paid work to provide services as a Parliamentary strategist, adviser or consultant, for example, advising on Parliamentary affairs or on how to influence Parliament and its members.

MPs should never accept any payment or offers of employment to act as political or Parliamentary consultants or advisers.

**Recommendation 11:**

The Parliamentary Commissioner for Standards and Commons Committee on Standards should reconsider whether the Code of Conduct for MPs should be updated to require former MPs to register for two years any occupation or employment which involves them or their employer in contact with Ministers, MPs or public officials.

**Recommendation 12:**

The Parliamentary Commissioner for Standards and the Commons Committee on Standards should consider the recommendations for changes to the Code of Conduct and Guide to the Rules arising from this report within 6 months from publication of this report. They should be debated and voted on in Parliament within 9 months of this report.



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# Introduction

The Committee on Standards in Public Life (the Committee, or CSPL) was established in 1994 by the then Prime Minister and is responsible for promoting the Seven Principles of Public Life – Selflessness, Integrity, Objectivity, Accountability, Openness, Honesty, and Leadership – commonly known as the Nolan principles.<sup>1</sup> The Seven Principles apply to all public office holders, including MPs.

The Committee last considered this issue of MPs’ outside interests in its 2009 report on MPs’ Expenses and Allowances. At that time, we concluded that:

MPs should not be prohibited from paid employment such as journalism outside the House, providing any such activity remains in reasonable limits. But it should be transparent and information about it should be drawn to voters’ attention at election time.

This recommendation aimed to strike a balance between MPs’ work as elected Members of Parliament and outside paid employment and professional interests. At the time, the Committee considered that outside paid employment should not be banned, provided it was kept within fairly limited bounds and there was transparency about it.

Prior to the June 2017 election there was intense media interest in this issue triggered by the former Chancellor of the Exchequer’s outside interests (the former Chancellor was at that time still an MP). This, and against the background of our 2009 recommendation that MPs should not be prohibited from paid employment provided it remained within reasonable limits and was transparent, led the Committee to decide to reconsider the issue and undertake a review into MPs’ outside interests.

For the purposes of this review, the Committee has considered outside interests to be any paid or unpaid formalised work for any organisation or individual outside of government or Parliament. This may take the form of continuous employment or occasional engagements.

It has become clear to the Committee that the issue of MPs’ outside interests touches on a number of important questions facing our representative democracy. What is the role of an MP? What do constituents expect of their MPs? How can Parliament be as open as possible to the public? How can we make sure MPs are not distracted from their main role, or subject to undue influence, while enabling them to engage with others in their decision making? And, most importantly, how can MPs and Parliament best promote public trust?

Many MPs, both those with and those without outside interests, work hard to represent their constituents whilst engaging in their Parliamentary roles and as advocates in their constituency work, and do not seek private gain from holding public office. Outside interests can be a way for MPs to connect with the world outside Westminster, and enable them to maintain security in what can be an otherwise precarious job.

‘If we want people from other backgrounds coming in to parliament, instead of professional politicians, we must allow them to keep their professional practice. I am in a very marginal seat and to keep my nursing registration I have to do 480 hours over 3 years. If I was forced to give this up I would leave Parliament and return to nursing full time now.’

**Maria Caulfield MP, Sub. 78**

<sup>1</sup> Committee on Standards in Public Life (2013) *Seven Principles of Public Life*. Available at: <https://www.gov.uk/government/publications/the-7-principles-of-public-life>



However, it is clear from the evidence we have received that the public is concerned about the issue of some MPs taking on outside interests which they perceive to be outside 'reasonable limits', or that some outside interests can lead to a perception that some MPs are in Parliament for private gain.

Nine years ago we made recommendations to the Government, House of Commons authorities and to MPs intended to strike a balance on outside interests and to build public trust in Parliament. Those recommendations comprised a practical way forward to improve transparency. They have not been acted on in full by Parliament, MPs, nor government departments. In the interest of promoting public trust in Parliament, we strongly urge that action is taken and concerns addressed.

'I have never felt compelled to write to a committee member before but really feel strongly that this situation is wrong.'

**Sub. 5**

'MPs still do not seem to understand how angry we are about this.'

**Sub. 51**

'I think our views get coloured when people like George Osborne become an MP and then decides he wants to be an editor of a newspaper as well. I mean it's a full time job being an editor isn't it? How is he able to be an MP as well? If he's at it are others doing things as a sideline as well? For some of them, their heart is not in it.'

**Focus Group Participant**

We have taken wide-ranging evidence on this issue. We have heard from a variety of individuals and organisations, including current and former Parliamentarians, think tank representatives, academics and other stakeholders. We also held a public consultation, a quantitative survey and held focus groups with members of the public. We undertook 25 individual meetings, received 91 written submissions to our consultation, and held a roundtable with academics and experts. The Committee thanks all those who gave evidence to the review.

This report recommends practical steps to address the main areas of public concern about MPs' outside interests. We consider reasonable limits (chapter 3), transparency (chapter 4), and undue influence (chapter 5). Taken together, these recommendations will address concerns around MPs holding outside interests through promoting transparency and encouraging active consideration of ethical standards in MPs' outside roles.

For this review, the political members of the Committee did not take part in drawing conclusions or formulating our recommendations. We are, however, very grateful to our political members for sharing their knowledge and advice on Parliamentary life.



# CSPL previous statements and recommendations on MPs' outside interests

In its first report, in **1995**, the Committee concluded that: 'A Parliament composed entirely of full-time professional politicians would not serve the best interests of democracy. The House needs if possible to contain Members with a wide range of current experience which can contribute to its expertise'. At that time, 70% of MPs had 'financial relationships with outside bodies which directly related to their membership of the House'.<sup>2</sup>

The Committee did, however, recommend an absolute ban on members 'entering into contracts or agreements which in any way restrict their freedom to act and speak as they wish, or which required them to act in Parliament as representatives of outside bodies'. The Committee also recommended more clarity around the rules of Parliament, a Code of Conduct for MPs, and the strengthening of sanctions for those in breach of the rules – including through the appointment of an independent Parliamentary Commissioner for Standards. The Committee also recommended new rules for the registration of MPs' interests.

In the Committee's **2002** report on Standards of Conduct in the House of Commons, we stated 'We believe that the system put in place after 1996 [registration and declaration of interests] has largely eradicated the problem of paid advocacy'.<sup>3</sup>

In March **2009**, the Committee began its review of MPs' expenses. At that time, the then Prime Minister wrote to the Chair of the Committee to say that:

'I would welcome a review of MPs' support and remuneration, including outside interests, carried out by the Committee on Standards in Public Life as it offers the opportunity to consider the full picture. For example, you will have greater freedom to consider issues such as the impact of MPs holding second jobs and their roles outside of Parliament.'<sup>4</sup>

The Committee published its review of MPs' Expenses and Allowances in November **2009**.<sup>5</sup> Chapter 11 of that report addressed MPs' outside interests, and included five recommendations. Principally, the Committee found this issue to be a matter of balance:

'A limited amount of time spent writing newspaper articles or other paid journalism, for example, need not be incompatible with being a fully effective MP. Nor is it unreasonable for MPs with professional qualifications to wish to maintain some element of expertise, or for others to take the view that limited direct experience of a particular issue is a good way of building up expertise which will benefit their contribution in Parliament. But if any of these activities are pursued to excess they are bound to have an impact on the MP's effectiveness in performing their main role.'

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- 2 Committee on Standards in Public Life (1995) *MPs, Ministers and Civil Servants, Executive Quangos (First Report)*. Cm 2580-1. Available at: <https://www.gov.uk/government/publications/mps-ministers-and-civil-servants-executive-quangos>
  - 3 Committee on Standards in Public Life (2002) *Standards of Conduct in the House of Commons (Eighth Report)*. Cm 5663. Available at: [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/336882/8thInquiry\\_Fullreport.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/336882/8thInquiry_Fullreport.pdf)
  - 4 Committee on Standards in Public Life (2009) *Review of MPs' Expenses and Allowances, Background Paper Number 2*. Available at: [http://webarchive.nationalarchives.gov.uk/20131003071446/http://www.public-standards.gov.uk/wp-content/uploads/2012/11/Background\\_Paper\\_No\\_2\\_-\\_Timeline\\_of\\_Events.pdf](http://webarchive.nationalarchives.gov.uk/20131003071446/http://www.public-standards.gov.uk/wp-content/uploads/2012/11/Background_Paper_No_2_-_Timeline_of_Events.pdf)
  - 5 Committee on Standards in Public Life (2009) *Review of MPs' Expenses and Allowances: Supporting Parliament, safeguarding the taxpayer*. Available at: [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/336903/MP\\_expenses\\_main\\_report.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/336903/MP_expenses_main_report.pdf)



### The Committee's 2009 Recommendations

MPs should remain free to undertake some paid activity outside the House of Commons, provided it is kept within reasonable limits and there is transparency about the nature of the activity and the amount of time spent on it.

Consideration should be given to ways of increasing the accessibility and usability of the Register of Members' Financial Interests.

MPs should be required to register positions of responsibility in voluntary or charitable organisations, even if unpaid, together with an indication of the amount of time spent on them.

All candidates at Parliamentary elections should publish, at nomination, a register of interests including the existence of other paid jobs and whether they intend to continue to hold them, if elected. The Ministry of Justice should issue guidance on this in time for the next general election.<sup>6</sup> Following the election, consideration should be given as to whether the process should become a statutory part of the nominations process.

The MPs' Code of Conduct should be revised to allow complaints to be made against an MP who is a former minister and who takes on outside paid employment but does not follow advice provided by the Advisory Committee on Business Appointments (ACoBA).

We considered the issue of MPs engaging in lobbying as part of our **2013** report, *Strengthening Transparency around Lobbying*.<sup>7</sup> In that report, we give advice to those who are lobbied – including MPs and Select Committee Chairs – on how the 'legitimate and potentially beneficial activity' of lobbying can be 'carried out transparently and ethically'. We made recommendations about the declaration and registration of lobbying activities, registers for where MPs become involved in lobbying when they leave office, and a consultation on extending the rules about post-public employment of ministers and Senior Civil Servants to MPs.

6 In 2009 the Ministry of Justice held responsibility for the administration of elections. Following a machinery of government change in June 2010, the Cabinet Office has held responsibility for the administration of elections.

7 Committee on Standards in Public Life (2013) *Strengthening Transparency Around Lobbying*. Available at: <https://www.gov.uk/government/publications/strengthening-transparency-around-lobbying>



# Chapter 1

## The role and working environment of MPs

### The role of MPs

The 650 MPs elected to Parliament go about their roles in a diverse range of ways. Some MPs spend much of their time in Parliament. 188 MPs hold ministerial positions,<sup>8</sup> and therefore spend a majority of their time on government or ministerial business. 318 MPs are also members of Select Committees, and therefore spend time on Committee work.<sup>9</sup> Some spend more time than others on constituency work, depending on the nature of their constituencies. For some MPs, their time can be occupied with travelling between London and their constituency, while others may have party roles that make demands on their time. In addition to all this variation, some MPs hold outside interests.

‘As an MP, your interview panel is made up of thousands of people with different expectations and there is no job description.’

**Anonymous Former MP<sup>10</sup>**

Being an MP is a demanding role, with a range of competing pressures and responsibilities. MPs are elected by voters in their constituency; they are not employed by Parliament. They do not have a contract of employment, standardised working hours, or targets for their performance. They are elected for just one Parliament, and if an election is called they could suddenly lose their job. We have heard evidence from a wide range of people, not just MPs, that the range of commitments of MPs in their

Parliamentary and constituency work means that it is not possible to define one common way how MPs should go about their duties. It is not feasible to try to draft a common job description for MPs.

However, the wide variation in how MPs undertake their role can make it difficult for the public to be able to consider the performance, behaviour and conduct of MPs. A clearer understanding of the wide-ranging nature and core principles of an MP's role and function would be of benefit to both the public and MPs themselves.

‘I think they are more hard working than we are aware of simply because a lot of the work they do and the time they put in isn't visible and that is a matter for them.’

**Focus Group Participant**

The House of Commons Committee on Standards, which is comprised of MPs and lay members, identified in 2015 that the core elements of the multi-faceted role of MPs include, but are not limited to:

- supporting their party in votes in Parliament (furnishing and maintaining the Government and Opposition);
- representing and furthering the interests of their constituency;
- representing individual constituents and taking up their problems and grievances;

8 House of Commons Library (2017) *Limitations on the number of ministers*. Briefing paper Br03378. Available at: <http://researchbriefings.parliament.uk/ResearchBriefing/Summary/SN03378>

9 Information provided by the House of Commons Library

10 Jane Tinkler and Nitin Mehta (2016) *Report to the House of Commons Administration Committee on the findings of the interview study with Members on leaving Parliament*. Available at: <https://www.parliament.uk/documents/commons-committees/admin-committee/Interview-study-Members-leaving-Parliament-report-April-2016.pdf>



- scrutinising and holding the Government to account and monitoring, stimulating and challenging the Executive;
- initiating, reviewing and amending legislation; and
- contributing to the development of policy whether in the Chamber, Committees or party structures and promoting public understanding of party policies.

The Commons Committee on Standards added: *'It is for each MP to decide how best to balance these tasks. Unless their actions damage the reputation of the House as a whole or of MPs in general, MPs have complete discretion in policy matters; expressing views or opinions; and the handling of or decision about a case.'*<sup>11</sup>

### The changing working environment of MPs

The important representative role of MPs has existed over hundreds of years. We are not, after all, starting with a blank slate in the consideration of this matter. However, the environment in which an MP operates and what the public expects of them has changed dramatically over that time. The working environment for MPs has undergone significant change even since the Committee last considered this issue in 2009. An outline of the 'typical day' for three MPs can be found on pages 24-27.

### Parliamentary working hours

Only a generation ago, most MPs expected to have another job at least part of the time. Until the reform of sitting hours in 1994/95, the Commons began work each day at 2.30pm, a schedule enabling many to continue to act as barrister, solicitor, journalist or doctor. From the 1980s, many also used this time to act as consultants for lobbying companies or PR firms, to advise on Parliamentary procedure, represent interests and influence legislation.

As Lord Jenkins, a former minister and MP between 1948 and 1987, said of his parliamentary role:

The allocation of time was then my own, had I judged it wise, I could have taken any day or week or even a month in the summer off.<sup>12</sup>

'I was a barrister when I first entered Parliament in the 70s, and I used to practise on the circuit in the morning and then come down [to Parliament] in the afternoon. It's a totally different House of Commons now. [...] It was assumed you were working doing something else which practically every Conservative member did, those who didn't had landed interests and those with family fortunes. Working class members, of whom we had more then than we do now, e.g. train drivers and coal miners, were funded to be MPs via a trade union as there were not the allowances and expenses that exist today. It was very much – to use a clichéd phrase – a part-time Parliament.'

**Rt Hon Ken Clarke QC MP<sup>13</sup>**

During sitting hours most MPs need to stay on the Parliamentary estate in case they are called to vote, which they must do in person. In the 2016-17 session, Parliament was sitting for 142 days. Reforms of the Parliamentary timetable were introduced in 2005 to move Parliamentary sittings to earlier in the day, although Parliament continued to sit for the same number of hours. The intention was to enable MPs to meet their scrutiny and legislative commitments broadly within a standard working week, by arriving in Westminster on a Monday and leaving on a Thursday afternoon to spend Fridays in their constituency. In 2012, further reforms to the sitting hours of Parliament again moved Parliamentary sitting hours to earlier in the day to further mirror the standard working day. With the introduction of live streams of the Chamber into each MP's office, MPs can now watch Parliamentary debates without being in the Chamber.

11 House of Commons Committee on Standards (2015) The Standards System in the House of Commons. HC383. Available at: <https://publications.parliament.uk/pa/cm201415/cmselect/cmstandards/383/383.pdf>

12 Jenkins, Roy (1991) *A life at the centre*, Macmillan p.74

13 Rt Hon Ken Clarke QC MP, Individual Oral Evidence, 28 March 2018



## Chapter 1 The role and working environment of MPs

### House of Commons Sitting Hours (2018)

Mondays 2.30-10.30pm

Tuesdays and Wednesdays 11.30am-7.30pm

Thursdays 9.30am-5.30pm

Sitting Fridays 9.30am-3pm

Parliamentary sitting hours are now closer to standardised working hours, and therefore most MPs cannot hold regular outside interests or professional commitments which conflict with these hours.

The type of work MPs do in Parliament has also changed, with the rising influence of Select Committees and associated increased number of meetings, All Party-Parliamentary Groups, as well as opportunities to table questions for ministers and Private Members' Bills. This is all in addition to MPs' constituency work.

### Constituency caseload

A key way in which the working environment of MPs has changed over the last 20 years is the substantial increase in the constituency workload. In the 1950s and 1960s MPs received on average 12 to 15 letters per week.<sup>14</sup> By the mid-2000s, this had risen to 300 to 500 messages from constituents per week. MPs now report between 500 and 1000 calls and emails from constituencies per week.<sup>15</sup> Social media has also made MPs even more accessible to constituents and others.

'One MP in the class of 2010 calculated that in their first 10 months alone they received over 39,400 pieces of communication, of which 24,000 were e-mails, 9,600 letters, and 4,800 telephone calls. On top of this they dealt with 2,183 individual constituents' cases.'

**Hansard Society<sup>16</sup>**

The nature of an MP's constituency work depends on whether their constituency is urban or rural, marginal or a safe seat, close to London or some distance away and involves travel. Some MPs will pass more casework onto the local authority or devolved administrations.

'The demands placed on MPs have changed massively. Constituents used to ring, and then with the internet everything changed. It's a very pressurised environment, and is different depending on your constituency.'

**Rt Hon Lord Blunkett<sup>17</sup>**

'Nowadays an MP is expected to live or, at least, have a base in their constituency and to be highly visible'

**Chris Mullin, Former MP<sup>18</sup>**

This increase in MPs' engagement in constituency work clearly impacts on an MP's availability and time. We are not, however, suggesting it is undesirable. A number of MPs we spoke to referenced the importance of their engagement with their constituents in raising the MP's awareness of the world outside Westminster and said that they found their constituency work very rewarding.

14 Select Committee on Modernisation of the House of Commons (2006) *Revitalising the Chamber: the role of the back bench Member*. Cm 337. Available at: <https://publications.parliament.uk/pa/cm200607/cmselect/cmmodern/337/33706.htm>

15 Jane Tinkler and Nitin Mehta (2016) *Report to the House of Commons Administration Committee on the findings of the interview study with Members on leaving Parliament*. Available at: <https://www.parliament.uk/documents/commons-committees/admin-committee/Interview-study-Members-leaving-Parliament-report-April-2016.pdf>

16 Dr Ruth Fox (2015) *Hansard Society Blog: The First 100 Days: A Survival Guide for New MPs*. Available at: <https://www.hansardsociety.org.uk/blog/the-first-100-days-a-survival-guide-for-new-mps>

17 Rt Hon Lord Blunkett, Former Minister, Individual Oral Evidence, 29 March 2018.

18 Chris Mullin (2018) *Short Cuts*, London Review of Books, Volume 40, Number 10, 24 May 2018. Available at: <https://www.lrb.co.uk/v40/n10/chris-mullin/short-cuts>



'Casework is really important, it's where you can pick up issues of wider policy you'd like to speak to colleagues about.'

**Preet Kaur Gill MP<sup>19</sup>**

In line with the increased demand of constituency work, MPs have been granted increased staffing budgets. In 2017-18 the annual staffing budget for an MP was £161,550 for London Area MPs and £150,900 for non-London Area MPs. MPs use this resource to fund their constituency and Westminster offices. Most MPs now have 3 or 4 staff to help them manage their work in the constituency and Westminster.

Public polling suggests that constituency work is important to members of the public in relation to MPs representing the views of local people (47% of respondents say this is this one of the most important ways MPs spend their time) as is dealing with the problems of individual constituents (28%). Analysis from 2015 showed that while MPs and voters both think that taking up and responding to issues and problems raised by constituents is the most important part of an MP's role, MPs were significantly less likely than members of the public to say that being active in the constituency should be the top priority.<sup>20</sup>

**Hansard Society Audit of Political Engagement 2017<sup>21</sup>**

Which two or three, if any, do you feel are the most important ways that MPs should spend their time?	% of respondents
Representing the views of local people in the House of Commons	47
Representing the UK's national interests	35
Holding the government to account	34
Debating important issues in the House of Commons	32
Dealing with the problems of individual constituents	28
Participating in local public meetings and events	24
Communicating with constituents on the doorstep or by telephone	15
Making laws	14
Representing the views of their political party	9
Presenting their views through the media	7
Furthering personal and career interests	3

**Changing professional background of MPs**

Parliament is now a more diverse organisation than before. 32% of those elected in 2017 are female.<sup>22</sup> 52 Black, Asian and Minority Ethnic (BAME) MPs were elected at the 2017 General Election, which represents 8% of all MPs.<sup>23</sup> However, there has been little change in the age profile: in the period from 1979 to 2017, the average age of MPs at elections has been consistently around 50 years old.<sup>24</sup>

19 Preet Kaur Gill MP, Individual Oral Evidence, 5 June 2018

20 Rosie Campbell, Joni Lovenduski; What Should MPs Do? Public and Parliamentarians' Views Compared, *Parliamentary Affairs*, Volume 68, Issue 4, 1 October 2015, Pages 690–708. Available at: <https://doi.org/10.1093/pa/gsu020>

21 Hansard Society (2017) Audit of Political Engagement 14. Available at: [https://assets.ctfassets.net/rdwvqctnt75b/29mtXLpqqslYiMa24QqUa4/157873def28828c1764bea7098bba28a/report\\_\\_audit-of-political-engagement-14.pdf](https://assets.ctfassets.net/rdwvqctnt75b/29mtXLpqqslYiMa24QqUa4/157873def28828c1764bea7098bba28a/report__audit-of-political-engagement-14.pdf)

22 House of Commons Library (2018) *Women in Parliament and Government*. Briefing paper SN01250. Available at: <http://researchbriefings.files.parliament.uk/documents/SN01250/SN01250.pdf>

23 House of Commons Library (2017) *Ethnic Minorities in Politics and Public life*. Briefing paper SN01156. Available at: <http://researchbriefings.parliament.uk/ResearchBriefing/Summary/SN01156#fullreport>

24 House of Commons Library (2017) *Social background of Members of Parliament 1979-2017*. Briefing paper CBP 7483. Available at: <http://researchbriefings.parliament.uk/ResearchBriefing/Summary/CBP-7483#fullreport>



## Chapter 1 The role and working environment of MPs

The professional background and experience of MPs has changed dramatically. The number of MPs who were former manual workers has decreased from around 16% in 1979 to 3% in 2015. MPs from the ‘traditional’ professions (barristers, solicitors, Civil Service, doctors etc.) have also fallen from 45% in 1979 to 31% in 2015.<sup>25</sup>

There has been a significant increase in the number of MPs who were previously politicians or political organisers, increasing from 3% in 1979 of MPs to 17% in 2015.<sup>26</sup> What MPs did before they entered Parliament clearly impacts on the options they have for maintaining outside interests while an MP, and their professional opportunities once they leave Parliament.

### Professionalisation of MPs

These trends in the working lives of MPs point to a ‘professionalisation’ of MPs over recent years. MPs work more standardised working hours, manage a small team of staff, and are more likely to have worked in politics before their election to Parliament. However, MPs are also more likely to be in touch with their constituents due to the increased constituency workload.

‘There is a perception that Parliament was full of part-time MPs turning up to the forum when issues of the day were discussed. Not sure that was ever true, but it’s no longer the case. Now a lot more time is spent in the constituency or Parliament.’

**Rt Hon George Osborne CH<sup>27</sup>**

‘The last thing we want is for MPs to be become exclusively ‘Political’ – Westminster is already a narrow isolated bubble – remote from most people’s actual experience of living in UK.’

**Sub. 16**

The public is consistent in the view that a diverse range of MPs, who come from a number of different professions, is valuable and that Parliament should reflect range of professional experience outside of politics.

‘70% agree that MPs should stay in touch with ordinary people via activities other than their political work.’

**Professor Cees van der Eijk, British Election Study Survey**

‘A related, but far bigger, problem is that our political system provides us with career politicians as leaders.’

**Sub. 83**

This raises the question of whether MPs need to be able to take on outside interests in order to maintain a connection to the ‘outside world’. As MPs’ roles have developed and evolved, Parliament and MPs themselves must consider how they can maintain a world view outside of the ‘Westminster bubble’.

‘This is clearly a contested issue but modern MPs exist in a hyper-connected world in which they are constantly expected to engage with a broad range of professions and communities. The notion of a ‘professional MP’ somehow being disconnected or isolated from the broader society is therefore highly questionable but even if it were true it is possible to ask whether being, for example, a highly paid member of an elite profession is really the best route to social understanding.’

**Professor Matt Flinders and Alexandra Meakin, Sub. 95**

25 House of Commons Library (2017) *Social background of Members of Parliament 1979-2017*. Briefing paper CBP 7483. Available at: <http://researchbriefings.parliament.uk/ResearchBriefing/Summary/CBP-7483#fullreport>

26 House of Commons Library (2017) *Social background of Members of Parliament 1979-2017*. Briefing paper CBP 7483. Available at: <http://researchbriefings.parliament.uk/ResearchBriefing/Summary/CBP-7483#fullreport>

27 Rt Hon George Osborne CH, Former Minister, Individual Oral Evidence, 17 April 2018



The professional lives and working environment of MPs inevitably shape their opportunities for taking on outside interests. Some members of the public are sympathetic to the precarious nature of MPs' employment. A number of public submissions to our consultation which were not in favour of outside interests in general suggested that exceptions should be made for those (such as doctors and nurses) who need to engage in outside interests to maintain a professional qualification.

'The only exception which needs consideration is those who need to comply with continuous professional development or similar requirements, so that they can take up their former career again in the future.'

**Sub. 3**

'MPs can have a somewhat precarious career, being subject to election every few years.'

**Sub. 88**

It is clear that a balance needs to be struck to ensure that MPs are connected with the outside world, while also ensuring that the public can be confident that MPs are not distracted from their main role, or personally benefiting from their public role.



## An MP's typical day, research by Professor Emma Crewe

### A Tuesday in the life of a backbench MP in Westminster

This MP's constituency is too far from London for him to visit during the week. He is an opposition backbench MP interested in children's health and well-being.

- 9.30-10.00 Spoke at a debate in Westminster Hall about Children Missing from Care Homes
- 10.00-10:30 Interviewed by a journalist about why children go missing from care homes
- 10:30-11:00 Discussing with staff in his constituency office about various urgent constituency issues on the phone
- 11.00-12.00 Spoke at a meeting of the All Party Parliamentary Group on Children about children accessing social care services
- 12:00-13:00 Met with other backbench MPs to discuss abuse on social media
- 13:00-13:15 Grabbed a sandwich
- 13:15-14:15 Meeting with a group of representatives from children's charities to discuss improving the educational prospects of children in care and strategies for responding to upcoming legislation
- 14.30-15.30 Attending as a member of the International development Select Committee an oral evidence session on sexual abuse and exploitation in the aid sector
- 15.40-16.30 Participated in the Urgent Debate: Learning Disabilities Mortality Review in the Main Chamber of the House of Commons asking the Minister a question
- 16:30-17:00 Meeting with his whip to explain why he plans to vote against the party in an important vote next week
- 17:00-17:15 Went to his office in Portcullis House and discussed commitments for the week with his Westminster office staff
- 17.30-18:30 Opened a charity function in one of the House of Commons function rooms for raising funds for a children's charity with a brief speech about their work
- 18.30-19:30 Went to the House of Commons to collect some research findings they had compiled for him and wrote his speech for an important debate the next day
- 19:30-21:00 Dinner with colleagues in the party; discussion of campaigning tactics for the local elections in their region (and how the leadership is doing)
- After dinner Caught up with emails
- 1:00am Home to his rented flat



## A Friday in the life of an MP in the constituency

This government MP's English constituency is 4 hours travel from Westminster. Her constituency is a mix of rural and urban. She stays there from Thursday afternoon until Monday morning, returning to London to attend Parliament from Monday morning until Thursday afternoon.

- 9.00-10.00 Meeting in a local hospital to discuss possible closure of one department
- 10.00-12:00 Surgery in MP's office:
- six meetings with individual constituents facing severe and multiple problems and challenges when accessing local services
  - one meeting with a group of environmental campaigners
  - one meeting with a group of parents complaining about a local school
- 12:00-12.30 Meeting with MP's staff to make decisions about follow-up on individual constituents' cases and phone calls to council for the most urgent case
- 12.30-13:45 Walk to meet local party officials to review tactics for campaigning for local elections and eat a sandwich along the way
- 13:45-15:30 Canvass for local government elections (also reconnecting with constituents by knocking on doors), meeting up with neighbouring MPs from the same party, and giving a speech to party workers
- 15:30-16:30 Interview with local journalist about the possible hospital closure
- 16:30-17:00 Meeting with staff in MP's office to discuss latest developments in a campaign to raise funds for a local charity
- 17:00-18:30 Walk to and then visit a housing association to discuss complaints received from tenants
- 18:30-19:30 Opening a new social enterprise, creating jobs for adults with learning difficulties; give speech and meeting those involved
- 19:30-20:45 Back to office to go through emails, postbag and twitter and respond to requests from constituents, journalists, other MPs and party workers
- 21:00 Home to catch up with family who live in the constituency



## Chapter 1 The role and working environment of MPs

### A Monday in the life of a Junior Minister

This MP's constituency is in London and she is a junior minister in the Health and Social Care department.

- 8:30-10:00 *Constituency* Opening of a new school with both the Leader of the Council and the Mayor of the Borough. Short speech (off-the-cuff) during ceremony then discussion of school-related issues. Must leave at 10 a.m. sharp
- 10:00-10:30 Travel to Ministerial Office, Health Department, Richmond House, Whitehall
- 10:30-11:00 *Minister's Office* Go through the diary for the coming week with all her Private Office. Decide on communications strategies with Private Secretary and Special Advisers (SPADs)
- 11:00-11:30 *Minister's Office* Preparation for BBC World at One interview
- 11:30-12:00 *Minister of State's Office* Weekly forward look at speeches, events, and issues over the next month and relevant political/communication strategies with ministerial team
- 12:00-1:00 *Secretary of State's Office* Review of the forthcoming week including Weekly Communications Grid, allocation of Commons Health Questions for regular four-weekly slot on Tuesdays at 11.30 and tour de table so each minister and SPAD can update team on major issues of concern. (First half of meeting with officials, second half is 'political' i.e., no civil servants). Secretary of State knows that the Minister has leave for studio at Millbank at 12:45
- 12:45-13:00 *Whitehall/Millbank* Walk to BBC studio, 4 Millbank, briefing on the way by Press Secretary and SPAD
- 13:00-13:20 *4 Millbank* Interview on the World at One with the BBC
- 13:20-14:15 *Commons Meeting Room* Sandwich lunch with backbench MPs and peers in her party to discuss the upcoming health legislation to win their support
- 14:15-15:00 *Commons Ministerial Office* Meeting with Chair and some cross-party Members of the Health Select Committee to seek their views on the upcoming legislation
- 15:00-15:45 *Minister's Departmental Office* Box Time – chance to do some of her box work – policy submissions for decision, correspondence with public or MPs/Lords, answer queries from the office or any other issues that arise
- 15:45-16:00 *Minister's Departmental Office* Quick review of speech for event tonight
- 16:00-16:30 *Minister's Departmental Office* Meeting on questions allocated for Health Questions – officials will have prepared initial response to each question and briefing on follow-up questions by either the MP asking initial question or others
- 16:30-18:00 *Minister's Departmental Office* Back-to-back meetings with interest groups and professional groups affected by the forthcoming legislation



- 18:00-18:30 *Minister's Departmental Office* Policy development meeting on mental health in the North East with officials and SPAD
- 18:30-19:30 *Minister's Departmental Office* Deferred policy development meeting about prioritising and budget planning for next year
- 19:30-20:00 *Commons* Catch up and cup of tea with MP colleague – vote if votes come early
- 20:00-20:15 Travel to Association of Community Pharmacists annual dinner at the British Medical Association
- 20:15-10:30 *BMA, Tavistock Square* Attend dinner, give speech at around 9:30 – in between courses
- 11:00-00:30 *Minister's Home* Do 'Red Boxes' – especially anything time sensitive. Each submission will have covering or 'box' note from the relevant private secretary explaining what the minister needs to do. Normal routine – at least 30-40 submissions marked for information or decision, correspondence, Commons Questions briefing to review following earlier meeting, drafts of forthcoming speeches, copies of other ministerial diaries, invites to make decisions on, request for future. As an MP she will also have constituency matters, urgent and routine, to deal with



# Chapter 2

## What outside interests do MPs have?

This analysis is based on the version of the Register of Members' Financial Interests published on 5 March 2018.<sup>28</sup> It includes the MPs' outside interests registered between 1 July 2017 and 5 March 2018. Due to inconsistencies in how outside interests are reported, all of the figures in this report that are based on this analysis should be considered to be approximations, and are rounded estimates.

All earnings, time spent and categorisations of MPs' roles are self-reported by MPs and their staff. MPs do not need to declare if their interest is regular or occasional, therefore we have categorised these roles. Where one MP has more than one role, each role is included separately in these tables. The full summary and breakdown of outside interests has been published alongside the evidence to the review.

### Regular outside earnings

Of the 643 sitting MPs, a total of 119 MPs (18.5%) have regular, paid outside commitments.

In total these MPs have declared earnings of approximately £279,000 per month, or £2,300 per month per individual with outside earnings. Based on the Register, the total annual earnings from regular outside interests would amount to approximately £3.35 million.

MPs with paid outside earnings spent in total 2,200 hours per month on paid outside interests, which on average amounts to 18.5 hours per MP per month.

The regular outside commitments that MPs hold are:

	Conservative	Labour & Labour/Cooperative	Liberal Democrat	Scottish National Party	Democratic Unionist Party	Total
Total seats held:	316	258	35	12	10	631
Councillor	12	21				33
Chair/Director/Manager	25	1	1	1		28
Adviser/Advisory Board Member	24	1	1		1	27
Consultant	9		1			10
Solicitor/Counsel/Barrister/Lawyer	6	1				7
Reserve Force/Officer/Army Serviceman	5	1				6
Partner	5					5
Writer/Columnist/Editor	4	1		1		6
Dental Surgeon/Doctor/Psychologist	3			2		5
Author	3	1	1			5
Nurse	1					1
Sole Trader	1					1
Assistant Referee	1					1
Total:	99	27	4	4	1	

28 Register of Members' Financial Interests – as at 5 March 2018. Available at: <https://publications.parliament.uk/pa/cm/cmregmem/contents1719.htm>



The most frequent outside interest observed in this analysis is that of a councillor. However, we heard in evidence that the unexpected general election in 2017 led to a number of councillors being elected who then stood down at the local elections in 2018. At least 23 of these MPs have stood down from their Councillor roles since the 2017 General Election.

Regular outside earnings can be divided into two categories: those with and without fixed hours and fees. In total, the five top-earning MPs with outside interests with fixed hours and fees earned £96,000 per month between July 2017 and March 2018. In addition, the top five MPs with regular commitments which do not have fixed hours or fees earned £635,000 in this time period.

### Occasional outside earnings

84 MPs were paid for specific or occasional outside interests between 1 July 2017 and 5 March 2018. The total registered earnings for occasional outside activities in this timeframe was £347,000. In total, 1,300 hours were spent on these activities. 27 MPs had earnings from both regular and occasional outside interests.

In total, the five top-earning MPs for occasional engagements between July 2017 and March 2018 earned £165,000. This accounts for 47% of the total earnings from these engagements.

In this same time period, 92 MPs have been paid to complete surveys for polling companies. In total these 92 MPs earned £40,700 from completing surveys. Some MPs donate the money from these surveys to charities or other organisations.

The paid occasional outside activities MPs undertake are:					
	Conservative	Labour & Labour/ Cooperative	Liberal Democrat	Green Party	Total
Total seats held:	316	258	35	1	610
Speaker/Panellist/Appearance/ Radio Contributor	32	25	1	1	59
Writer	19	9	1	1	30
Consultant/Adviser	3				3
Lawyer/Legal Services	1				1
Musician	1	1			2
Doctor	1	1			2
Lecturer/Professor	1	3			4
Author		1	1		2
Adviser		1			1
Political Coordinator		1			1
Total:	58	42	3	2	



## Chapter 2 What outside interests do MPs have?

### Other outside interests

As the rules on declarations of interests are open to interpretation, there are a number of MPs who declare their outside interests under the 'miscellaneous' category. There are 159 MPs who list that they are directors, chairs or proprietors of organisations, or sole traders, some of which hold multiple roles in the miscellaneous category. For these roles, MPs do not declare the hours spent on the interest or whether they earn an income from these positions. Of these roles, it appears from the Register of Interests that 36 are paid and 194 are unpaid.

10 MPs have family members who are engaged in lobbying the public sector.

### Shareholdings and land and property

16% (103) of sitting MPs have shareholdings over the Register's declarable threshold of 15%:

Conservative	75
Labour & Labour/Cooperative	15
Scottish National Party	8
Liberal Democrat	4
Democratic Unionist Party	1

In total, these MPs have registrable shareholdings in 213 companies.

128 MPs derive rental income over the registration threshold of £10,000 per year.

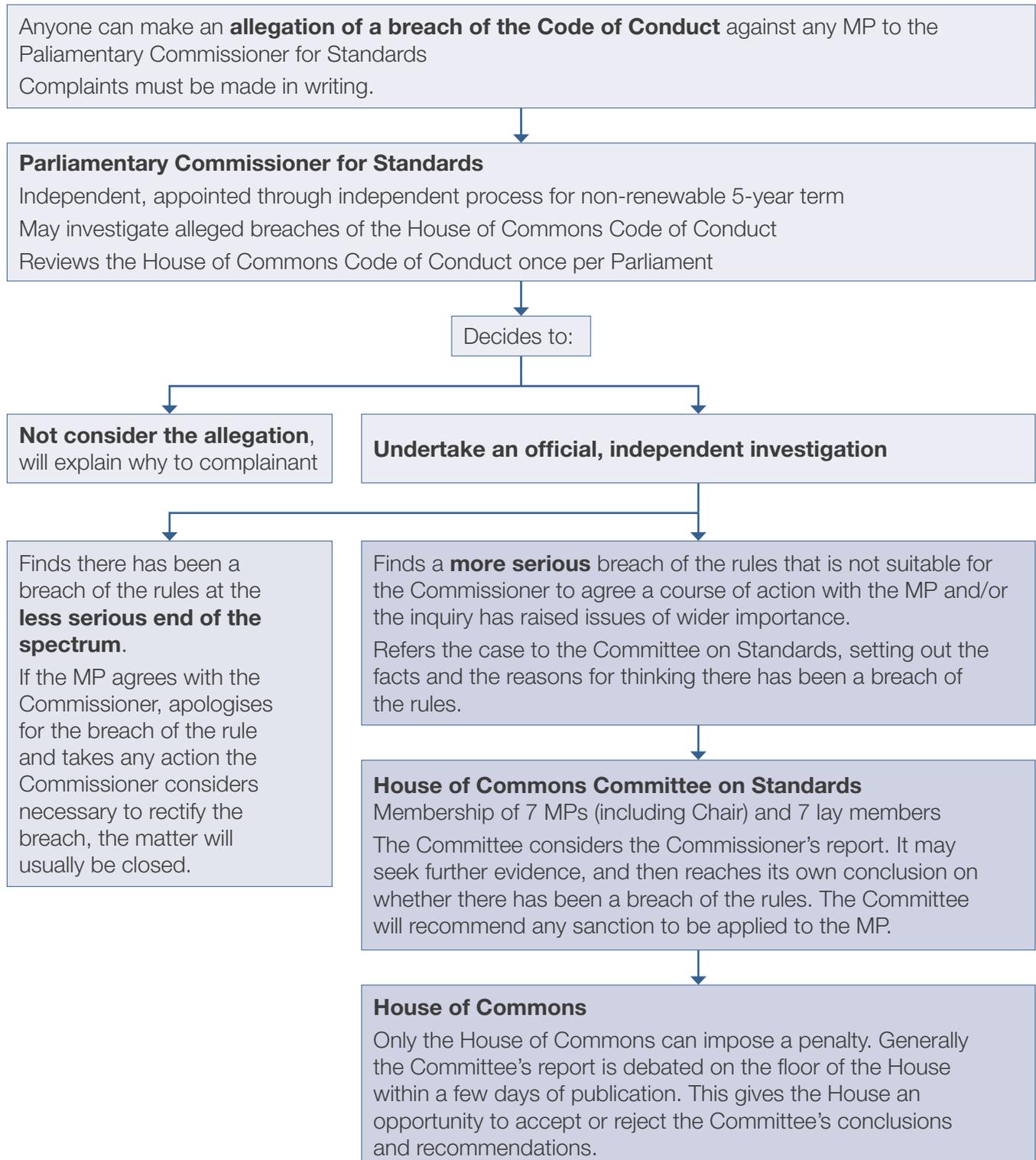
### Non-practising professionals

There are 39 MPs who have registered professional registrations but are non-practising. Their professions are:

Barrister	21
Solicitor	13
Chartered Accountant	3
Chartered Engineer	1
Chartered Surveyor	1



## House of Commons Complaints Process



Based on: <https://www.parliament.uk/documents/commons-committees/Standards-Committee/standards-committee-complaint-infographic.pdf>



# Chapter 3

## Reasonable limits

In the Committee's 2009 report on MPs' expenses and allowances we concluded:

MPs should not be prohibited from paid employment such as journalism outside the House, providing any such activity remains within reasonable limits. But it should be transparent and information about it should be drawn to voters' attention at election time.

Nearly 10 years on from making that recommendation, the Committee has sought to consider what is meant by 'reasonable limits' on MPs' outside interests. A majority of MPs do not have any outside interests, and a number of MPs hold outside interests many would consider to be within reasonable limits. There are a small number of cases, however, where the public and media reaction to outside interests of MPs suggest that reasonable limits on MPs' outside interests have been breached. The negative perception, that MPs are in office for their personal gain, is shaped by a small but very public minority of cases.

In these cases, the current Code of Conduct for MPs is insufficiently robust to address the standards issues raised by outside interests. The Committee has concluded that there needs to be clearly understood regulation of MPs' outside interests, and this should be based on the principle that there is a standard expected of MPs in terms of their Parliamentary and constituency duties. Outside interests should not impact on an individual's ability to perform their principle role as an MP.

The submissions to the Committee's consultation from members of the public suggest that there are two key themes in the consideration of whether an MP's outside interests are reasonable: the time spent on the outside interest and the money earned.

This chapter considers the concerns of time and money of outside interests. We recommend that a revision to the Code of Conduct for MPs should be introduced to assert the principle that MPs should not accept or continue outside interests which prevent them from undertaking their range of duties as MPs. Any allegations of breaches of the Code could be investigated by the independent Parliamentary Commissioner for Standards, and sanctions would be available against MPs who are found to be in breach of this principle.

### Time

#### A full-time role?

One of the key issues raised in the submissions from members of the public is the time spent by MPs on any outside interests and the impact that this might have on their commitment to their Parliamentary and constituency roles.

'Almost 75% of respondents agree or strongly agree that MPs should be full-time, professional politicians.'

**Professor Cees van der Eijk, British Election Study Survey**

'I would have thought to do the job effectively would take up that amount of time and they would not have the time to do all these extra things. I would feel a bit let down if they were doing all these extra things and able to pursue them because their time is not being invested in where it should be.'

**Focus Group Participant**



In the Committee's report, *MPs' Allowances and Expenses* (2009), we stated that the Committee:

has considerable sympathy with the view that constituents have the right to expect that their MPs are devoting the greater part of their time and energy to their parliamentary role. Many people find it difficult to believe that MPs who devote significant time to paid employment outside the House can really be fulfilling the implied contract with their constituents.

With the increasing professionalisation of an MP's role, which has been accompanied by a professional salary, there has been a public perception that being an MP should be a full-time job. However, as the Committee highlighted in 2009, MPs conduct their work in a wide range of ways. There is much variation in what MPs' Westminster roles demand of them, with ministers and Select Committee Chairs often spending a large proportion of their time on these additional responsibilities. Further, the constituency demands of MPs are also very varied, based on their geography and demography.

'People don't get elected to Parliament not to be here. It takes a lot of time and energy to get here.'

**Valerie Vaz MP<sup>29</sup>**

'MPs conduct their work in many ways, depending on the nature of their constituency, how they balance the twin demands of Westminster and their constituencies, whether they are employed by the Government, and so on. In effect, every MP's job is conducted differently, depending on their personal circumstances.'

**IPSA, Sub. 107**

There are specific rules for government ministers in relation to their private interests, which forms part of the Ministerial Code.<sup>30</sup> These are in addition to the rules for MPs. The general principle on outside interests is that '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'. Ministers must provide their Permanent Secretary with a full list in writing of all interests which might be thought to give rise to a conflict. The list should also cover interests of the minister's spouse or partner and close family which might be thought to give rise to a conflict. Where appropriate, the Permanent Secretary and the Prime Minister's Independent Adviser on Ministers' Interests will agree any actions on the handling of interests. A statement covering relevant ministers' interests will then be published in the List of Ministers' Interests.<sup>31</sup> In practice, this means that ministers may not hold outside interests which conflict with their ministerial position.

### Ensuring flexibility for MPs

The Committee has seen evidence that many MPs work longer than average working hours. Interviews with former MPs found that their working week can be up to 60-70 hours.<sup>32</sup> This is particularly the case when Parliament is in session.

29 Valerie Vaz MP, Individual Oral Evidence, 13 March 2018

30 Cabinet Office (2018) *Ministerial Code*. Available at: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/672633/2018-01-08\\_MINISTERIAL\\_CODE\\_JANUARY\\_2018\\_FINAL\\_\\_3\\_.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/672633/2018-01-08_MINISTERIAL_CODE_JANUARY_2018_FINAL__3_.pdf)

31 Cabinet Office (2017) *List of Ministers' Interests*. Available at: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/667965/2017-12-14\\_List\\_of\\_Ministers\\_Interests\\_December\\_2017\\_FINAL.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/667965/2017-12-14_List_of_Ministers_Interests_December_2017_FINAL.pdf)

32 Jane Tinkler and Nitin Mehta (2016) *Report to the House of Commons Administration Committee on the findings of the interview study with Members on leaving Parliament*. Available at: <https://www.parliament.uk/documents/commons-committees/admin-committee/Interview-study-Members-leaving-Parliament-report-April-2016.pdf>



## Chapter 3 Reasonable limits

We have also received mixed evidence as to whether MPs spending a significant amount of time on outside interests affects their engagement and participation in Parliament. Former MP Peter Bradley's 2001 analysis of the Register of Interests found that MPs with outside interests participated in 26% fewer Commons votes than colleagues without their outside interests.<sup>33</sup> However, other MPs gave evidence that there was not a direct link between individual's participation in Parliamentary business and their outside interests.

In a survey experiment on outside interests, MPs who spend more time on interests outside Parliament (e.g. business directors) were less popular with members of the public. However, MPs who spent more time on outside interests within politics (e.g. Cabinet ministers) were more popular than those who spend less time on those roles.

### CSPL and QMUL Survey Experiment<sup>34</sup>

The Committee recommends a balance which enables MPs to be flexible in their approach to their role, which is essential to enable them to deliver for their constituents, but which also helps build public trust by ensuring that outside interests do not prevent an MP from fully engaging in their Parliamentary work.

'Some people can be effective at the weekend, some have family commitments, that should be up to you. This should be about the principle – you should not take on jobs if that would inhibit your role as MP.'

### Rt Hon Lord Blunkett<sup>35</sup>

The Committee considered the option of a restriction on the time MPs spend on their outside interests. However, any such limit would be difficult to determine, given that MPs have such different draws on their time including their constituency

caseload, government or shadow ministerial roles, Committee work, and other Parliamentary interests such as All-Party Parliamentary Groups and campaign work.

Further, the issue of time spent does not alone determine the acceptability of the outside interest. For example, MPs may hold outside interests which are seen to be a conflict of interest with their Parliamentary duties, but do not take up a large amount of time. Or MPs may receive a large salary for their outside employment without spending much time on it.

### Money

33 (58%) of the 57 submissions received by the Committee that were explicitly against MPs holding outside interests referenced the issue of finances and the salary received by MPs.

From the responses to our public consultation, it is clear that many members of the public are concerned that some MPs use their elected office to further their own financial gain. Others are concerned about the conflicts of interest which may arise when MPs receive remuneration from other roles. The implications of the remuneration of MPs' outside interests are a concern to the public. There is also a prevalent view that MPs are paid by the taxpayer for a purpose, and should fulfil the expectations of their role.

'How can it be right for a public servant, paid £74,000 – nearly three times the average UK wage – to sideline their duty to their constituents in order to take on other work?'

### Sub. 35

33 Written Submission 8 (Peter Bradley)

34 MPs' outside interests Survey Experiment, CSPL and Queen Mary University of London. See online evidence to the review for full details. Available at: <https://www.gov.uk/government/collections/mps-outside-interests>

35 Rt Hon Lord Blunkett. Individual Oral Evidence, 29 March 2018



In a survey experiment, an MP who earns £30,000 from an outside interest is 3.7 times less popular than one candidate who earns nothing from an outside interest.

### CSPL and QMUL Survey Experiment<sup>36</sup>

There is a significant concern, expressed in evidence to the Committee, that MPs are breaching the principle of selflessness by using their public role for personal benefit by utilising their skills, contacts, influence and experience in Parliament for their personal financial gain.

### MPs' Salary

MPs no longer play a role in setting their own salary. In 2011, the Independent Parliamentary Standards Authority (IPSA) was made responsible for determining MPs' pay and setting the level of any increase in their salary. IPSA reviews MPs' pay and pensions annually, and the current salary for MPs is £77,379.<sup>37</sup> Select Committee Chairs receive an additional £15,509. Government ministers receive an additional salary, the Prime Minister receives an additional £77,896, while other Cabinet Ministers receive an additional £24,048 to £33,490.<sup>38</sup>

IPSA's last full consultation on this issue was held between 2012 and 2015. In 2015, IPSA recommended that MPs should have a £7,000 pay rise (to £74,000) stating that MPs' salary should match a well-performing economy, and because MPs' pay had dropped from three times the national average wage to around double the national average wage.

In its 2012/13 review of MPs' remuneration, IPSA also considered the option of paying MPs on a differential basis, based on their outside earnings. At that time, the Speaker of the House of Commons suggested that, under the Parliamentary Standards Act 2009, it would not be possible for IPSA to introduce differential levels of pay, other than for Chairs of Select Committees and Members of the Panel of Chairs. IPSA therefore concluded not to pay MPs differentially, but the same salary regardless of their outside earnings.

'MPs are now being paid a professional salary, there was a big difference before IPSA pay settlement and afterwards. The public now has the view that MPs are paid a professional salary and therefore should do the job professionally. In the past, for many, they would not have seen this as enough for professional salary, so sought to top it up.'

**Professor Tony Wright, Former MP<sup>39</sup>**

36 MPs' outside interests Survey Experiment, CSPL and Queen Mary University of London. See online evidence to the review for full details. Available at: <https://www.gov.uk/government/collections/mps-outside-interests>

37 The salary for MPs rose from £76,011 to £77,379 in April 2018.

38 Cabinet Office (2017) Salaries of members of Her Majesty's Government: July 2017. Available at: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/629500/Salaries\\_of\\_Members\\_of\\_Her\\_Majesty\\_s\\_Government\\_from\\_1st\\_April\\_2017.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/629500/Salaries_of_Members_of_Her_Majesty_s_Government_from_1st_April_2017.pdf)

39 Professor Tony Wright, Former MP, Individual Oral Evidence, 22 March 2018



## Chapter 3 Reasonable limits

### International Comparisons for MPs' Salaries

Country	Chamber	Base Salary	Constituency size	Additional for Office Holders?	Personal expenses (e.g. accommodation)	Additional Travel Expenses <sup>i</sup>	Office Costs	Staff Budget	Paid interests allowed?	Limits on outside interests?	Cost of Living Index 2018 <sup>ii</sup>
United Kingdom	Commons	£77,379 <sup>iii</sup>	72,400 (England), 69,000 (Scotland) 66,800 (Northern Ireland) 56,800 (Wales)	Yes	£3,820–£22,760 <sup>v</sup>	Yes	£24,150– 26,850 <sup>v</sup>	£150,900 –161,550 <sup>vi</sup>	Yes	Register of interests. <sup>vi</sup>	88.6 (42nd)
	Lords	£0 <sup>vii</sup>	n/a	Yes	£42,600 <sup>x</sup>	Yes	£0	£0	Yes	Register of interests. <sup>x</sup>	
Australia	House of Representatives	£101,549 <sup>xi</sup>	63,082–138,847	Yes	£16,430–83,613 <sup>xii</sup>	Yes	£116,753– 162,789 <sup>xiii</sup>	N/A <sup>xiv</sup>	Yes	Register of interests. <sup>xv</sup> No formal code of conduct. <sup>xvi</sup>	80.9 (103rd)
	Senate	£101,549 <sup>xvii</sup>	n/a	Yes	£16,430–83,613 <sup>xviii</sup>	Yes	£69,689 <sup>xx</sup>	N/A	Yes	Register of interests. <sup>xx</sup> No formal code of conduct.	
Canada	Commons	£102,195 <sup>xxi</sup>	31,906– 12,851,821	Yes	£17,752 <sup>xxii</sup>	Yes <sup>xxiii</sup>	£212,013–256,216 <sup>xxiv</sup>		Yes	Register of interests. Partial ban on gifts. Restrictions on holdings in some companies. <sup>xxv</sup>	69.9 (243rd)
	Senate	£87,401 <sup>xxvi</sup>	n/a	Yes	£13,018 <sup>xxvii</sup>	Yes <sup>xxviii</sup>	£131,653 <sup>xxix</sup>		Yes	Register of interests. Partial ban on gifts. Restrictions on holdings in some companies. <sup>xxx</sup>	



Country	Chamber	Base Salary	Constituency size	Additional for Office Holders?	Personal expenses (e.g. accommodation)	Additional Travel Expenses	Office Costs	Staff Budget	Paid interests allowed?	Limits on outside interests?	Cost of Living Index 2018 <sup>ii</sup>
Ireland	Dáil Éireann	£75,420 <sup>xxxi</sup>	83,748 (3 members) – 154,816 (5 members)	Yes	£7,252–27,448 <sup>xxxii</sup>	No	£16,397	£33,111	Yes	Register of interests. Partial ban on gifts. <sup>xxxiii</sup>	89.9 (36th)
	Seanad Éireann	£53,404 <sup>xxxiv</sup>	n/a	Yes	£4,230–23,822	No	£9,850	£16,555 <sup>xxxv</sup>	Yes	Register of interests. Partial ban on gifts. <sup>xxxvi</sup>	
New Zealand	N/A	£80,235 <sup>xxxvii</sup>	Approximately 55,000 – 71 (60%) of MPs have a constituency, others are chosen based on a party list	Yes	£23,473 <sup>xxxviii</sup>	Yes <sup>xxxix</sup>	£0	N/A <sup>xl</sup>	Yes	Register of interests. <sup>xli</sup> No formal code of conduct. <sup>xlii</sup>	80.9 (104th)

Research by Nicholas Dickinson, University of Exeter

Note: All figures for expenses are calculated as the maximum possible value of an expense or allowance. Figures with ranges reflect fixed sources of variation, such as the location and size of Parliamentary constituencies. Other variable expenses related to MPs individual characteristics, such as disability or number of dependents, are excluded. Benefits in kind for which no financial value can be easily calculated are also excluded. Likewise, where staff are employed directly by parliament or the Civil Service, figures for this expense are not given (see Australia and New Zealand). Salaries reflect base salary for a parliamentarian with no additional Parliamentary office, and with no increment for length of service. All amounts are from the most recent year available, in all cases either 2016/17 or 2017/18. Amounts in local currency are converted to GBP at PPP using <http://salaryconverter.nigelb.me/>.

For full references, see online appendix.



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Public opinion polling and our focus groups research suggest that some members of the public would be happy for MPs' basic salary to increase if outside earnings were prohibited. According to a 2015 Opinium/Observer poll, 40% of the electorate said they would be happy if an MP's basic salary went up, if it meant that they were banned from outside earnings, while 34% disagreed. In June 2013, 36% agreed and 39% disagreed.<sup>40</sup>

'Bearing in mind the nature of the job that an MP does, it does not seem that MPs are particularly well paid.'

### Sub. 88

'[...] Also having occasionally had to have two jobs you cannot give all your talents due to tiredness, lack of time and distractions this practice should stop even if it means giving MPs a pay rise.'

### Sub. 67

### Payments for MPs who do not win elections

Being an MP is not like other jobs in the sense that there is no contract, no job description, no standards of employment, and therefore little protection in the event that MPs are not re-elected. An MP's position is also precarious. In 2017, 97 seats were won by a margin of 5% of votes cast or less.<sup>41</sup>

Prior to reforms in 2016, MPs who lost their seats were eligible for a resettlement payment of up to six months of their annual salary. This meant that most MPs who lost their seats in 2015 received, on average, £30,798. However, following a consultation in 2016, the resettlement payment was replaced with a Loss of Office payment

equivalent to twice the statutory redundancy rate, so the payment varies by individual depending on their age and length of service. MPs who stand down at an election are not eligible.

For an MP of average age (50)<sup>42</sup> and average number of years in Parliament for a sitting MP (8.7)<sup>43</sup> at the current annual salary for MPs (£77,379) the statutory redundancy payment is £6,096. Therefore the loss of office payment would be £12,192. However, if the MP had only been in office for three years, the loss of office payment would be £4,401. Where MPs have been in office for less than two years, they do not receive any redundancy payments.

In comparison, when Members of the Scottish Parliament chose not to stand for re-election or lose their seat they are entitled to a payment of 50 to 100% of their annual salary (£62,149).<sup>44</sup> This is calculated based on their years of service. Welsh Assembly Members are entitled to a resettlement grant which is calculated based on their age and years of service, ranging from 50-100% of their annual salary (£66,847).<sup>45</sup>

At the time of writing, IPSA is consulting on increasing the Loss of Office payments to add two months' net salary, as MPs are required to work for a further two months following their loss of office in order to wrap up their affairs.

### Reasonable limits on outside earnings

There have been some high-profile examples of MPs who take on outside interests which are remunerated at a rate significantly higher than their salary as an MP. Some MPs hold several outside interests and therefore earn more from their roles outside of Parliament than their Parliamentary salary.

40 Guardian (2015) *MP ethics chief: tell voters about your second jobs*, 28 February 2015. Available at: <https://www.theguardian.com/politics/2015/feb/28/ethics-chief-tell-voters-about-your-second-jobs-general-election-lord-bew-malcolm-rifkind-jack-straw>

41 House of Commons Library (2017) *Marginal Seats*. Briefing paper CBP 8067. Available at: <https://researchbriefings.parliament.uk/ResearchBriefing/Summary/CBP-8067#fullreport>

42 House of Commons Enquiry Service (2018) *Frequently Asked Questions: MPs*. Available at: <http://www.parliament.uk/about/faqs/house-of-commons-faqs/members-faq-page2/>

43 House of Commons Enquiry Service (2018) *Frequently Asked Questions: MPs*. Available at: <http://www.parliament.uk/about/faqs/house-of-commons-faqs/members-faq-page2/>

44 Information provided by the Human Resources Department of the Scottish Parliament

45 Remuneration Board of the National Assembly for Wales (2017) *Determination on Members' Pay and Allowances on 2017 – 2018*. Available at: [http://www.assembly.wales/Job%20Documents/Cams/Determination/Determination\\_Sep\\_17\\_EN.pdf](http://www.assembly.wales/Job%20Documents/Cams/Determination/Determination_Sep_17_EN.pdf)



Evidence suggest that there are many legitimate reasons why MPs may seek to hold salaried outside interests, indeed that some MPs holding outside interests has its advantages. Outside interests can help MPs draw on their wider experience and knowledge of broader issues outside of Parliament.

However, MPs must consider how holding lucrative outside interests could lead to a conflict of interest with their role as representatives, particularly where those outside interests are political in nature. Measures that should be taken to prevent outside interests leading to undue influence on MPs are discussed in Chapter 5.

'I feel that when someone enters Parliament as a Member, that has now become their employment! They have gone there in the full knowledge that they are entering public service and that they are not there to 'feather their nests' by doing lucrative 'second jobs' which in the main they have only got from their status as MPs.'

### Sub. 42

In evidence from MPs across the political spectrum, the Committee was presented with the suggestion of a cap on outside earnings for MPs, which could be set at a level which enables MPs to undertake some paid employment without leading to the perception that it would conflict with their Parliamentary work.

We concluded, however, that any such cap could have the unintended impact of limiting the kinds of work that many members of the public currently find acceptable, without addressing the behaviour that many members of the public find unacceptable.

For example, some of the highest-earning MPs in the 2017 Parliament earned substantial incomes through royalties from books they have written, yet in a 2015 survey 68% of respondents felt that MPs should be able to write books or novels, ranking this one of the most acceptable outside interests to the public.<sup>46</sup> In 2015, Parliament debated introducing a cap on outside earnings of £15,000 a year. In that debate, the then Leader of the House of Commons questioned the logic of such a limit:

'By what logic [...] is it acceptable for an MP to write an unsuccessful book but not a successful one – by what logic is it acceptable to write an unsuccessful book but not engage in some other activity no more threatening to the public interest than an unsuccessful book?'<sup>47</sup>

### Regulating MPs' outside interests

Placing a time limit on MPs' outside interests may stop MPs with professional service requirements, such as doctors and nurses, from maintaining those registrations. Setting limits on income gained from outside interests could prevent MPs from undertaking activities which can enhance their ability to engage with the public.

'Most MPs take the job far more professionally than they did before, yet there are some who exploit the fact that no job description with large amounts of outside work and earnings. They're not the majority, but there does need to be a clean up of the abuses of the system.'

### Professor Tony Wright, Former MP<sup>48</sup>

The public, and many in our public and political life, perceive that MPs' Parliamentary and constituency roles should be their principal job. They are concerned that outside interests may distract the focus of MPs from their role in Parliament and their constituency – which the public believes should be their priority.

46 YouGov (2015) *YouGov / Times RedBox Survey Results: Wednesday 25 February 2015*. Available at: [https://d25d2506sfb94s.cloudfront.net/cumulus\\_uploads/document/xdks5lu1ow/TimesRedBoxResults\\_150224\\_MPs\\_second\\_jobs.pdf](https://d25d2506sfb94s.cloudfront.net/cumulus_uploads/document/xdks5lu1ow/TimesRedBoxResults_150224_MPs_second_jobs.pdf)

47 At that time, the Leader of the House of Commons was Rt Hon William Hague (now Lord Hague). HC Deb 25 February 2013 Vol 593 Col 395. Available at: <https://hansard.parliament.uk/Commons/2015-02-25/debates/15022597000002/Members%E2%80%99PaidDirectorshipsAndConsultancies>

48 Professor Tony Wright, Former MP, Individual Oral Evidence, 22 March 2018



## Chapter 3 Reasonable limits

Being an MP should be the principal job, it's not about trying to define number of hours. For those who spend a significant proportion of their time earning a large outside income, it can be left for the public to decide. (Rt Hon Tom Brake MP)<sup>49</sup>

Currently, there are no systems in place to regulate outside interests, and therefore no sanctions against MPs taking on outside interests outside of reasonable limits. On balance, the Committee has concluded that this approach is not suitable to address outside interests which have the possibility of bringing undue influence to bear on the political system.

There are some individuals who have sought to utilise the flexibility of the working lives of MPs to undertake outside interests from which they earn a substantial income and/or spend a lot of their time. Such behaviour is not necessarily seeking to mislead and may not even be undesirable, but it can call into question the integrity of MPs.

### Revisiting the Code of Conduct for MPs

Any system for regulating outside interests must be flexible enough to allow for MPs to be able to undertake their roles in a range of ways, but prevent abuses of the system. Therefore, whether MPs should be able to undertake outside interests must be determined on a case-by-case basis.

Therefore the Committee recommends that a revision should be made to the Code of Conduct for MPs to assert the principle that MPs should not undertake outside interests which prevent them from fully undertaking their duties as MPs.

With such a clause in the Code of Conduct, the independent Parliamentary Commissioner for Standards could undertake an investigation based on a complaint that the outside interests of an MP are impacting on their ability to undertake their Parliamentary role. We understand that this may require an extension of the resources of the office Parliamentary Commissioner for Standards.

MPs should be required to submit their employment contracts for outside interests to the Registrar of Members' Interests, in order that the Registrar and Parliamentary Commissioner for Standards can determine the nature of their outside work. This requirement was in place prior to 2015 and should be reinstated.

The Parliamentary Commissioner for Standards already makes judgments as to whether the activities of MPs, for example the use of Parliamentary resources, are for 'parliamentary activity'.<sup>50</sup> The principle can, therefore, be extended to how an MP's outside interests could impact on their Parliamentary role. To inform these investigations, the Parliamentary Commissioner for Standards can also draw upon the House of Commons Committee on Standards 'core elements' of the role of an MP as set out in 2015.<sup>51</sup>

This recommendation would mean that the independent Parliamentary Commissioner for Standards would be able to undertake investigations as to whether an MP's outside interest is a breach of their duties as an MP. The Commissioner will then be able to make recommendations to MPs on how they can 'rectify' the interest. If the Commissioner and the MP are unable to reach an agreement, the Commissioner can make recommendations for sanctions to the House of Commons Committee on Standards.

#### Recommendation 1:

**The Code of Conduct for MPs should be updated to state that:**

**Any outside activity undertaken by a MP, whether remunerated or unremunerated, should be within reasonable limits and should not prevent them from fully carrying out their range of duties.**

49 Rt Hon Tom Brake MP, Liberal Democrat Shadow Leader of the House of Commons, Individual Oral Evidence, 27 February 2018  
50 House of Commons Committee on Standards (2017) *1st Report – Dame Margaret Hodge. Appendix 1: Memorandum from the Parliamentary Commissioner for Standards – Dame Margaret Hodge*. HC 591. Available at: [https://publications.parliament.uk/pa/cm201719/cmselect/cmstandards/591/59104.htm#\\_idTextAnchor012](https://publications.parliament.uk/pa/cm201719/cmselect/cmstandards/591/59104.htm#_idTextAnchor012)

51 House of Commons Committee on Standards (2015) *The Standards System in the House of Commons*. HC 383. Available at: <https://publications.parliament.uk/pa/cm201415/cmselect/cmstandards/383/383.pdf>



# Chapter 4

## Transparency

Transparency is fundamental to democracy. Openness in Parliament can help both reduce the likelihood of poor behaviour and increase the chances of it being detected when it does occur through maintaining accountability. Transparency helps members of the public make well-informed decisions about their representatives.

The evidence we've received has shown that the current transparency regime for MPs' outside interests is still inadequate. It does not provide the public and other MPs with the ability properly to understand what outside interests MPs have, and therefore how these outside activities may impact their work in Parliament and their constituency.

While there has been progress in the transparency of MPs' outside interests in the past 10 years, there is significant room for improvement. The current lack of clarity around the registration and declaration of interests is unhelpful for both MPs and members of the public and may give a misleading impression of MPs' motives.

*'[...] Guidelines about their expected behaviour are unclear – this is not so unusual in old and large institutions like the House of Commons but studies in anti-corruption increasingly warn us that voluntary transparent declarations are essential if we want real compliance and real change.'*

**Sub. 92**

The Nolan Principle of openness applies to all public office holders including of course, MPs. Throughout our evidence collection, we found that a diverse range of individuals and organisations were in favour of increased transparency in MPs' outside interests.

*'Clearly transparency is required for voters to make an informed decision. I believe that the last changes to the transparency rules have adequately provided for this. There is no problem per se with MPs having conflicts of interest in conducting legal outside activities, it is how those conflicts are dealt with that counts.'*

**Jonathan Djanogly MP, Sub. 91**

### Registration of interests

#### The rules on the registration of interests

The Registrar of Members' Interests is responsible for maintaining the Register of Members' Interests. When MPs or their staff wish to register an interest, they contact the Registrar who updates the official online register fortnightly. The Registrar also provides support and advice to MPs and their staff on registrable interests.

If there is an allegation concerning a breach of the rules on the registration of interests, the independent Parliamentary Commissioner for Standards can undertake an investigation into the allegation. If the Commissioner finds a breach of the rules, they may then seek to resolve the issue with the MP directly, or refer the case to the House of Commons Committee on Standards.

New arrangements for the registration of MPs' interests were introduced in 2009 following the expenses scandal. Prior to this, MPs were required to register any directorships or other paid employment. MPs had to register the earnings they received within broad bands if the employment related in any way to their membership of the House. However, MPs did not have to specify the exact amount they were paid for each job, nor the amount of time spent on it.



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Following the 2009 reforms, MPs must register the precise amount of each individual payment and the nature of the work carried out in return for that payment, together with an indication of the amount of time spent on the relevant piece of work.

MPs have one month to register interests on their election to Parliament, and must update the register with any new interest or ceasing of any registered interest within 28 days. The register shows outside interests for 1 year after they have ended. The requirements for the registration of interests are based on 10 categories.

### Categories and thresholds for registrable interests for MPs (set in March 2015)<sup>52</sup>

1. Employment and earnings	Individual payments over £100 Over £300 for the total of multiple payments of whatever size from the same source in a calendar year
2. Donations and other support (including loans)	Over £1,500, either as individual payment, or for the total of multiple donations of more than £500 from the same source in the course of a calendar year
3. Gifts, benefits and hospitality from UK sources	Over £300 for the total of benefits of whatever size from the same source in a calendar year
4. Visits outside the UK	Over £300 if not wholly borne by Member or public funds. Threshold also applies to the total of benefits of whatever size from the same source in a calendar year
5. Gifts and benefits from sources outside the UK	Over £300 for the total of benefits of whatever size from the same source in a calendar year
6. Land and property	(i) Total value of property held: over £100,000 (ii) Total income derived from property: over £10,000 in a calendar year
7. Shareholdings	(i) More than 15% of issued share capital (on preceding 5 April), or (ii) If 15% or less of issued share capital (on preceding 5 April), greater in value than £70,000
8. Miscellaneous	No threshold but Members must believe that someone else might reasonably consider the interest to influence his or her actions or words as a Member
9. Family members employed [and remunerated through parliamentary expenses]	Over £700 in a calendar year (Job titles and descriptions are set out on the webpages of the Independent Parliamentary Standards Authority)
10. Family members engaged in lobbying [the public sector]	No threshold.

<sup>52</sup> Register of Members' Financial Interests – Introduction to the Registers for the 2017 Parliament. Available at: <https://publications.parliament.uk/pa/cm/cmregmem/ForewordJuly2017.pdf>



When registering interests, MPs are asked to bear in mind the purpose of the Register, which is to 'provide information about any financial interest or other material benefit which a Member receives which might reasonably be thought by others to influence his or her actions, speeches or votes in Parliament, or actions taken in his or her capacity as a Member of Parliament.'<sup>53</sup>

Any failure to register pecuniary (paid) interests is a breach of the code of conduct. Breaches of the code of conduct are investigated by the independent Parliamentary Commissioner for Standards.

### Clarifying the rules on the registration of financial interests

The rules for registering interests are complex, and there are some clear gaps. We have heard evidence from MPs that this can be frustrating, as they seek to be as transparent as possible about their interests, but the rules and process for the registration of interests prevents this.

The ambiguity and lack of clarity in the Register makes it difficult to interpret an MP's outside interests. For example:

The Register makes no distinction between continued and ongoing outside roles and one-off payments, for example for surveys or journalism. Therefore, it is not possible to quickly identify whether an MP has a significant ongoing outside interest or is engaged in a number of paid surveys.

MPs declare any shareholdings in companies over 15% of issued share capital. However, they do not have to declare what their shareholding in that company is. It is reasonable to assume that the public may wish to know whether an MP is a majority shareholder in a company, for example. MPs do not have to register what the nature of that company is, or the Companies House number for the company.

The thresholds and guidance for the registration of interests need to be made clearer, so that both MPs and the public know what needs to be registered. An important part of building public trust is improving the clarity of and accessibility to MPs' interests. This means that the rules concerning how and what MPs should declare need to be rational, clear and easy to understand.

### Recommendation 2:

**The Parliamentary Commissioner for Standards and the Commons Committee on Standards should undertake a review of the rules for the registration of interests. They should consider how the rules could be revised to make them clearer to MPs and the public.**

**We welcome the Registrar of Members' Interests' monthly training sessions for MPs' staff on the registration of interests. Induction sessions for new MPs, which include an induction on the Register of Interests, are also likely to have had a positive impact on the working knowledge and understanding of these rules. However, alongside this training, further clarity is required.**

### Registering non-financial interests

Under the current rules, MPs are not required to register non-financial interests. However, the guidance on registration states that MPs *may* wish to register interests including 'unpaid employment or directorship, or directorship of a company not currently trading, non-practising membership of a profession, or a fund established to defray legal costs arising out of the Member's work, but from which no benefit has yet been received.'<sup>54</sup>

Some MPs do register non-financial interests under the 'Miscellaneous' category. This can lead to multiple levels of ambiguity on the Register. Firstly, members of the public may assume that because some MPs declare their non-financial interests, all MPs do so. Therefore, they may assume that

53 House of Commons (2015) *The Code of Conduct and Guide to Rules*. HC 1076. Available at: <https://publications.parliament.uk/pa/cm/cmcode.htm>

54 House of Commons (2015) *The Code of Conduct and Guide to Rules*. HC 1076. Available at: <https://publications.parliament.uk/pa/cm/cmcode.htm>



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an MP with no registered non-pecuniary interests does not have any such interests. However, this is not necessarily the case. Secondly, where non-financial interests are registered, there is no standardised guidance on how they should be recorded. Therefore, some MPs list the amount of time spent on non-financial interests, and others do not. Some MPs state when the interest commenced, others do not.

The rules should be clear that either Members are required to register non-pecuniary interests or they are not. There is an argument that requiring MPs to register non-pecuniary interests may be over-bureaucratic, disproportionate to effort and resources involved, and not be a high priority for members of the public.

The Committee's view however is that actual or perceived conflicts of interest could arise where MPs hold non-pecuniary interests. For example, unpaid charity roles may influence MPs, as could membership of campaigning organisations or professional bodies.

To fulfil the expectation of the Nolan Principle of Openness, MPs should also have to register their non-pecuniary interests. This would bring Parliament in line with many other public sector organisations where board members must declare non-pecuniary interests. Registrable interests should include Chair, Patron and Trustee roles in charitable and not-for-profit organisations, membership of professional organisations, and campaign groups.

### Recommendation 3:

**The Code of Conduct for MPs and Guide to the Rules should be revised to state that MPs should register any non-pecuniary interests on the public Register of Interests, on the same basis as pecuniary interests: that the interest might reasonably be thought by others to influence actions taken in their capacity as a Member of Parliament.**

### Failure to register interests

Currently, MPs who do not register interests falling above the registrable thresholds can face an investigation by the independent Parliamentary Commissioner for Standards. If a case is deemed serious, the Commissioner can refer the case to the Commons Committee on Standards, which can enforce sanctions. These include an apology in the Chamber, or a suspension of their salary, or suspension from Parliament. In theory, the Committee can also trigger the Recall process to expel an MP from Parliament.<sup>55</sup>

Importantly, it is the responsibility of the MP to uphold the principles of Openness and Honesty in registering interests. MPs' staff are not responsible for registering an MP's interests, and they cannot blame the complexities of the system. MPs must show leadership for ensuring this important transparency data is published.

There are cases where individuals have identified that MPs have failed to register their interests, or have not done so within the necessary 28-day timeframe. In many of these cases, the Parliamentary Commissioner for Standards has been able to rectify these breaches through advising the MP on how they should register interests, or the MP making a written or spoken apology. A few cases where the MP has not agreed with the Parliamentary Commissioner's settlement on the issue have been referred to the Committee on Standards for resolution.

55 House of Commons Committee on Standards (2015) *The Standards System in the House of Commons*. HC383. Available at: <https://publications.parliament.uk/pa/cm201415/cmselect/cmstandards/383/383.pdf>



### Example of case of failure to register interests<sup>56</sup>

In 2018 the Parliamentary Commissioner for Standards investigated the allegation that Rt Hon Jeremy Hunt MP had registered late his interest in a property company and his interest in residential flats purchased through that company.

The Parliamentary Commissioner for Standards found that the interest in the company and property should have been registered sooner and that the failure to register it had been a breach of the Code of Conduct for MPs.

Rt Hon Jeremy Hunt MP said that he had misunderstood the rules in relation to the registration of interests in Parliament, and had, once the matter was brought to his attention, rectified his omission. He acknowledged this and apologised.

The Committee considered the outgoing lay members of the Commons Committee on Standards' proposal that MPs should be subject to criminal sanctions for a failure to register interests.<sup>57</sup> This would reflect provisions in the Localism Act 2011, which introduced criminal offences relating to registering or declaring interests, and which apply if a member knowingly or recklessly fails to register or declare a disclosable pecuniary interest, or participates in a meeting, vote, or decision when having such an interest.

Only one prosecution has taken place under the Localism Act 2011, in 2015. Those who provided evidence to the Committee's ongoing review of ethical standards in local government have been overwhelmingly of the view that these criminal sanctions are ineffective in practice.<sup>58</sup> This is because police forces are not familiar with the offence, and therefore do not pursue potential

cases presented to them, and are cautious about becoming involved in investigations that may have a strongly political element.

Evidence to the local government review also suggests that the offence is also widely perceived to be disproportionate. Therefore, the Committee has concluded that the introduction of a criminal offence in relation to the registration and declaration of interests would not be an effective or proportionate sanction.

In many cases where MPs have failed to register interests, MPs have not understood the process or thresholds for the registration of interests. Therefore, the introduction of clearer rules on the registration of interests should help to alleviate this problem.

### Accessibility of the Register of Interests

The registration of MPs' outside interests is an important vehicle for ensuring transparency to the public. There were nearly 13,000 visitors to the Register's website between 1 January and 31 March 2018.<sup>59</sup> However, the current format of the Register does not aid transparency.

'At the moment, if you were to try to figure out how much time your MP was spending on second jobs, you would have to go through something that is almost, in 21st century terms, akin to papyrus nailed to a notice board in the corridor, and go through and get your abacus out and starting totting up the amount of time that they spend.'

**Transparency International, Roundtable<sup>60</sup>**

56 Parliamentary Commissioner for Standards (2018) *Rectification – Mr Chris Williamson MP*. Available at: <https://www.parliament.uk/documents/pdfs/rectifications/Williamson.pdf>

57 House of Commons Committee on Standards Lay Members (2017) *Final Reflections of the first lay members at the end of their appointment period*. Available at: <https://www.parliament.uk/documents/commons-committees/Standards-Committee/Lay-members%27-report-final-report.pdf>

58 More details about the Committee's review of local government ethical standards is available at: <https://www.gov.uk/government/collections/local-government-ethical-standards>

59 Figures provided to the Committee by the Parliamentary Digital Service

60 Steve Goodrich, Transparency International, Roundtable, 15 March 2018



## Chapter 4 Transparency

The Register of Interests is currently online in the format of a 539-page PDF and a separate webpage for each member. The Register is difficult to read, difficult to search, and makes it almost impossible quickly to obtain information. In particular, it is difficult to search by industry, sector or company where MPs hold outside interests. It is also very laborious to review the historic interests of any individual Member, let alone across multiple MPs. Our own analysis of the Register required one researcher working for over 80 hours solely on this task, and others' analyses of the Register have also required a significant research effort.<sup>61</sup>

'A number of changes could be made to the register of members' interests in order to make it more comprehensive and robust. CSPL should consider creating an interactive online database, in order to make it easier to review the historic interests of a given MP. The public could then search the database and group interests by organisation as well as by MP.'

### Unlock Democracy, Sub. 98

'I would be very annoyed if an MP was pushing for something and we found out they had a vested interest in it [...] The normal person would not know if they had information or shares in a company.'

### Focus Group Participant

As a priority, the Register of Interests should be made digitally accessible. Government, Parliament and public bodies, should publish good information in intelligible and adaptable formats, not just data.<sup>62</sup>

Searches of the Register of Interests that are not currently possible, but should be under a new digitised Register, include:

- Has X ever worked for X company while in Parliament?
- How many MPs currently work in X sector?
- How much are MPs paid by X company per year?
- How many MPs work over X hours on outside interests?
- Has X held a directorship in X company while they've been in Parliament?

Some MPs we spoke to felt that the current arrangements were adequate to identify the interests of individual MPs. Others were surprised and concerned that the online registration of their interests was not easily accessible to the public, and raised the concern this could lead to a perception that MPs were not being transparent about their interests.

The current format of the Register of Interests is not fit for purpose and must be made more accessible. We also made this recommendation in our 2009 report – and it is surprising and highly regrettable that 9 years later the Register is still not fit for purpose.

### Recommendation 4:

**As a matter of urgency, the Register of Members' Interests should be updated to ensure it is digitally accessible to the public and other MPs.**

61 See, for example, Williams, M. (2016) *Parliament Ltd: A Journey to the Dark Heart of British Politics*, London: Hodder & Stoughton  
62 Committee on Standards in Public Life (2013) *Standards Matter: A review of best practice in promoting good behaviour in public life*. Cm 8519. Available at: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/228884/8519.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/228884/8519.pdf)



## Declaration of interests

### Rules on the declaration of interests

The MPs' Code of Conduct states that:

Members shall fulfil conscientiously the requirements of the House in respect of the registration of interests in the Register of Members' Financial Interests. They shall always be open and frank in drawing attention to any relevant interest in any proceeding of the House or its Committees, and in any communications with ministers, Members, public officials or public office holders.<sup>63</sup>

The Guide to the Rules states:

In any debate or proceeding of the House or its Committees or transactions or communications which a Member may have with other Members or with ministers or servants of the Crown, he shall disclose any relevant pecuniary interest or benefit of whatever nature, whether direct or indirect, that he may have had, may have or may be expecting to have.<sup>64</sup>

'[...] when issues were discussed in the House there was almost invariably at least one Member who had personal experience of the topic under discussion and Parliament benefitted from that wealth of knowledge. This did not present a particular problem as the Register of Members' interests carried declarations which were also reinstated and re-enforced at the start of debates and committee hearings.'

**Sir Roger Gale MP, Sub. 89**

If MPs do not declare an interest where someone believes they should have done so, anybody can make a complaint against an MP through raising their concern with the Parliamentary Commissioner for Standards. This depends, however, upon someone else noticing that the interest has gone

undeclared. The Registrar of Members' Interests does not have responsibility for checking to see if MPs have declared interests that are on the register.

The Guide to the Rules for MPs states that declarations must be informative but succinct. This can lead to some confusion for MPs, as some who have registered an interest may in their declaration just refer to their register entry without stating what that interest is. Such a reference is unlikely to suffice on its own, as the declaration must provide enough information to convey the nature of the interest without having to check the register.

In *Erskine May*, the guide to Parliamentary practice, Members are also encouraged to declare non-registrable interests which might be thought to influence them, including those which are below the registrable threshold, non-financial interests and interests of close family members. It is the responsibility of an MP, having a regard to the rules of the House, to judge whether a financial interest is sufficiently relevant to require declaration and they should consider 'if it might reasonably be thought by others to influence the Member's speech'.<sup>65</sup>

### Knowledge and understanding of the rules

The declaration of interests in Parliamentary business is rightly a matter of individual judgement and leadership from MPs. Upholding ethical standards requires public-office holders to show commitment to the Seven Principles of Public Life, and therefore be open and honest. However, such individual responsibility needs to be coupled with clarity and training so that individuals are provided the framework within which to uphold these standards.

The Committee has seen evidence that the norms and rules around declaring interests in Parliamentary debates and other proceedings are not as clear as they should be. The Parliamentary rules and guidelines in *Erskine May* are only available in hard copy, although the Committee

63 House of Commons (2015) *The Code of Conduct and Guide to Rules*. HC 1076. Available at: <https://publications.parliament.uk/pa/cm/cmcode.htm>  
64 House of Commons (2015) *The Code of Conduct and Guide to Rules*. HC 1076. Available at: <https://publications.parliament.uk/pa/cm/cmcode.htm>  
65 *Erskine May* 24th Edition. p.80



## Chapter 4 Transparency

welcomes proposals to move *Erskine May* online. Declarations of interests are not easily accessible to members of the public or MPs, as it is not easy to search through for Parliamentary debates for declarations of interests.

‘MPs pick up on the rules as they go along, but there should be more clarity. Registrations and declarations should be wide, but people don’t seem to understand that.’

**Oonagh Gay OBE, former Parliamentary researcher<sup>66</sup>**

Many declarations of interests in Parliamentary debates are informative and indicate a relevant interest. But some MPs see them as an opportunity to demonstrate knowledge on a subject, or are arbitrary and therefore undermine the important function of members of the public being informed as to whether an outside interest may influence an MP.

‘Too often, MPs just say ‘I refer the House to my interests as set out in the register’. Unless the MP is someone with well-known interests, most of the time other MPs won’t know what that interest is. In these cases, MPs are also not referring to which interest is relevant.’

**Lord Lisvane KCB DL<sup>67</sup>**

Example declarations of interest:

‘I should probably declare an interest, Mr Speaker, as I am an urban hobby beekeeper myself.’

*National Pollinator Strategy*, 18 June 2015<sup>68</sup>

‘I wonder whether the hon. Gentleman should declare his interest in having a bus pass, which, of course, the Conservatives promised—.’

*Better Bus Areas*, 7 November 2013<sup>69</sup>

‘I declare my interests as set out in the Register of Members’ Interests.’

*Data Protection Bill* (Fifth sitting), 20 March 2018<sup>70</sup>

‘As I have done in previous debates on this issue, I declare an interest in that my husband is a German national who has lived here for 30 years and works in the NHS.’

*EU Nationals in the UK*, 6 July 2016<sup>71</sup>

Notably, much of the debate of the 2015 debate in Parliament on Members’ Paid Directorships and Consultancies was based around how and whether Members should declare their outside interests.<sup>72</sup> The Speaker did not see it to be their role to prescribe whether members should list their interests or simply refer to the Register of Interests.

66 Oonagh Gay OBE, Individual Oral Evidence, 10 April 2018

67 Lord Lisvane KCB DL, Individual Oral Evidence, 9 May 2018

68 HC Deb 12 March 2014 Vol. 577 Col 125WH. Available at: [https://hansard.parliament.uk/Commons/2014-03-12/debates/1403125500001/RollingStock\(NorthOfEngland\)?highlight=declare%20interest#contribution-14031255000109](https://hansard.parliament.uk/Commons/2014-03-12/debates/1403125500001/RollingStock(NorthOfEngland)?highlight=declare%20interest#contribution-14031255000109)

69 HC Deb 7 November 2013 Vol. 570 Col 394. Available at: <https://hansard.parliament.uk/Commons/2013-11-07/debates/13110743000018/BetterBusAreas?highlight=declare%20interest#contribution-13110743000045>

70 HC Deb 20 March 2018 Vol. 161 Col 173. Available at: [https://hansard.parliament.uk/Commons/2018-03-20/debates/1c2cf90d-f85b-4724-af4b-bf05bb7be630/DataProtectionBill\(Lords\)\(FifthSitting\)?highlight=register%20interests#contribution-0EA506EE-35A9-4F17-8083-1BE9774A12D4](https://hansard.parliament.uk/Commons/2018-03-20/debates/1c2cf90d-f85b-4724-af4b-bf05bb7be630/DataProtectionBill(Lords)(FifthSitting)?highlight=register%20interests#contribution-0EA506EE-35A9-4F17-8083-1BE9774A12D4)

71 HC Deb 6 July 2016 Vol. 612 Col 967. Available at: <https://hansard.parliament.uk/Commons/2016-07-06/debates/A7672651-034E-4B66-9989-D4D2BFF179F0/EUNationalsInTheUK?highlight=husband%20interest#contribution-268EB58C-D19C-4ED9-8C5B-5E70FCCC792E>

72 HC Deb 6 July 2016 Vol. 612 Col 967. Available at: <https://hansard.parliament.uk/Commons/2015-02-25/debates/15022597000002/Members%E2%80%99PaidDirectorshipsAndConsultancies>



### Example of a failure to declare an interest

In 2015, Karl Turner MP failed to declare a relevant interest in tabling five written questions, participating in debates in the Chamber on five occasions and one Westminster Hall debate, relating to representation for defendants in criminal proceedings and the legal aid duty solicitor procurement process.

The relevant interest was his wife's employment as a part-time solicitor. At the time of these debates, Karl Turner MP's wife was a practising criminal lawyer. On one occasion, Turner referenced the firm his wife was working for.

During the dispute, Karl Turner MP said: 'I believe that the rules regarding former employment are extremely unclear and, therefore, difficult for Members of Parliament to adhere to'.

This case was investigated by the Parliamentary Commissioner for Standards, and then referred to the Commons Committee on Standards. The Commons Committee on Standards determined that Karl Turner MP should apologise to the House in writing.

For the transparency regime on outside interests to work effectively, MPs must be aware of how and when to declare interests as part of their engagement in Parliamentary proceedings. However, the rules and guidance on the declaration of MPs' outside interests is unclear, which leads to mixed practices in the declaration of interests.

### Recommendation 5:

**The Code of Conduct and Guide to the Rules for MPs should be revised to make clear when MPs do need to declare pecuniary and non-pecuniary interests, and what level of detail should be provided in declarations of interest.**

### Transparency of declarations

For the system of the declaration of interests to function effectively, members of the public and any other interested persons should be able to check to see whether and where interests have been declared.

Presently, this is not the case, as there is no way of effectively checking whether interests have been declared in Parliamentary proceedings. Given that MPs do not need to use a uniform phrase to declare an interest, it is not always possible to search Hansard to identify declarations of interests.

### Example declarations of interest:

*'I declare an interest as vice-chair since 1997 of the all-party parliamentary humanist group, and as an active member of the British Humanist Association.'*

*Marriage (Same Sex Couples) Bill, 21 May 2013<sup>73</sup>*

*'If I did not speak in it, my wife would be very angry, because she has been an entrepreneur for many years and has been very successful.'*

*Women Entrepreneurs, 18 March 2015<sup>74</sup>*

The transcript of all Parliamentary debates is published online, so a system could be developed to identify and flag wherever declarations of interest have been made by MPs. This would substantially improve the transparency and accountability of declarations.

### Recommendation 6:

**The Parliamentary Digital Service should develop and implement a digital tool to identify where MPs have declared interests during Parliamentary proceedings.**

73 HC Deb 21 May 2013 Vol 563 Col 1082. Available at: [https://hansard.parliament.uk/Commons/2013-05-21/debates/1305215600001/Marriage\(SameSexCouples\)Bill?highlight=declare%20interest#contribution-13052156000137](https://hansard.parliament.uk/Commons/2013-05-21/debates/1305215600001/Marriage(SameSexCouples)Bill?highlight=declare%20interest#contribution-13052156000137)

74 HC Deb 18 March 2015 Vol 594 Col 258WH. Available at: <https://hansard.parliament.uk/Commons/2015-03-18/debates/1503183800001/WomenEntrepreneurs?highlight=%22my%20wife%22#contribution-15031838000011>



## Gifts and hospitality

### Limits on accepting gifts and hospitality

The Committee has heard evidence that most MPs are inundated with approaches and requests from organisations and individuals. As part of this, MPs might be offered gifts and hospitality ranging from stationery from an organisation they have visited to free secretarial support. MPs regularly decline such approaches.

Some gifts and hospitality may be offered as an attempt to build a rapport or relationship with an MP in order to influence their decision making. MPs told us in evidence that they are unlikely to be persuaded by any offers of gifts and hospitality, as only organisations which know the MP is already sympathetic tend to provide such offers. However, where repeated offers of gifts and hospitality are offered and accepted, they can create at least a perception of a conflict of interest which can undermine the public's trust in the integrity of MPs.

For government ministers, the Ministerial Code states that:

Ministers should not accept any gift or hospitality which might, or might reasonably appear to, compromise their judgement or place them under an improper obligation.<sup>75</sup>

As the Committee recommended in its 2013 report, *Strengthening Transparency around Lobbying*, because of the potential for undue influence, MPs should reject all but the most insignificant offers of gifts and hospitality from lobbyists.

#### Recommendation 7:

**The Code of Conduct for MPs and Guide to the Rules should be updated to provide explicitly that Members should not accept any but the most insignificant or incidental gift, benefit or hospitality from lobbyists. Guidance should be offered on the limits of 'insignificant or incidental'.**

### Transparency of gifts and hospitality

Currently, any donations of gifts and hospitality must be registered if they are over £300 for the total of benefits from the same source in a calendar year. Registered gifts and hospitality are included in sections 3, 4 and 5 of the Register of Members' Interests. Given the existing difficulties with the accessibility of the Register of Interests this means that the registration of gifts and hospitality for MPs is not readily transparent to the public.

'It's important that we should be able to see gifts and hospitality. [...] The public should be able to see who accepts gifts and hospitality from which industry.'

**Dr Sarah Wollaston MP<sup>76</sup>**

Government ministers and special advisers are already required to maintain and publish an online register of gifts and hospitality. Gifts given to ministers in their ministerial capacity become the property of the government, unless they are of a value under £140 then they can be retained by the recipient.<sup>77</sup> All gifts and hospitality are kept in an online register. This practice should be extended to all MPs.

As the Committee recommended in its 2013 report on lobbying, a register of gifts and hospitality for MPs should be maintained and published regularly in an easily accessible format. This will bring Parliament in line with other public-sector organisations, where the registration of gifts and hospitality is now the norm.

75 Cabinet Office (2018) *Ministerial Code*. Available at: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/672633/2018-01-08\\_MINISTERIAL\\_CODE\\_JANUARY\\_2018\\_FINAL\\_\\_3\\_.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/672633/2018-01-08_MINISTERIAL_CODE_JANUARY_2018_FINAL__3_.pdf)

76 Dr Sarah Wollaston MP, Individual Oral Evidence, 21 March 2018

77 See Cabinet Office registers of ministerial gifts, hospitality, travel and meetings. Updated quarterly. Available at: <https://www.gov.uk/government/publications/cabinet-office-ministerial-gifts-hospitality-travel-and-meetings-january-to-march-2017>



The independent Parliamentary Commissioner for Standards and Commons Committee on Standards should recommend sanctions where MPs fail to register gifts, benefit or hospitality. This should follow the existing process for breaches of the Code of Conduct for MPs – through the Parliamentary Commissioner for Standards and the Commons Committee on Standards. An accessible, searchable, register of gifts and hospitality for MPs should be developed.

### Recommendation 8:

**The Code of Conduct for MPs and Guide to the Rules should be updated to state that MPs should register accepted gifts and hospitality. The register of MPs' gifts and hospitality should be published regularly and in an easily accessible format. The Parliamentary Commissioner for Standards and Commons Committee on Standards should have responsibility for sanctions should gifts or hospitality not be registered.**

## Transparency at elections

### Elections and ethical standards

In a Parliamentary democracy, the ultimate judge of whether an MP is performing their role successfully is the electorate. If voters feel that their MP is not upholding the appropriate standards of conduct, they can choose not to vote for them again.

The views of voters are clearly an important dimension of accountability for MPs and all elected public office holders. But they are not the only dimensions, and it should not be acceptable to assume approval for all conduct on the basis that an individual MP has been re-elected. As the Committee said in its 2013 report, *Standards Matter*:

Decisions about who to vote for are made on the basis of a number of considerations. It would be undesirable for the electorate to have to set aside the opportunity to express their wider political views at election time simply to express a view on a standards issue.<sup>78</sup>

Therefore, it is up to MPs, Parliament and government to address the issue of outside interests to help rebuild public trust in Parliament. Members of the public should have access to all of the information necessary to consider the outside interests of MPs. The system in place to regulate MPs' outside interests should also act to ensure that voters are able to make choices at elections about their policy and political views, not about actual or perceived standards issues.

### Elections and transparency

The first stage of transparency around outside interests is that voters should be able to find out whether Parliamentary candidates intend to continue any of their existing interests if elected. This information will enable voters to consider any outside interests when deciding which candidate to vote for.

In the responses to our public consultation, many members of the public highlighted the importance of transparency with voters during election campaigns, so that the electorate can make an informed decision on outside interests when casting their vote.

**'Almost 80% of respondents support the statement that outside interests are acceptable only if declared at the time of election.'**

**Professor Cees van der Eijk, British Election Study Survey**

78 Committee on Standards in Public Life (2013) *Standards Matter: A review of best practice in promoting good behaviour in public life*. Cm 8519. Available at: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/228884/8519.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/228884/8519.pdf)



## Chapter 4 Transparency

‘Providing there is transparency and full declarations of interest MP’s should be able to have outside interests.’

### Sub. 79

In 2009, the Committee recommended that all candidates at Parliamentary elections must publish, at nomination, a register of interests including their current employment and other paid jobs, and whether they intend to continue to hold them if elected. At that time, the Committee recommended that the Ministry of Justice should produce guidance for all candidates on declaring interests as part of their candidacy. This would be on a voluntary basis, but the political parties were encouraged to advise their candidates to declare any outside interests with their nomination papers.

After receiving further evidence on this issue, the Committee has determined that our 2009 proposal could have the negative, unintended consequence of discouraging some candidates from standing for election. If candidates have to register their current occupations those who are unemployed, for example, may feel discouraged from standing if they have to register this, and feel that their opponents will use their employment status against them in the campaign.

Therefore, we recommend that Parliamentary candidates should declare whether they intend to continue to maintain any outside interests if they are elected. For example, if a candidate is a GP and intends to continue practising if elected, they should declare this when registering their candidacy. This will enable voters to be fully informed about the outside interests of those seeking election.

In 2009, the Ministry of Justice held responsibility for the administration of elections, and therefore was responsible for implementing the Committee’s recommendation to put in place guidance on the voluntary registration of outside interests. This guidance was made accessible to candidates for the 2010 General Election. At the time there was cross-party consensus on the settlement that outside interests should be allowed as long as voters were aware of them when casting their vote. However, after responsibility for the administration of elections was handed to the Cabinet Office in June 2010, this guidance on a voluntary declaration of outside interests on nomination was not made available for the 2015 or 2017 General Elections. Therefore, the Cabinet Office should take forward this recommendation.

### Recommendation 9:

**All candidates at Parliamentary elections must publish, at nomination, whether they intend to continue to hold any existing interests if elected. The Cabinet Office should issue guidance on the registration of these outside interests in time for the next general election.**



# Chapter 5

## Undue influence

Debate and discussion is a fundamental and necessary part of our democracy, and MPs need to be open to new ideas and to hear the views of different groups including their constituents, campaign groups, their parties, and their colleagues. Open discussion, debate and influence are core tenets of our Parliamentary democracy. As we said in our 2000 report, *Reinforcing Standards*:

The democratic right to make representations to government – to have access to the policymaking process – is fundamental to the proper conduct of public life and the development of sound policy.<sup>79</sup>

However, this influence can be perceived to undermine representative democracy if some are permitted to have *undue* influence over the decision-making process in an attempt to undermine the integrity of Parliament. How those with vested interests who seek to shape policy making have access to power raises issues of transparency, accountability and equality of access.

'You're an MP you're already being paid to look after our best interests so you don't need to go to another company and get more money.'

**Focus Group Participant**

### Integrity

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.<sup>80</sup>

'The standards that we have tended to have were built when the boundaries of the state were very clear, but in the last 30 years we have had reforms that have made the state significantly more porous to business. [...] That means the possibility of conflicts of interest actually run pervasively through the policy making machinery, in a way that they simply did not 30 years ago.'

**Dr Abby Innes, Roundtable<sup>81</sup>**

The Committee's first report in 1995 sought to address what it saw as a link between MPs holding paid consultancies with public relations or lobbying firms which relate to their Parliamentary role (at that time 30% of backbench MPs) and a decline in public trust in the financial probity of MPs.<sup>82</sup>

Over 20 years on, we reconsider this issue and make recommendations to prevent MPs from being paid for lobbying, and ensure that former MPs register any lobbying activity they undertake up to two years after leaving office.

79 Committee on Standards in Public Life (2000) *Reinforcing Standards, Review of the First Report of the Committee on Standards in Public Life (Sixth Report)*. CM 4557. Available at: <https://www.gov.uk/government/publications/reinforcing-standards-summary>

80 Committee on Standards in Public Life (1995) *Seven Principles of Public Life*. Available at: <https://www.gov.uk/government/publications/the-7-principles-of-public-life/the-7-principles-of-public-life--2>

81 Dr Abby Innes, Roundtable, 15 March 2018

82 Committee on Standards in Public Life (1995) *MPs, Ministers and Civil Servants, Executive Quangos (First Report)*. Cm 2580-1. Available at: [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/336919/1stInquiryReport.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/336919/1stInquiryReport.pdf)



## Lobbying

### What is lobbying?

Lobbying is any action seeking to influence a legislator on an issue. This means that there is a broad spectrum of lobbying behaviour. Some lobbying activity is completely legitimate: when a constituent writes a letter to their MP, they are engaged in a form of lobbying. On the other hand, some lobbying activities are unlawful, or prohibited in the Code of Conduct for MPs, including being paid to advocate for a special interest. In the middle of this spectrum, there is lobbying activity which is not prohibited, but could bring undue influence to bear on the political system.

We have heard evidence that over the last 30 years a complex landscape of organisations and individuals seeking to influence MPs has emerged. This includes: public affairs experts, multi-client lobbying firms, in-house lobbyists (those who professionally engage in lobbying on behalf of a person or organisation), and consultant lobbyists (who are paid to lobby on behalf of a client, including include government relations employees and lawyers). Some of these individuals and organisations may seek to undertake activities which could be perceived to bring undue influence on the political system.

MPs must take individual responsibility for acting with integrity in the face of this complex landscape. The Committee is concerned about the potential for MPs' outside interests to increase the risk of lobbying activities leading to undue influence on MPs' decision making.

'There are some 4,000 people working professionally in the UK's £2 billion lobbying industry, making it the third largest in the world.'

**Transparency International<sup>83</sup>**

'... MPs are also lobbyists – their job is lobbying for us. Thus they must speak with other lobbyists all the time.'

**Sub. 92**

'People email us all the time, MPs need to be open about meeting people, hearing about the other side and engaging with everyone.'

**Valerie Vaz MP<sup>84</sup>**

The issue of lobbying is not confined to MPs. All public office holders are regularly approached by those who seek to influence them. These public office holders include ministers and MPs, but also Councillors, Police and Crime Commissioners, civil servants, and those involved in awarding contracts or making decisions on loans, permits and licences. It is important that members of the public, as well as those with expert knowledge, including businesses, charities and trade associations can influence, engage with, inform and advise decision makers.

Parliamentarians do, however, occupy a particular position of power. They can influence matters of public policy by speaking in or initiating parliamentary proceedings or through approaching other public officials. With that power comes a responsibility to ensure that representations made to them are held on the basis of equality of access. This is increasingly complex for MPs, given the interconnected and professionalised networks of those who seek to influence their decision-making.

### Current rules on lobbying in Parliament – 'paid advocacy'

The Code of Conduct for MPs states that 'no Member shall act as a paid advocate in any proceeding of the House.'<sup>85</sup> This means MPs may not speak in Parliament, vote, or initiate parliamentary proceedings for payment in cash or kind. MPs also may not make approaches to

83 Transparency International (2015) *Lifting the Lid on Lobbying: the hidden exercise of power and influence in the UK*. Available at: <http://www.transparency.org.uk/publications/liftthelid/>

84 Valerie Vaz MP, Individual Oral Evidence, 13 March 2018

85 House of Commons (2015) *The Code of Conduct and Guide to Rules*. HC 1076. Available at: <https://publications.parliament.uk/pa/cm/cmcode.htm>



ministers, other Members or public officials which would confer a financial or material benefit on a person or organisation with whom they have a financial relationship.<sup>86</sup>

These rules are designed to provide a balance to ensure that there is not an actual or perceived opportunity for MPs to be unduly influenced by any financial interest they may hold, but enable MPs to engage in Parliamentary business on subjects in which they have special knowledge or interest.

Between 1996 and 2002, MPs were banned from initiating any parliamentary proceeding that relates specifically and directly to the affairs and interests of the organisation or individual which gave them benefits in cash or kind. However, this ban was removed after it was highlighted by bodies, including the Committee, that this was overly restrictive and prevented some MPs from engaging in debates where they had particular interest or expertise. For example, former MP Tony Banks was provided with a researcher by an animal welfare charity because of his interest in animal welfare. But the provision of that benefit meant that he was unable to initiate any Parliamentary proceedings on animal welfare issues.<sup>87</sup>

The construction of the current rules mean that MPs are unable to engage on issues which would lead to a *financial or material impact on organisations or individuals from whom they have received benefits in cash or kind*. The Committee believes that, on balance, this is a suitable arrangement for MPs engaged in most forms of outside interests.

## Transparency around Lobbying

The Committee published its report *Strengthening Transparency Around Lobbying* in 2013. In that report, we made recommendations to those who are lobbied – including MPs and Select Committee Chairs – on how the ‘legitimate and potentially beneficial activity’ of lobbying can be ‘carried out transparently and ethically’.<sup>88</sup>

‘While we should not prevent people from engaging with parliamentarians, and I am not suggesting that companies should not lobby Government; we should know who is influencing, about what and ideally how much they are spending on lobbying activity.’

### Unlock Democracy, Roundtable<sup>89</sup>

In that 2013 report, the Committee made recommendations to all public office holders, including MPs, on how they can ensure that they are able to act openly and transparently while still being open to legitimate influence with transparency and equality of access.

The 2014 Transparency of Lobbying, Non-party Campaigning and Trade Union Administration Act introduced the provision of a Statutory Register of Consultant Lobbyists. Consultant lobbyists are defined as organisations and individuals who, in return for payment, correspond with a minister or Permanent Secretary to propose or modify government policy or legislation, develop or modify financial contracts or grants, or the discuss the function of government. The Statutory Register includes the name of lobbying organisations, their directors, and the Code of Conduct for the lobbying organisation.<sup>90</sup> Directors of organisations are liable for any breach of the lobbying rules as set out in the Act.

86 House of Commons (2015) *The Code of Conduct and Guide to Rules*. HC 1076. Available at: <https://publications.parliament.uk/pa/cm201516/cmcode/1076/1076.pdf>

87 Committee on Standards and Privileges (1998) Seventeenth Report of Session 1997–98, Complaint against Mr Tony Banks, HC 769. Available at: <https://publications.parliament.uk/pa/cm199798/cmselect/cmstnprv/769/76902.htm>

88 Committee on Standards in Public Life (2013) *Strengthening Transparency Around Lobbying*. Available at: <https://www.gov.uk/government/publications/strengthening-transparency-around-lobbying>  
See also: Bew, P. (2015), *The Committee on Standards in Public Life: Twenty Years of the Nolan Principles 1995–2015*. *The Political Quarterly*, 86: 411-418. Available at: [doi:10.1111/1467-923X.12176](https://doi.org/10.1111/1467-923X.12176)

89 Alexandra Runswick, *Unlock Democracy, Roundtable*, 15 March 2018

90 Further details about the Office of the Registrar of Consultant Lobbyists is available at: <http://registrarofconsultantlobbyists.org.uk/>



## Chapter 5 Undue influence

The Statutory Register has been criticised for its limited scope – both in terms of those who are lobbied and those who engage in the lobbying. The Register only applies to lobbying activities targeted at ministers, permanent secretaries and special advisers, and therefore does not include all MPs.

The Statutory Register also does not cover the vast majority of lobbyists and lobbying activity. The Association of Professional Political Consultants anticipated the Register would apply to around 1% of those who lobby professionally – as it only applies to those whose predominant professional activity is lobbying, and those who approach ministers or the most senior civil servants.<sup>91</sup> The Act does not cover in-house lobbyists (those who act as political consultants or advisers within companies or organisations), non-governmental organisations, or trade unions and associations. Additionally, the subject matter of the lobbying activity does not need to be registered.

The Committee shares the concerns about limits of the coverage and scope of the current Statutory Register, and will continue to keep an active watching brief on the issue of lobbying.

In addition to the Statutory Register, individual lobbyists who are not consultant lobbyists can Register with the UK Lobbying Register on a voluntary basis. This voluntary register, which is administered by the Chartered Institute of Public Relations (CIPR),<sup>92</sup> is for lobbying services: activities to influence government, or advises others how to influence government. This register is easy to search, and provides information on both individuals and organisations involved in lobbying, as well as those clients of those organisations.

The CIPR code of conduct states that signing the register means that the individual or organisation is:

- Accountable to a recognised industry code of conduct;
- Committed to conduct lobbying in plain view; and
- Committed to the common good of the lobbying profession.

### MPs' political consultancy: MPs as lobbyists?

MPs can receive payment for Parliamentary advisory services as long as any such positions are declared on the Register of Interests. Some MPs hold advisory positions for consultancies where they have been recruited to advise on political matters and Parliamentary procedure, or have established political consultancies themselves. Currently, in these circumstances, it is up to MPs to manage their outside interests so that they do not act as a 'paid advocate' for those organisations.

'There is a worrying scope for companies to be incentivised to hire MPs in a bid to secure undue influence over political decision-making, which is not addressed by existing standards.'

#### Unlock Democracy, Sub. 98

Outside employment which involves being paid to provide advice on Parliamentary affairs or how to influence Parliament is prohibited for Members of the House of Lords, Members of the Scottish Parliament and Members of the Welsh Assembly.<sup>93</sup> Due to the possibility for undue influence on the political system, representatives in each of these institutions are banned from being paid to provide Parliamentary advice. We recommend that the House of Commons should be brought in line with this practice.

91 Association of Professional Political Consultants (2015) *Response by the APPC to the Government's Consultation Paper*. Available at: <http://www.appc.org.uk/response-by-the-appc-to-the-governments-consultation-paper/>

92 The UK Lobbying Register is available at: <https://www.lobbying-register.uk/>

93 Transparency International (2015) *Accountable Influence: Bringing Lobbying Out of the Shadows*. Available at: <http://www.transparency.org.uk/publications/accountable-influence-bringing-lobbying-out-of-the-shadows/#.Wp5XzhPyh24>



## **Paid Advisory Services in the Lords, Scottish Parliament and Welsh Assembly**

### **Code of Conduct for Members of the House of Lords<sup>94</sup>**

The prohibition from accepting payment in return for parliamentary advice means that members may not act as paid parliamentary consultants, advising outside organisations or persons on process, for example how they may lobby or otherwise influence the work of Parliament. The following is not parliamentary advice:

- advice on public policy and current affairs;
- advice in general terms about how Parliament works; and
- media appearances, journalism, books, public lectures and speeches.

### **Code of Conduct for Members of the Scottish Parliament<sup>95</sup> and Welsh Assembly<sup>96</sup>**

Members:

- should not accept any paid work which would involve them lobbying on behalf of any person or organisation or any clients of a person or organisation;
- should not accept any paid work to provide services as a Parliamentary strategist, adviser or consultant, for example, advising on Parliamentary [*National Assembly for Wales*] affairs or on how to influence the Parliament [*the National Assembly for Wales*] and its members. (This does not prohibit a member from being remunerated for activity, which may arise because of, or relate to, membership of the Parliament, such as journalism or broadcasting, involving political comment or involvement in representative or presentational work, such as participation in delegations, conferences or other events.)

Transparency International conducted an analysis of the Register of Interests between 2014 and 2015 and found that 10% of the MPs had some kind of external advisory role on the board of an organisation. However, this includes non-political advisory roles as well as MPs advising on Parliamentary affairs.

Our analysis of the Register of Members' Interests suggests that 44 MPs are being remunerated for work as some form of adviser or consultant, although not all of these are political advisers. The clients for these services offered by MPs include industry bodies, legal or professional services organisations, and asset management companies.

94 House of Lords (2017) *Code of Conduct for Members of the House of Lords*. Available at:

<http://www.parliament.uk/documents/lords-commissioner-for-standards/HL-Code-of-Conduct.pdf>

95 The Scottish Parliament (2017) *Code of Conduct*. Available at: <http://www.parliament.scot/Parliamentaryprocedureandguidance/CCEd07201708.pdf>

96 National Assembly for Wales (2016) *Code of Conduct for Assembly Members and Associated Documents*. Available at: <http://www.assembly.wales/en/memhome/code-conduct-mem/Pages/guidance-lobbying.aspx>



## Chapter 5 Undue influence

In October 2017, four MPs received negative media comment for being paid for engaging with companies that participate in some lobbying activities.<sup>97</sup> Separately, in January 2018, an apparent sting investigation by The Sunday Times and Channel 4's Dispatches criticised three former ministers of being prepared to engage in paid consultancy on the UK's exit from the European Union (one of whom is still in Parliament).<sup>98</sup> This former minister, who is still in Parliament, was not investigated by the Lords Commissioner for Standards, as he was found to have 'underlined the point that he would not be willing to breach the Code and that he would want to take advice from the House authorities where necessary'.<sup>99</sup> These cases demonstrate how this complex system can lead to misunderstanding and a corrosion of public trust in MPs' involvement in outside interests and activities.

### Preventing MPs from becoming paid lobbyists

The involvement of MPs in this type of outside interests risks undue influence on our political system. MPs have an important responsibility to encourage people to engage in the work of Parliament and raise awareness of how Parliament works. However, this is part of their role as an MP and should not be remunerated separately or advantage some vested interests. If some MPs act as paid advisers or consultants on political and Parliamentary business to outside individuals, organisations, or companies, there is heightened chance of conflicts of interest arising.

'I'm not opposed to lobbying in its broadest sense: everyone should have the right to present their views and interests to Parliamentarians. But MPs should certainly not be expecting, demanding or receiving payment for listening.'

**Peter Bradley, former MP<sup>100</sup>**

'I was a campaigns officer, and was involved in lobbying for organisations which sought to influence government policy. I chose to resign my role immediately when I became an MP, it would not have been appropriate for me to have even served even a professional notice period.'

**Patrick Grady MP<sup>101</sup>**

Where MPs are engaging in paid political or Parliamentary advisory or consultancy work, they are potentially perpetuating the public concern that MPs are using their public office for personal gain by taking on roles which they have only been awarded because they are an MP. Political advisory and consultancy services, which amounts to a minority of the outside work MPs undertake, risks tainting public perception of all MPs, in particular in relation to conflicts of interest.

'They have gone there in the full knowledge that they are entering public service and that they are not there to 'feather their nests' by doing lucrative 'second jobs' which in the main they have only got from their status as MPs.'

**Sub. 42**

97 Daily Mail (15 October 2017) *Revealed: The MPs and peers who are defying call to crack down on lobbying firms and cash in on giving firms access to Parliament*. Available at: <http://www.dailymail.co.uk/news/article-4981298/MPs-peers-working-lobbying-companies-revealed.html>

98 The Times (28 January 2018) *Andrew Lansley, Peter Lilley and Andrew Mitchell ride Brexit gravy train*. Available at: <https://www.thetimes.co.uk/article/andrew-lansley-peter-lilley-and-andrew-mitchell-ride-brex-it-gravy-train-mgh6c2z28?shareToken=e2d4fa935f1106e1c578b4c24d809913>

99 Lords Commissioner for Standards (2018) *Matters under inquiry by the Commissioner*. Available at: <https://www.parliament.uk/mps-lords-and-offices/standards-and-financial-interests/house-of-lords-commissioner-for-standards-/house-of-lords-commissioner-for-standards-/current-inquiries/>

100 Peter Bradley, Individual Oral Evidence, 21 March 2018

101 Patrick Grady MP, SNP Westminster Group Chief Whip, Individual Oral Evidence, 13 March 2018



The Committee considered this issue in its first report (1995):

If a Member is engaged to advise a client on Parliamentary matters affecting the client, and is at the same time free to speak, lobby and vote on those same matters in the House, it is not merely possible but highly likely that the Member will use Parliamentary opportunities in a way consistent with that advice.<sup>102</sup>

However, at that time, the Committee determined that it would not be practical to introduce a ban on MPs taking up such employment, or to prevent MPs from engaging in votes or debates where they have a related agreement with a client. At that time, three fifths of MPs held such arrangements and it was considered that this would create too much of a disruption to Parliamentary business. While it is not possible to determine the exact number of MPs who engage in political consultancy in particular due to the lack of clarity in the Register of Interests, there are now substantially fewer MPs engaging in such arrangements. Therefore, it is now practicable to introduce a restriction on MPs engaging in political advisory or consultancy roles as an outside interest.

The Association of Professional Political Consultants' (APPC) Code of Conduct states that member organisations and political practitioners must not:

- Employ any MP, MEP, Member of the House of Lords or any member of the Scottish Parliament or the National Assembly of Wales or the Northern Ireland Assembly;
- Make any award or payment in money or in kind (including equity in a member firm) to any MP, MEP, Peer or to any member of the Scottish Parliament or the National Assembly of Wales or the Northern Ireland Assembly, or to connected persons or persons acting on their account directly or through third parties.

Best practice in relation to political consultancies should be taken up by all organisations seeking to employ MPs to provide advice on lobbying Parliament.

**Recommendation 10:**

**The Code of Conduct for MPs and Guide to the Rules should be updated to state:**

**MPs should not accept any paid work to provide services as a Parliamentary strategist, adviser or consultant, for example, advising on Parliamentary affairs or on how to influence Parliament and its members.**

**MPs should never accept any payment or offers of employment to act as political or Parliamentary consultants or advisers.**

**Conflicts of interest and engagement in debates**

The Committee also considered the possibility that MPs should recuse themselves from votes where they have a direct pecuniary interest, which was also considered when the Committee undertook its first review in 1995.

MPs are required to determine whether outside interests may influence their political judgment and lead to an actual or perceived conflict of interest, they must then register and declare the interest. There are no rules against MPs voting on an issue where they have a direct interest, many MPs will vote on matters without having taken part in the preceding debate, and therefore any relevant declaration of interest will not be on record.

The idea of MPs recusing themselves from votes where they have a direct financial interest would bring Parliament in line with other areas of public life. This includes local government, where individuals are required to recuse themselves from official business where they have a direct pecuniary interest.<sup>103</sup>

102 Committee on Standards in Public Life (1995) *MPs, Ministers and Civil Servants, Executive Quangos (First Report)*. Cm 2580-1. Available at: <https://www.gov.uk/government/publications/mps-ministers-and-civil-servants-executive-quangos>

103 Localism Act 2011. Section 31. Available at: <http://www.legislation.gov.uk/ukpga/2011/20/section/31/enacted>



## Chapter 5 Undue influence

However, the idea of MPs recusing themselves from debates based on any outside interests poses a number of challenges. Due to the representative role of MPs, if MPs were required to recuse themselves from some votes their constituents would not be represented in the decision-making process. This would be particularly problematic where MPs may hold pecuniary interests in their constituency, such as rental income. Therefore, it would be more likely that voters are not represented in issues in their local community.

Further, logistically this would require extensive calculations as to who could and could not vote on a particular issue. Votes are often called at short notice, and therefore these judgments on recusal would need to be made very quickly. The implications of these decisions could determine the outcome of a vote.

We have seen evidence of MPs with outside interests who effectively and actively manage any conflicts which arise by considering how they engage in debates related to those interests.

The Committee concludes that it would not be practical or proportionate for MPs to be required to recuse themselves from votes on which they have a pecuniary interest. The package of reforms recommended in this report will increase transparency around outside interests, and therefore the registration and declaration of interests will be much more thorough. The most problematic outside interests in terms of conflicts of interests – Parliamentary consultancies – will be prohibited.

MPs should, however, show leadership in being proactive to ensure that they meet the requirements to register and declare their interests, and by managing any conflicts of interest that may arise in accordance with the Seven Principles of Public Life.

### Former MPs engaging in lobbying

Another area where undue influence may come to bear with outside interests is the potential for MPs to move onto careers that bring them in contact with their former colleagues in a lobbying capacity.

At present, there are no restrictions or requirements of registration of former MPs who engage in lobbying once they have left Parliament. This can lead to the actual or perceived risk that imminently retiring MPs could be influenced by the prospect of becoming a paid lobbyist. It can also lead to a concern that MPs will exploit their recent Parliamentary and government contacts developed in their role as an MP for subsequent personal financial gain.<sup>104</sup>

In 2012, the then Parliamentary Commissioner for Standards recommended that a provision should be included in the Code of Conduct for MPs that former MPs must abide by restrictions on paid advocacy for two years after their departure from Parliament in respect of any approach they make to ministers, MPs or public officials.<sup>105</sup>

This would require that for two years after leaving Parliament, former MPs should register with the Parliamentary Commissioner for Standards any occupation or employment for which they receive reward or compensation which involves them or their employer in contact with ministers, MPs or public officials. Former MPs should then not make approaches to ministers, MPs or public officials in such a way that would confer a financial or material benefit on a person or organisation with which they have a financial relationship. Former MPs who hold a Parliamentary pass should also adhere to the conditions for those passes which explicitly prohibit them from using these passes for the purpose of lobbying.<sup>106</sup>

104 This concern was raised by the then Parliamentary Commissioner for Standards in 2012. See House of Commons Committee on Standards and Privileges (2012) *Proposed Revisions to the Guide to the Rules relating to the Conduct of Members*. HC 636. Available at: <https://publications.parliament.uk/pa/cm201213/cmselect/cmstnprv/636/636.pdf>

105 House of Commons Committee on Standards and Privileges (2012) *Proposed Revisions to the Guide to the Rules relating to the Conduct of Members*. HC 636. Available at: <https://publications.parliament.uk/pa/cm201213/cmselect/cmstnprv/636/636.pdf>

106 See: <https://www.parliament.uk/site-information/foi/transparency-publications/hoc-transparency-publications/former-mp-passes/>



The former Parliamentary Commissioner's proposals would effectively create a register of former MPs whose new roles require them or their employer to be engaged in lobbying ministers, MPs or public officials.

The Commons Committee on Standards considered this recommendation, as well as the option for a six-month registration threshold. However, the Commons Committee on Standards determined that this would be too restrictive, as the rules on engaging in lobbying after leaving public employment are not even so strict for former ministers and civil servants under the Business Appointment Rules, as ACoBA can recommend a reduction in these rules if they consider this to be justified.

On the one hand, provisions regarding former MPs engaging in lobbying could form an important part of ensuring that the political system is not open to undue influence. MPs should not be engaging in Parliamentary business in such a way to further their personal interests after their political career. On the other hand, any system to regulate what MPs do after they leave Parliament must be proportionate, or it could have the effect of discouraging some people who may seek to stand for Parliament in the future.

The Parliamentary Commissioner for Standards and Commons Committee on Standards should reconsider whether former MPs should register with the Parliamentary Commissioner for Standards any occupation or employment which involves them or their employer being in contact with ministers, MPs or public officials.

#### Recommendation 11:

**The Parliamentary Commissioner for Standards and Commons Committee on Standards should reconsider whether the Code of Conduct for MPs should be updated to require former MPs to register for two years any occupation or employment which involves them or their employer in contact with Ministers, MPs or public officials.**

More broadly, this review has raised a number of issues in relation to the post-public employment of MPs and ministers, including the current operation of the Business Appointment Rules owned by the Cabinet Office. While outside the scope of this review, evidence received by the Committee suggests that there may be standards issues arising from how these rules are designed and structured, including the resources and remit of the Advisory Committee on Business Appointments (ACoBA) which advises senior public office holders on appointments under these Rules.

The Committee made recommendations in relation to ACoBA and the Business Appointment Rules in its 2009 report on MPs' expenses and allowances and 2013 report on lobbying. In 2013, we recommended that government should consider taking a risk-based approach to the extension of the Business Appointment Rules to all public office holders. While outside the scope of this review, the Committee will actively monitor the issue of the potential for conflicts of interest to arise in the post-public employment of public office holders.



# Chapter 6

## Taking responsibility for the Code of Conduct for MPs

Once per Parliament, the Parliamentary Commissioner for Standards undertakes a review of the Code of Conduct for MPs and Guide to the Rules, and can make recommendations for revisions. These recommendations are then considered by the House of Commons Committee on Standards, which is comprised of seven MPs and seven lay members. The lay members do not have voting rights but can publish dissenting opinions alongside the reports of the Committee.

Based on this review, the Commons Committee on Standards can decide to accept or reject the Parliamentary Commissioner for Standards' recommendations, and then proposes a revised Code of Conduct for MPs to be voted on in Parliament.

Any revisions to the Code of Conduct must be voted on by Parliament as whole because the conduct of MPs is covered by parliamentary privilege. This means that matters of MPs' employment can only be determined by MPs or the House authorities, in order to ensure that MPs cannot be constrained by government, and Parliament is able to remain independent. It is up to the Leader of the House of Commons to make time in Parliamentary business for the revised Code of Conduct for MPs to be voted upon.

The process for revisions to the Code of Conduct requires many actors to take responsibility for the issue of Parliamentary standards, and set it as a priority. At present, the Committee has seen evidence that there is a potential for too many delays in this process. The Parliamentary Commissioner for Standards' reports on the Code of Conduct are not considered by the Commons Committee on Standards in good time, and it can

take even longer for government to give time for MPs to vote on any revisions.

As part of this review, the Committee has identified several areas where the Code of Conduct for MPs and Guide to the Rules must be changed and updated. Given the importance and salience of the issue of outside interests, these changes must be considered and implemented by Parliament in a timely manner. This will depend on more effective working arrangements between these bodies.

Therefore, we recommend that the Commons Committee on Standards should consider the recommendations for changes to the Code of Conduct and Guide to the Rules arising from this report within 6 months from publication of this report (January 2019). They should be debated and voted on in Parliament within 9 months of publication of this report (March/April 2019).

### Recommendation 12:

**The Parliamentary Commissioner for Standards and the Commons Committee on Standards should consider the recommendations for changes to the Code of Conduct and Guide to the Rules arising from this report within 6 months from publication. They should be debated and voted on in Parliament within 9 months.**



# Appendix 1

## About the Committee

The Committee on Standards in Public Life is an advisory non-departmental public body sponsored by the Cabinet Office. The Chair and members are appointed by the Prime Minister.

The Committee was established in October 1994, by the then Prime Minister, with the following terms of reference: *'To examine current concerns about standards of conduct of all holders of public office, including arrangements relating to financial and commercial activities, and make recommendations as to any changes in present arrangements which might be required to ensure the highest standards of propriety in public life.'*

The remit of the Committee excludes investigation of individual allegations of misconduct.

On 12 November 1997, the terms of reference were extended by the then Prime Minister: *'To review issues in relation to the funding of political parties, and to make recommendations as to any changes in present arrangements.'*

The terms of reference were clarified following the Triennial Review of the Committee in 2013. The then Minister for the Cabinet Office confirmed that the Committee *'should not inquire into matters relating to the devolved legislatures and governments except with the agreement of those bodies'*, and that *'the Government understands the Committee's remit to examine 'standards of conduct of all holders of public office' as encompassing all those involved in the delivery of public services, not solely those appointed or elected to public office'*.

The Committee is a standing committee. It can not only conduct inquiries into areas of concern about standards in public life, but can also revisit those areas and monitor whether and how well its recommendations have been put into effect.

Membership of the Committee, as of July 2018:

- Lord (Paul) Bew, Chair
- Rt Hon Dame Margaret Beckett DBE MP
- Simon Hart MP
- Dr Jane Martin CBE
- Professor Dame Shirley Pearce DBE
- Jane Ramsey
- Monisha Shah
- Rt Hon Lord (Andrew) Stunell OBE

To avoid any actual or perceived conflict of interest, the three political members of the Committee on Standards in Public Life did not take part in drawing conclusions or formulating the recommendations of this review. The conclusions and recommendations were formed by the independent members of the Committee and the independent Chair.

The political members did, however:

- Receive copies of all evidence submitted to the committee. The evidence will be publicly available to anyone through the Committee's website.
- Make themselves available to act as a source of information to the Committee on relevant Parliamentary issues.
- Help facilitate any discussions with their political parties which may be appropriate as part of the inquiry.

The Committee is assisted by a Secretariat consisting of Amy Austin (Office Manager), Lesley Bainsfair (Secretary to the Committee), Ally Foat (Senior Policy Adviser), Dee Goddard (Senior Policy Adviser) and Stuart Ramsay (Senior Policy Adviser). Press support is provided by Maggie O'Boyle. Papz Apolinario, University of Sussex, provided support for the analysis of the Register of Members' Financial Interests.



# Appendix 2

# Methodology

## Methods

In order to examine these issues, the Committee used a range of methods, including:

- A public call for evidence
- A roundtable discussion with a number of interested academics and stakeholders
- 25 meetings with current and former Parliamentarians, and other interested stakeholders
- Public opinion research including focus groups and a survey
- Desk-based research.

## Call for evidence

The Committee held a public call for evidence, which invited submissions from anyone with an interest in these issues. The call for evidence was open from 30 March 2017 to 13 September 2017. We received 83 responses to this consultation.

The Committee invited comment on four key themes:

- What factors should be taken into account in determining the 'reasonable limits' on MPs' outside interests?
- How and whether outside interests for MPs could lead to actual or potential conflicts of interest. Does this apply differently for MPs, ministers and ex-ministers, Chairs of Select Committees and other MPs holding Parliamentary roles?
- Whether there is sufficient transparency around MPs' outside interests, and how openness can be promoted.
- Whether there needs to be new rules or guidance on MPs' outside interests, and how any new arrangements could be implemented.

## Roundtable

The Committee held a roundtable discussion on 25 March 2018 with a range of academics and representatives from think tanks and stakeholder organisations.

List of Attendees:

- Lord Bew, Chair, Committee on Standards in Public Life
- Stuart Bruce, Chartered Institute of Public Relations
- Dr Dominic Burbidge, University of Oxford
- Professor Rosie Campbell, Birkbeck, University of London
- Professor Cees van der Eijk, University of Nottingham, CSPL Research Advisory Board
- Professor Matthew Flinders, Crick Centre for the Public Understanding of Politics
- Jon Gerlis, Chartered Institute of Public Relations
- Steve Goodrich, Transparency International UK
- Simon Hart, Committee on Standards in Public Life
- Gwen Harrison, Office of the Parliamentary Commissioner for Standards (observing)
- Professor Robert Hazell, Constitution Unit, UCL
- Dr Abby Innes, LSE
- Professor Gillian Peele, Lady Margaret Hall, University of Oxford
- Professor Mark Philp, University of Warwick, CSPL Research Advisory Board Chair
- Jane Ramsey, Committee on Standards in Public Life
- Rt Hon Peter Riddell CBE, Commissioner for Public Appointments
- Dr Jonathan Rose, De Montfort University
- Alexandra Runswick, Unlock Democracy
- Monisha Shah, Committee on Standards in Public Life
- John Sills, Independent Parliamentary Standards Authority
- Rt Hon Lord Stunell OBE, Committee on Standards in Public Life



## Individual meetings

The Committee held 25 interviews with individuals and representative organisations.

Name	Role, Organisation
Rt Hon Sir Kevin Barron MP	Chair, Commons Committee on Standards
Rt Hon John Bercow MP	Speaker of the House of Commons
Rt Hon Lord Blunkett	Former Minister
Peter Bradley	Former Member of Parliament
Rt Hon Tom Brake MP	Liberal Democrat Shadow Leader of the House of Commons
Baroness Browning	Chair, Advisory Committee on Business Appointments and Former Minister
Rt Hon Ken Clarke QC MP	Former Minister
Sir Ivor Crewe	University of Oxford
Ruth Evans	Chair, IPSA
Oonagh Gay OBE	Former Parliamentary Researcher
Preet Kaur Gill MP	Shadow Minister
Patrick Grady MP	SNP Westminster Group Chief Whip
Rt Hon Lord Hague	Former Minister
Rt Hon Andrea Leadsom MP	Leader of the House of Commons
Lord Lisvane KCB DL	Former Clerk of the House of Commons
Rt Hon George Osborne CH	Former Member of Parliament
Dr Philip Lee MP	Former Minister
Rt Hon James Purnell	Former Member of Parliament
Kathryn Stone OBE	Parliamentary Commissioner for Standards*
Valerie Vaz MP	Shadow Leader of the House of Commons
Dr Sarah Wollaston MP	Chair of the Liaison Committee and Health and Social Care Select Committee
Professor Tony Wright	Former Member of Parliament
Parliament and Constitution Centre	House of Commons Library
	Parliamentary Digital Service
	Office of the Registrar of Members' Interests**

\* Introductory meeting between the Committee and the newly appointed Parliamentary Commissioner for Standards, where the issue of MPs' outside interests was also discussed.

\*\* Consulted on factual matters in relation to the rules for the registration of interests.

## Public opinion research

A survey of public opinion was fielded by YouGov between Monday 23 and Wednesday 25 April 2018. 3,309 respondents were asked to choose between 5 pairs of hypothetical MPs with and without outside interests. This project was co-organised with Professor Rosie Campbell (Birkbeck, University of London) and Professor Philip Cowley (Queen Mary, University of London), and co-funded by the Mile End Institute at Queen Mary, University of London. A summary of the results of the survey is available online.<sup>107</sup>

The two indicative representative focus groups on MPs' outside interests were held on 3 May 2018. One group consisted of 8 individuals aged 45 to 64 years, and the second group was comprised of 10 individuals aged 25 to 44. The focus groups were held in Windsor by DeltaPoll. A summary of the focus groups is available online.<sup>108</sup>

107 *MPs' outside interests - Summary of conjoint survey experiment analysis.* Available at: <https://www.gov.uk/government/collections/mps-outside-interests>

108 *MPs' outside interests - Summary of focus groups.* Available at: <https://www.gov.uk/government/collections/mps-outside-interests>





**Committee on Standards in Public Life**

Room GC.07, 1 Horse Guards Road, London SW1A 2HQ

Tel: 020 7271 2948

Email: [public@public-standards.gov.uk](mailto:public@public-standards.gov.uk)

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