



Ref: 2505am

25 May 2000

HOUSE OF COMMONS  
LONDON SW1A 0AA

Sir Anthony Merifield KCVO CB  
Ceremonial Officer  
Cabinet Office  
Ashley House  
2 Monck Street  
LONDON  
SW1P 2BQ

Dear Sir Anthony

Thank you for your letter of 19 May.

I would simply ask again: how will the Scrutiny Committee, or any other body other than the Conservative Party which has a vested interest in this matter, know if and when Michael Ashcroft has fulfilled the conditions imposed by the PHSC on his peerage?

I look forward to hearing from you.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Paul', written in a cursive style.



CEREMONIAL BRANCH

Gay Catto, Ceremonial Officer

CABINET  
OFFICE

Ashley House • 2 Monck Street • London SW1P 2BQ  
TELEPHONE: 020-7276 2770 • FAX: 020-7276 2766 • E-MAIL: gcatto@cabinet-office.x.gsi.gov.uk

Mr Peter Bradley MP  
House of Commons  
London SW1A 0AA

1 June 2000

Dear Mr Bradley

Thank you for your letter of 25 May to Sir Anthony Merifield, whom I have now succeeded as Ceremonial Officer.

I do not think there is much that I could add to what Sir Anthony said in his letter of 19 May. Mr Ashcroft has given his clear and unequivocal assurance that he will take up permanent residence in the United Kingdom before the end of 2000, and that he will be introduced into the House of Lords only after taking up that residence. These undertakings have been endorsed by the Leader of the Conservative Party. As Sir Anthony said, given the arrangements for the appointment and summons of Life Peers the Political Honours Scrutiny Committee has no reason to doubt that the undertakings will be fulfilled.

Yours sincerely

G. Catto

GAY CATTO



Ref: 0606gc

7 June 2000

HOUSE OF COMMONS  
LONDON SW1A 0AA

Gay Catto  
Ceremonial Officer  
Cabinet Office  
Ashley House  
2 Monck Street  
LONDON  
SW1P 2BQ

*Dear Mr Catto*

Thank you for your letter of 1 June. Congratulations on your appointment.

However, I simply do not understand the point that Sir Anthony and now you are making: why has the PHSC "no reason to doubt" that the undertakings which Michael Ashcroft and William Hague have made will be fulfilled?

As you know, I have argued that if you have established conditions on Mr Ashcroft's peerage, it could reasonably be said to follow that you will also have established means of assessing whether those conditions have been fulfilled.

Am I to understand that you are in fact content simply to rely on what amounts to a 'gentleman's agreement' with Messrs Ashcroft and Hague?

I hope that you will understand that I am not seeking at this stage to re-press the points which I have made in my previous letters but simply seeking clarification from you of the Committee's position.

I look forward to hearing from you.

Yours sincerely



CEREMONIAL BRANCH

Gay Catto, Ceremonial Officer

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The Rt Hon Lord Thomson of Monifieth KT

ADDRESS  
REDACTED

14 June 2000

Dear Lord Thomson

**MICHAEL ASHCROFT**

Mr Ashcroft's affairs now seem to be on the move. I enclose a copy of a draft letter which the Clerk of the Crown is proposing to send to the Opposition Chief Whip, who has acted as an intermediary with Mr Ashcroft, to confirm their joint understanding of the position in relation to Mr Ashcroft's undertaking to the Leader of the Opposition. As you will see, if he receives a satisfactory reply, the Clerk of the Crown would then expect to take the steps which would lead to Mr Ashcroft's Introduction to the House.

The Clerk of the Crown has asked me, before he sends his letter, to confirm with the Political Honours Scrutiny Committee that what is proposed is in line with the Committee's expectations. I would therefore be most grateful if you could let me know whether you are content for the letter to go off. I understand that Mr Ashcroft expects to be in a position to be deemed resident later this month, so it would be helpful to have as early a reply as possible.

I am writing in similar terms to Lord Hurd and Baroness Dean.

Yours sincerely

G Catto

**GAY CATTO**



CEREMONIAL BRANCH

Gay Catto, Ceremonial Officer

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The Rt Hon Lord Hurd of Westwell CH CBE  
Hawkpoint Partners Ltd  
Crosby Court  
4 Gt St Helens  
London EC3A 6HA

14 June 2000

*Dear Lord Hurd*

**MICHAEL ASHCROFT**

Mr Ashcroft's affairs now seem to be on the move. I enclose a copy of a draft letter which the Clerk of the Crown is proposing to send to the Opposition Chief Whip, who has acted as an intermediary with Mr Ashcroft, to confirm their joint understanding of the position in relation to Mr Ashcroft's undertaking to the Leader of the Opposition. As you will see, if he receives a satisfactory reply, the Clerk of the Crown would then expect to take the steps which would lead to Mr Ashcroft's Introduction to the House.

The Clerk of the Crown has asked me, before he sends his letter, to confirm with the Political Honours Scrutiny Committee that what is proposed is in line with the Committee's expectations. I would therefore be most grateful if you could let me know whether you are content for the letter to go off. I understand that Mr Ashcroft expects to be in a position to be deemed resident later this month, so it would be helpful to have as early a reply as possible.

I am writing in similar terms to Lord Thomson and Baroness Dean.

*Yours sincerely,*

*Gay Catto*

GAY CATTO

DRAFT

June 2000

The Right Honourable  
James Arbuthnot Esq MP  
Opposition Chief Whip  
House of Commons  
LONDON  
SW1A 0AA

**MICHAEL ASHCROFT**

I am writing, as we agreed, to confirm our understanding of Michael Ashcroft's position in relation to the undertaking he gave to the Leader of the Opposition in connection with his Peerage.

You explained that Mr Ashcroft would complete Inland Revenue Form P86 (Arrival in the UK) giving as his reasons for taking up residence in the UK, the fact that he was to take up a seat in the House of Lords and that his contract for services to the various companies with which he is involved would be based in the UK. His income under those contracts would, therefore, be sourced in the UK and subject to UK tax. Mr Ashcroft does not believe that his domicile for tax purposes is relevant to the question of his Peerage, having undertaken to be *resident* in the UK. Paragraph 3.1 of the Inland Revenue's guidance "Coming to the UK" states that a person is treated as resident and ordinarily resident if he intends to come to the UK to live here permanently. Mr Ashcroft has said that he will live in the UK indefinitely and will, therefore, be a long-term resident here.

I should be grateful if you could write to confirm that you agree with my understanding of the position and that the Leader of the Opposition is satisfied that the action adequately meets the terms of his undertaking to take up permanent residence in the UK. If so, I shall invite Mr Ashcroft to discuss his title with Garter King of Arms and I will set in motion the process for Letters Patent and Introduction on a date to be agreed between him and the Crown Office.

16 June 2000

## Ashcroft to be asked about funds

Michael Ashcroft, the Tory treasurer, is facing a televised Commons cross-examination over allegations that the party has misused public funds.

The Select Committee on Public Administration is set to begin an inquiry into how the Conservatives spend their £3.4 million annual subsidy of so-called "Short money", which is supposed to be used solely for parliamentary research. It follows concerns endorsed by Lord Neill of Bladen, the chairman of the Committee on Standards in Public Life, that the cash is funding party political activity at Tory headquarters.

From: Lord Thomson

To: Mrs Gay Catto

18<sup>th</sup> June

Michael Ashcroft

Baroness Dean and I would like further clarification in relation to Clerk of Crown's draft letter to James Arbuthnot before agreeing to proceed with Ashcroft's working peerage.

Earlier correspondence (29 Feb 2000) from Ashcroft's solicitors to Arbuthnot indicated many significant issues to be addressed in relation to becoming resident in Britain. (Allen & Overy to Arbuthnot). We were given to understand end of year earliest for resolving these "issues which are complex in nature". Have these now been resolved so much earlier than expected? Can we have an assurance from Mr Ashcroft's solicitors?

Our letter to Hayden Philips (? May 2000) asked for letter relating to both IR Form P86 (Arrival in UK) and IR Doms (Domicile). Mr Ashcroft claims he does not believe his domicile for tax purposes is relevant to question of his peerage. What is our view about setting aside this second condition? Will Mr Ashcroft if enabled to make his Introduction into the House as a working peer be able to fulfil the assurance he gave us to the satisfaction of the Inland Revenue of his status as a UK Taxpayer?

The announcement in the Birthday Honours of Michael Ashcroft's Knighthood awarded by the Govt of Belize outside the jurisdiction of the PHSC (of which I had no advance notice) makes it important that the PHSC can be assured that its conditions have been met before we can confirm to the Clerk to the Crown that we can agree to his writing to Mr Arbuthnot as proposed.





CEREMONIAL BRANCH

Gay Catto, Ceremonial Officer

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Mr Peter Bradley MP  
House of Commons  
London SW1A 0AA

21 June 2000

Dear Mr Bradley

Thank you for your letter of 7 June.

I am afraid that I can only repeat what I said in my letter of 1 June about the arrangements for the appointment and summons of Life Peers. These are such that the Political Honours Scrutiny Committee is content to rely on the undertakings given by Mr Ashcroft and the Conservative Party Leader. The fact that these undertakings were made public is a further safeguard.

Yours sincerely

Gay Catto

**GAY CATTO**



ASHCROFT  
'should  
not hope  
for front  
bench'

27/6/00

By Roland Watson  
Chief Political Correspondent

SIR MICHAEL ASHCROFT, the controversial Conservative Party treasurer, had a question mark put against his role in the House of Lords yesterday by his prospective boss.

In a highly unusual comment, Lord Strathclyde, the Tory leader in the Lords, warned Sir Michael, before he had taken up his peerage, that he should not expect a front-bench post. Lord Strathclyde said the front bench was "not for everybody". He made it clear that he expected Sir Michael to "come and sit on the back benches".

When questioned about Sir Michael's prospects in the Lords, he told BBC Online: "The front bench is not for everybody. Quite a lot of people want to do it, very few are good at it. I think he will continue in his role as treasurer of the party but he will just come and sit on the back benches. I don't think he will be looking for a frontbench role."

Although not all new arrivals in the Upper House harbour hopes of a front-bench job, Lord Strathclyde's intervention raised eyebrows, hinting at continued tension in the Lords about William Hague's decision to press ahead with his nomination of the billionaire Belizean businessman for a peerage. When the award came in March, it was bestowed with unprecedented conditions, including as assurance from Sir Michael that he would return to live in the United Kingdom this year.

Lord Strathclyde's predecessor Lord Cranborne, with whom he remains close, said at the time that the peerage was "an affront to the dignity and standing" of the Tory party and Parliament.

Sir Michael — he was knighted in the Queen's Birthday Honours this month — has insisted he is on track to take up his seat in the Lords this year, possibly by the autumn.

Lord Strathclyde also warned Labour peers that he was going to make their lives "hell" during a long, awkward summer. He said that legislative guerrilla tactics could force the return of peers in September, as well as threatening the Government with the loss of two Bills.



HOUSE OF COMMONS  
LONDON SW1A 0AA

CABINET OFFICE
A 13322
13 JUL 2000
FILING INSTRUCTIONS
FILE No. ....

Ref: 0607rw

10 July 2000

Sir Richard Wilson  
 Secretary to the Cabinet and Head of the Home Civil Service  
 Cabinet Office  
 70 Whitehall  
 LONDON  
 SW1A 2AS

*cc Mrs Catto (TPO) / R*  
*c Gray Catto*

*I would be grateful for  
 advice and a draft reply  
 by 21 July please.*

Dear Sir Richard

I enclose copies of the correspondence which I have shared with Sir Anthony Merifield and his successor Gay Catto in the Ceremonial Branch of the Cabinet Office.

As you will see, I have raised issues concerning the unprecedented decision of the Political Honours Scrutiny Committee to confer a conditional peerage on Mr Michael Ashcroft. The responses which I have received are not exactly an advertisement for open government. Nor do they give me confidence that the Cabinet Office is fulfilling its responsibilities in this matter.

*RA*  
*14/7*  
*Deadline*  
*14/7*  
*Monday*  
*24/7*  
*18*

It has consistently been my view that in imposing conditions on Mr Ashcroft's peerage, the PHSC has assumed a duty to ensure that they are met.

However, it is clear that neither the PHSC nor the Cabinet Office have acknowledged that obligation and that, as things currently stand, Mr Ashcroft will be allowed to assume his seat whenever he chooses.

At a time when the public and, indeed, Lord Neill's committee are demanding further regulation of the affairs of parliamentarians in both Houses, I am surprised and dismayed at the apparent lack of effectiveness and accountability on the part of both the PHSC and the branch of the Cabinet Office which administers it.

I would be grateful to know your views in the hope that you will ensure that the conditions set out by the PHSC will after all be properly policed.

Yours sincerely

*[Handwritten signature]*  
 enc.

FROM: GAY CATTO  
DATE: 14 July 2000

  
**MICHAEL ASHCROFT**

I enclose a copy of a letter from Sir Hayden Phillips ~~office~~ from which you will see that an understanding has been reached between Sir Hayden and the Opposition Chief Whip as to Mr Ashcroft's position in relation to the undertaking he gave to the Leader of the Opposition in connection with his Peerage.

The Political Honours Scrutiny Committee have been consulted and have agreed that in the light of this understanding there is no reason not to put in motion the procedure leading to Mr Ashcroft's introduction to the House of Lords.

*Gay Catto*

**GAY CATTO**

**Catto Gay - Ceremonial -**

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**From:** Catto Gay - Ceremonial -  
**Sent:** 26 July 2000 11:32  
**To:** [REDACTED]  
**Subject:** Michael Ashcroft - letter from Peter Bradley MP

Sir Hayden Phillips' office have now confirmed that Mr Ashcroft will not be taking up his seat in the House of Lords until after the recess. Sir Richard Wilson may therefore like to write to Mr Bradley as in the draft below. This is a little more explicit than any of the previous letters have been about the procedures which have to be gone through before Mr Ashcroft can take up his appointment and I have cleared the text with LCD. I don't think we can go any further however - Mr Ashcroft is the only person who can properly talk about his dealings with the Inland Revenue.

Thank you for your letter of 10 July.

As Anthony Merifield said in his letter of 4 April, it is not the practice for the Political Honours Scrutiny Committee to comment on individuals whose names have been referred to them. I think it is right to stick to this and not to disclose the advice which the Committee has given in confidence to the Prime Minister. In Mr Ashcroft's case, however, the fact that he had given a specific undertaking in connection with his appointment as a working peer was, exceptionally, made public. Any failure to honour that undertaking would therefore be bound to come to public notice.

Mr Ashcroft cannot take his seat in the House of Lords until Letters Patent and a Writ of Summons have been issued. This has not yet taken place and I do not expect the necessary procedures to be put in train until Mr Ashcroft is in a position to fulfil his undertaking.

I hope this gives you the reassurance you are seeking.



Ms Catto

~~Anna P...~~  
✓ 9/2/00

**CABINET OFFICE**

70 Whitehall, London SW1A 2AS

Telephone 020 7270 0101 Facsimile 020 7270 0208

From the Secretary of the Cabinet and Head of the Home Civil Service  
Sir Richard Wilson KCB

31 July 2000

Dear Mr Bradley,

Thank you for your letter of 10 July.

As Anthony Merifield said in his letter of 4 April, it is not the practice for the Political Honours Scrutiny Committee to comment on individuals whose names have been referred to them. I think it is right to stick to this and not to disclose the advice which the Committee has given in confidence to the Prime Minister. In Mr Ashcroft's case, however, the fact that he had given a specific undertaking in connection with his appointment as a working peer was, exceptionally, made public. Any failure to honour that undertaking would therefore be bound to come to public notice.

I understand that the Political Honours Scrutiny Committee have no reason to believe that Mr Ashcroft's undertakings will not be fulfilled.

I am afraid I have little to add.

Yours sincerely

ARL → RLH

pp. Sir Richard Wilson

(approved by Sir Richard Wilson  
and signed in his absence)

Peter Bradley Esq MP  
Member of Parliament for The Wrekin  
House of Commons  
London SW1A 0AA

Catto Gay - Ceremonial -

From: Catto Gay - Ceremonial  
Sent: 23 October 2000 09:51  
To: [REDACTED]  
Cc: [REDACTED]  
Subject: Michael Ashcroft

We had a word about Sir Michael Ashcroft's forthcoming introduction into the House of Lords. This will take place tomorrow afternoon, and although there will not be a formal announcement until the House of Lords' equivalent of the Order Paper is issued late this evening/early tomorrow the fact that it is happening is likely to leak out today.

As you know, when Mr Ashcroft's peerage was announced at the beginning of April the press notice included the following note to editors

'In order to meet the requirements for a working peer, Mr Ashcroft has given his clear and unequivocal assurance that he will take up permanent residence in the United Kingdom again before the end of the calendar year. He would be introduced into the House of Lords only after taking up that residence. These undertakings have been endorsed by the Leader of the Conservative Party and conveyed to the Prime Minister - and to the Political Honours Scrutiny Committee.'

There may well therefore be press enquiries as to whether Sir Michael (his knighthood came in the Belize Birthday Honours List!) has fulfilled his undertaking to the satisfaction of the PHSC. I suggest that the line to take in reply should be that they are indeed satisfied that he has taken up permanent residence in the UK. The steps he has taken in order to do this are a personal matter (though they are known to the PHSC) so any further details will have to come from Sir Michael himself.

~~CONFIDENTIAL~~



CABINET OFFICE  
70 Whitehall, London SW1A 2AS  
Telephone 020 7270 0101 Facsimile 020 7270 0208

bcc Gay Catto  
William Chapman

[Redacted]

File

From the Secretary of the Cabinet and Head of the Home Civil Service  
Sir Richard Wilson KCB

27 October 2000

Dear Mr. Bradley,

Thank you for your letter of 12 September. I am sorry you have not had an earlier reply.

As you know, Lord Ashcroft was introduced into the House of Lords on 24 October. I understand that before this took place the Political Honours Scrutiny Committee had satisfied itself that Lord Ashcroft had fulfilled his undertaking to take up permanent residence in the United Kingdom.

Yours sincerely,

Richard Wilson

Peter Bradley Esq MP  
House of Commons  
London  
SW1A 0AA

~~CONFIDENTIAL~~

Ref: AO2000/2732





bcc

Gay Catto

**CABINET OFFICE**  
70 Whitehall, London SW1A 2AS  
Telephone 020 7270 0101 Facsimile 020 7270 0208  
email psrwilson@cabinet-office.x.gsi.gov.uk

*From the Secretary of the Cabinet and Head of the Home Civil Service*  
Sir Richard Wilson GCB

30 July 2002

Dear Michael,

**COMPLAINT FROM MR PETER BRADLEY MP UNDER THE CODE OF PRACTICE  
ON ACCESS TO GOVERNMENT INFORMATION**

Thank you for your letter of 23 July about Mr Bradley's complaint about the alleged failure by the Cabinet Office to disclose information about Lord Ashcroft's introduction into the House of Lords.

I think that part of the difficulty over this issue arises from Mr Bradley's perception that, once they were satisfied that Lord Ashcroft had fulfilled his undertaking to take up residence in the United Kingdom, it was the business of the Political Honours Scrutiny Committee to satisfy themselves that he continued to fulfil that condition. The note which accompanied the commencement of Lord Ashcroft's peerage read as follows:

"In order to meet the requirements for a Working Peer, Mr Michael Ashcroft has given his clear and unequivocal assurance that he will take up permanent residence in the United Kingdom again before the end of the calendar year. He would be introduced into the House of Lords only after taking up that residence. These undertakings have been endorsed by the Leader of the Conservative Party and conveyed to the Prime Minister - and to the Political Honours Scrutiny Committee."

/As you point out ... ..

Sir Michael Buckley  
The Parliamentary Ombudsman  
Millbank Tower  
Millbank  
London SW1P 4QP

As you point out, Gay Catto made it clear in a letter of 21 June 2000 to Mr Bradley that the Political Honours Scrutiny Committee was content, in relation to Lord Ashcroft's introduction into the House of Lords, to rely on the undertaking given by the then Mr Ashcroft and the Leader of the Conservative Party. Once the introduction had taken place they had no further role in the matter. There could have been no question, either at the time of Lord Ashcroft's introduction or subsequently, of checking with the Inland Revenue as to whether or not he was permanently resident in this country for tax purposes. As you say, the Inland Revenue would rightly have refused to supply this information. And there would in any case have been no purpose in making such a check since there is, as again you have pointed out, no procedure short of an Act of Parliament for withdrawing a life peerage.

I am sorry that this complaint has reached you when I am about to retire. But if you do need any further background information Gay Catto, whose telephone number is 020 7276 2770, will be happy to supply it.

Yours ever,

Richard

Copy .c  
JL

Our ref:  
Your ref:

16 October 2002

Thank you for your letter of 7 October with which you sent copies of your recent correspondence with Sir Richard Wilson and Sir Michael Buckley about Lord Ashcroft.

I have looked carefully at these papers but I have concluded that there is no action which I can or should take in this matter. As Sir Richard and Sir Michael have explained, in relation to Lord Ashcroft's introduction into the House of Lords, the Political Honours Scrutiny Committee were content to rely on undertakings given by both him and the then Leader of the Conservative Party - and I do not think they could have done otherwise. Once Lord Ashcroft had taken his seat, there was no further role for the Political Honours Scrutiny Committee. It would not be right for the Committee, the Cabinet Office or me to make enquiries about Lord Ashcroft's residential status: as Sir Richard said in his letter of 5 March, this is entirely a matter for Lord Ashcroft himself and the Inland Revenue.

Draft letter to Peter Bradley MP

Thank you for your letter of 22 April.

As I have explained in earlier letters it would not be right for me to provide any information about the way in which the Political Honours Scrutiny Committee reached its conclusions about Lord Ashcroft's peerage, or indeed about the advice given to the Prime Minister by the Committee on any other occasion.

When I told you that 'any failure to honour that undertaking [given by the then Mr Ashcroft and the Leader of the Conservative Party] would be bound to come to public notice' what I had in mind was that any continuing long periods of absence from the United Kingdom would almost certainly be the subject of press comment. As you point out, the Inland Revenue would in no circumstances have anything to say on the matter.

Richard Wilson