



# **Independent Adviser on Ministers' Interests**

**Annual Report 2022-2023**

May 2023

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# 1. Introduction

This is my first annual report as the Prime Minister's Independent Adviser on Ministers' Interests.

I was appointed on 22 December, 2022, taking over a role that had been vacant since my predecessor, Lord Geidt, resigned on 15 June, 2022. Although permanent secretaries and officials supporting my office continued the routine work of reviewing declarations of interests by ministers, this vacancy coincided with numerous changes of ministerial appointments under three Prime Ministers. The consequent heavy workload delayed the timely twice yearly publication of the List of Ministers' Interests, with the list that I published on 19 April, 2023 appearing 11 months after the previous edition overseen by Lord Geidt.

I have described (in section 2) the detailed work of assessing and advising on the interests disclosed by ministers forming the Government appointed by the Prime Minister from October 2022. This process remains ongoing. I am required to publish a formal list of ministers' interests twice a year, with the list including those interests that I judge to be relevant to ministers' roles. Having published my first list on 19 April, 2023, I now look forward to reestablishing the list's publication rhythm. Preparation for this autumn's list will begin shortly.

During my first months in office, I have also provided advice to the Prime Minister under the provisions of the Ministerial Code in relation to four specific matters concerning serving ministers. More detail on this aspect of my work can be found in section 3.

The work of the Independent Adviser rests on the foundations provided by the Ministerial Code and the Seven Principles of Public Life. The Prime Minister made clear his commitment to these foundations when he wrote, in his introduction to the Ministerial Code, that he expected ministers to "uphold the Principles of Public Life, ensuring integrity, professionalism and accountability at every level". I see my role as being to support the Prime Minister in maintaining the high standards expected of ministers in fulfilling their responsibilities as officers of the Crown. In doing so, I consider it is important to take account of the work of other bodies with responsibility for upholding standards in public life, including the Parliamentary Commissioner for Standards, the House of Lords Commissioner for Standards, committees of both Houses of Parliament concerned with standards and the Committee on Standards in Public Life, recognising our shared commitment to upholding the Seven Principles of Public Life. These principles, which are universally acknowledged, underpin the standards of behaviour expected from all who work in public service.

During the coming months, I intend to review how the rigour of the ministerial interests process might be strengthened. This will include consideration of the timeliness, clarity and monitoring of declarations, taking account of evolving best practice (both in the commercial and not for profit sectors).

A handwritten signature in blue ink, appearing to read 'Laurie Magnus'.

Sir Laurie Magnus CBE  
Independent Adviser on Ministers' Interests

## 2. Ministers' interests

- 2.1. The Ministerial Code makes clear that at all times ministers must personally manage any private interests they retain whilst in office with the utmost care. The overriding principle set out in paragraph 7.1 states: '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'. Chapter 7 of the code then provides more detail on the standards expected of ministers in the handling of their private interests. Paragraph 7.2 states: 'It is the personal responsibility of each Minister to decide whether and what action is needed to avoid a conflict or the perception of a conflict, taking account of advice received from their Permanent Secretary and the Independent Adviser on Ministers' interests.'<sup>1</sup>

### *The ministerial interests process*

- 2.2. On appointment to a new office, ministers are required promptly to complete a declaration of all interests that might be thought to give rise to a conflict. Ministers disclose, in confidence, a wide variety of information including details of financial interests, directorships, investment properties, public appointments, links with charities, and any relevant interests of their spouse, partner or close family members. Ministers also make declarations in relation to their tax affairs.
- 2.3. The information provided is then reviewed by each minister's permanent secretary or accounting officer. The permanent secretary brings to bear an in-depth understanding of the minister's responsibilities and the associated activity of the department and provides advice on how any relevant interests should be managed. This process of a minister disclosing their interests and these being reviewed and advised upon by the accounting officer must occur within 14 days of appointment.
- 2.4. Ministers' declarations and any associated advice are then forwarded to the Independent Adviser who scrutinises each declaration and provides further advice to ensure all ministers are able to meet the principle set out in paragraph 7.1 of the Ministerial Code.
- 2.5. This formal process of declaration and tailored advice is repeated on a regular cycle throughout the year. Outside of this cycle, ministers are expected to update proactively their declarations and to seek fresh advice whenever it may be needed. Ministers are asked to update their declaration whenever there is a substantial change to their ministerial portfolio and are expected to inform their department of any substantive change in their circumstances during the intervening period.
- 2.6. In addition, ministers, who will be members of either the House of Commons or House of Lords, must abide by the relevant parliamentary rules on the management of interests

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<sup>1</sup> *Ministerial Code* (December 2022), available at:  
<https://www.gov.uk/government/publications/ministerial-code>

and keep their entries in the respective Houses of Parliament registers of interests up to date.

### *List of Ministers' Interests*

- 2.7. Twice a year, the Independent Adviser prepares and publishes a list covering the relevant interests of ministers. This list is not a comprehensive register of interests and does not therefore include every interest that a minister has declared to their departments and the Independent Adviser in relation to themselves and their family members. To do so would represent an excessive degree of intrusion into the private affairs of ministers that would be unreasonable, particularly in respect of their family members. The list instead documents those interests, including of close family, which are, or may be perceived to be, directly relevant to a minister's ministerial responsibilities. The list should be read alongside the parliamentary registers (House of Commons Register of Members' Financial Interests and the House of Lords Register of Members' Interests) and any relevant information published by the Electoral Commission.
- 2.8. The list includes information across a number of categories:
- financial interests
  - any blind trusts or blind management arrangements
  - directorships and shareholdings
  - investment properties
  - any public appointments
  - any formal links with charities, for example as a patron or trustee
  - any other relevant interests
  - interests of a minister's spouse, partner or close family members
- 2.9. I published my first List of Ministers' Interests on 19 April, 2023, covering all members of the government appointed up to 26 March, 2023.<sup>2</sup> I was appointed on 22 December, 2022, taking over a role that had been vacant since my predecessor, Lord Geidt, resigned on 15 June, 2022. Although permanent secretaries and officials supporting my office continued the routine work of reviewing declarations of interests by ministers, this vacancy coincided with numerous changes of ministerial appointments under three Prime Ministers. The consequent heavy workload delayed the timely twice yearly publication of the List of Ministers' Interests, with my first list appearing 11 months after the previous edition overseen by Lord Geidt.
- 2.10. Following my appointment, I made it a priority, as envisaged in my letter to the Prime Minister of 22 December 2022, to publish the list as rapidly as possible.<sup>3</sup> Gathering and scrutinising declarations from over 120 ministers is a considerable exercise. It relies on ministers and their officials providing updated declarations within 14 days of any change

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<sup>2</sup> *List of Ministers' Interests*, Independent Adviser on Ministers' Interests (April 2023), available at: <https://www.gov.uk/government/publications/list-of-ministers-interests>

<sup>3</sup> *Correspondence between the Prime Minister and Sir Laurie Magnus CBE*, available at: <https://www.gov.uk/government/publications/correspondence-between-the-prime-minister-and-sir-laurie-magnus-cbe>

in ministerial responsibilities (as set out in paragraph 1.2 of my terms of reference). The list was published later than I had hoped and, to improve the efficiency of the process in future, I propose to establish a rolling pattern of meetings with ministers and their officials to review their declarations, provide advice and ensure the interests process remains properly embedded and understood.

#### *Areas of advice*

- 2.11. During my first ministerial interests process, the principal areas in which I have needed to provide advice have been in relation to blind trusts (or blind management arrangements) and on requests to retain non-executive directorships.
- 2.12. Where a minister holds financial interests (such as shares or a partnership in a commercial enterprise) whose prospects may potentially be influenced by decisions for which the minister may be directly or indirectly responsible, it is important that these interests are kept at arm's length, with the minister having no control over decisions to buy or sell such interests and no contact with the related underlying business. There are a number of ways in which this can be achieved, depending upon both the nature of the interest and the particular responsibilities of the relevant minister. The most effective means of ensuring the removal of any actual or perceived conflict is for a minister to dispose of their interests or to place their interests into a blind management arrangement whereby all decisions concerning such interests are taken on their behalf without reference to them and without their knowledge. I consider that this is particularly relevant in the case of ministers with responsibilities that have wide ranging and significant economic, financial and/or commercial relevance, such as the Office of the Prime Minister, HM Treasury, the Department of Business and Trade, the Department for Science, Innovation and Technology and the Department for Energy Security and Net Zero. It is acceptable, however, for ministers to hold interests directly, including in collective funds managed at arm's length by professional investment managers, with appropriate provisions being made with their departments (and with my agreement) whereby they are recused from any ministerial decisions that might have, or be perceived to have, an impact upon such interests. In such circumstances, the published List of Ministers' Interests may include interests with values below those requiring disclosure under the thresholds specified by the relevant parliamentary disclosure regimes.
- 2.13. On appointment, ministers are expected to step down from all of their directorships. In a limited number of circumstances, I will advise on whether a non-executive directorship of a private company may, for an exceptional reason, be retained. I have considered this to be acceptable if the underlying business is clearly a small family enterprise (e.g. a farming business or a catering business) and the minister plays no active part in its day to day management. There are also cases where a company is dormant, but the relevant minister wishes to remain a director in order to retain its registration. I have also considered it acceptable to allow a period for a minister joining government for the first time to step down from a directorship - provided there is a clear commitment to do so within an agreed timescale. Any retained directorships will be published in the List of Ministers' interests.

### *Next steps*

- 2.14. I intend to reestablish the twice yearly publication rhythm of the List of Ministers' Interests and preparation for this autumn's list will therefore begin shortly. As mentioned above (paragraph 2.10) I am also keen to work with ministers and their officials to ensure an efficient process of declaration and review. Ultimate responsibility for the prompt and accurate declaration of interests, as made clear by paragraphs 7.1 and 7.2 of the Ministerial Code, rests with ministers alone.
- 2.15. I also intend to explore a number of other possible changes to the ministerial interests process. First, in line with best practice in many regulated commercial businesses, I consider that there is merit in asking ministers to attest annually that they have read the Ministerial Code and will abide by it. Second, I would like to review the categories of interest disclosed by ministers to assess whether change is needed, for example around employment prior to holding office. Third, whilst ministers' interests change infrequently upon their assuming a ministerial role, the publication of the list twice yearly does have the effect that the relevant interests of new ministers appointed in the interim can remain unpublished for some time. I therefore wish to look at the feasibility of providing updates to the List of Ministers' Interests when I judge these to be appropriate, such as when new ministers have been appointed.



### 3. Advice provided under the Ministerial Code

- 3.1. An important function of the Independent Adviser is to provide advice to the Prime Minister in relation to allegations concerning the behaviour of ministers in the context of the Ministerial Code.
- 3.2. In May 2022, the terms of reference for the Independent Adviser were updated. The terms of reference are included in full in section 5. Under the terms of the Ministerial Code, if there is an allegation about a breach of the code and the Prime Minister, having consulted the Cabinet Secretary, feels that it warrants further investigation, he may refer the matter to the Independent Adviser. Where the Independent Adviser believes that an alleged breach of the Code warrants further investigation and that matter has not already been referred to him, he may also initiate an investigation. Before doing so, the Independent Adviser will consult the Prime Minister, who will normally give his consent.
- 3.3. Since my appointment on 22 December, 2022, I have led investigations into two matters and been asked to provide advice in relation to two others.

#### *Advice in relation to the Rt Hon Nadhim Zahawi MP*

- 3.4. The Prime Minister asked me to review the circumstances and facts concerning certain tax affairs of the Rt Hon Nadhim Zahawi MP, Minister without Portfolio.
- 3.5. I provided my assessment of the minister's conduct under the Ministerial Code, both in terms of its specific provisions and its overriding principles. Following the completion of my investigation, the Prime Minister decided that there had been a serious breach of the Ministerial Code and removed Mr Zahawi from his position as Minister without Portfolio and Chairman of the Conservative Party.
- 3.6. My findings were published on 29 January, 2023.<sup>4</sup>

#### *Advice in relation to Nusrat Ghani MP and the Rt Hon Mark Spencer MP*

- 3.7. In February 2022, the then Prime Minister, the Rt Hon Boris Johnson MP, asked my predecessor to establish the facts surrounding conversations between Nusrat Ghani MP and members of the Whips' Office - including the then Chief Whip, the Rt Hon Mark Spencer MP - following Ms Ghani's departure from government in February 2020. Following my appointment, I took responsibility for continuing this piece of work and bringing it to a conclusion.
- 3.8. Having reviewed the considerable body of evidence gathered under the former Independent Adviser, I came to the conclusion that it was not possible to draw a clear

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<sup>4</sup> *Advice from the Independent Adviser on Ministers' Interests* (January 2023), available at: <https://www.gov.uk/government/publications/advice-from-the-independent-adviser-on-ministers-interests-january-2023>

picture of what was discussed between Mr Spencer and Ms Ghani during the two meetings central to the allegations made.

- 3.9. I did, however, make clear in my letter to the Prime Minister that there were important procedural and pastoral lessons to be drawn from this investigation which should be considered by those engaged in handling ministerial appointments and dismissals in future. My findings, published on 6 April, 2023.<sup>5</sup>

*Advice in relation to the Rt Hon Dominic Raab MP*

- 3.10. The Prime Minister appointed Adam Tolley KC to conduct an independent investigation into formal complaints about the conduct of the Deputy Prime Minister, the Rt Hon Dominic Raab MP. Mr Tolley was appointed at a time when there was no Independent Adviser on Ministers' Interests in post.
- 3.11. I was asked by the Prime Minister to join his meeting with Mr Tolley on 20 April 2023 to consider the findings in his report and to participate in a discussion afterwards. I provided no written advice to the Prime Minister on this matter.
- 3.12. Following Mr Raab's resignation as Deputy Prime Minister, Lord Chancellor and Secretary of State for Justice, there has been considerable comment concerning the working relationships between ministers and civil servants. I do not wish to add any observations concerning the specific relationships between Mr Raab and civil servants as addressed in Mr Tolley's report. However, I would observe that whilst effective leadership of any organisation might be perceived as an instinctive ability, it is more often the case in practice that it develops over an extended period, influenced through a range of sources including experience, training, mentoring and sharing reflections with leaders drawn from other walks of life. It is a critical challenge for any large organisation in any sector to ensure that those who lead complex departments or divisions have the right support to hone their leadership abilities. This is even more challenging for a democratically elected government which needs to establish immediate and effective open working relationships between politicians holding ministerial office and their supporting senior civil servants.

*Advice in relation to the Home Secretary*

- 3.13. In May, the Prime Minister consulted me in relation to the Home Secretary's handling of a speeding offence dating from the summer of 2022. On 24 May 2023, the Home Secretary wrote to the Prime Minister explaining the background to this matter with an acknowledgement that, in hindsight, some specific elements should have been addressed differently. The Prime Minister replied on the same day, acknowledging the Home Secretary's thorough explanation and accepting her apology for the distraction caused and her expression of regret. The Prime Minister's letter set out that he had consulted with me, that I had advised that on this occasion further investigation was not

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<sup>5</sup> *Exchange of letters between the Prime Minister and Independent Adviser on Ministers' Interests* (6 April 2023), available at: <https://www.gov.uk/government/publications/exchange-of-letters-between-the-prime-minister-and-the-independent-adviser-on-ministers-interests-6-april-2023>

necessary and that he had accepted that advice. The Prime Minister concluded that there had been no breach of the Ministerial Code.

## 4. Engagement with others responsible for standards in public life

- 4.1. There are many thousands of people in public life who are dedicated in their adherence to high standards of conduct in their work and are exemplars, in their public service, for the Seven Principles of Public Life: accountability, selflessness, integrity, honesty, objectivity, openness and leadership. However, public confidence in politicians, civil servants and the institutions of government is low, as is clear from the results of polling commissioned on behalf of the Committee on Standards in Public Life and included in its report entitled *Upholding Standards in Public Life*.<sup>6</sup> The various office holders, including the Independent Adviser, who have been charged with upholding standards in public life have an important shared objective in shifting this current poor public perception in a more positive direction. They can only do so by sharing best practice and working more closely together.
- 4.2. On 23 February, 2023, I gave evidence to the Public Administration and Constitutional Affairs Committee. I welcomed this opportunity to provide some background concerning my role and to answer questions. I have also met the Chair of the Committee on Standards in Public Life, Lord Evans, and the Parliamentary Commissioner for Standards, Daniel Greenberg as well as joined a virtual meeting (chaired by Lord Evans) which included the Commissioner for Public Appointments and the chairs of the UK Statistics Authority and the House of Lords Appointments Commission.

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<sup>6</sup> *Upholding Standards in Public Life*, Committee on Standards in Public Life (November 2021), available at: <https://www.gov.uk/government/publications/upholding-standards-in-public-life-published-report>

## 5. Independent Adviser on Ministers' Interests - terms of reference

The Independent Adviser on Ministers' Interests is appointed by the Prime Minister to advise him on matters relating to the Ministerial Code. The post holder is independent of Government and expected to provide impartial advice to the Prime Minister. The post holder is required to observe the Seven Principles of Public Life.

### 1. Ministers' interests

1.1 Under the Ministerial Code (7.2), "it is the personal responsibility of each Minister to decide whether and what action is needed to avoid a conflict or the perception of a conflict, taking account of advice received from their Permanent Secretary and the independent adviser on Ministers' interests".

1.2 Ministers are required, upon appointment to each new office, to provide to the Independent Adviser a full list of interests which might be thought to give rise to a conflict with the Minister's public duties (7.3). This must occur within 14 days. The list should have been reviewed where relevant by the appropriate Permanent Secretary or Accounting Officer.

1.3 The personal information which Ministers disclose to those who advise them is treated in confidence (7.5).

1.4 The Independent Adviser must review any information provided by a Minister and may, in confidence, provide advice to that Minister on any action that should be taken by the Minister in order to uphold the standards set out in the Ministerial Code (7.4). Advice on the handling of interests may also be provided on an ad-hoc basis (see paragraph 3.2 below).

1.5 A Minister to whom advice is given must provide the Independent Adviser with a record of what action has been taken in response to the advice (7.4).

1.6 At least twice a year the Independent Adviser must prepare and publish a statement covering the relevant interests of Ministers (7.5). The statement must set out such information about those relevant interests as the Independent Adviser considers appropriate.

### 2. Investigation of alleged breaches of the Ministerial Code

2.1 Under the terms of the Ministerial Code (1.4a): "If there is an allegation about a breach of the Code, and the Prime Minister, having consulted the Cabinet Secretary, feels that it warrants further investigation, he may ask the Cabinet Office to investigate the facts of the case and/or refer the matter to the independent adviser on Ministers' interests."

2.2 Where the Independent Adviser believes that an alleged breach of the Code warrants further investigation and that matter has not already been referred to him, he may initiate an investigation (1.4b). Before doing so, the Independent Adviser will consult the Prime Minister

who will normally give his consent. However, where there are public interest reasons for doing so, the Prime Minister may raise concerns about a proposed investigation such that the Independent Adviser does not proceed. In such an event, the Independent Adviser may still require that the reasons for an investigation not proceeding be made public unless this would undermine the grounds that have led to the investigation not proceeding.

2.3 The decision on whether a Minister remains in office is for the Prime Minister, as the “ultimate judge of the standards of behaviour expected of a Minister and the appropriate consequences of a breach of those standards” (1.6).

2.4 If the Prime Minister determines that there has been a breach of the Ministerial Code, in addition to paragraph 2.3 above, the Independent Adviser may recommend in confidence to the Prime Minister what sanction should be considered as a result (1.7).

2.5 Following an investigation carried out by the Independent Adviser, the Independent Adviser may require that any advice provided to the Prime Minister on the outcome of such an investigation is published in a timely manner.

### **3. Further advice on Ministerial Code**

3.1 Before the Ministerial Code is amended, the Prime Minister will consult the Independent Adviser.

3.2 The Independent Adviser may, at the request of a Minister, provide the Minister, in confidence, with general advice in relation to the Ministerial Code.

### **4. Information**

4.1 A Minister must provide the Independent Adviser with any information the Independent Adviser reasonably requires for the purposes of discharging the responsibilities set out in these terms of reference (1.4).

4.2 Information provided to the Independent Adviser for the purposes of the Adviser’s functions is provided in confidence. The Independent Adviser may publish information provided to him, including in summarised form if it is necessary to discharge his responsibilities.

4.3 The Independent Adviser may require a Minister to publish information relating to adherence to the Ministerial Code.

4.4 The Independent Adviser must publish an annual report on the exercise of the Independent Adviser’s functions, which must:

(a) set out information about the work carried out by the Independent Adviser during the year; and

(b) include observations on matters relating to the role of the Independent Adviser.