Written evidence from Committee on Standards in Public Life (OUT0012)

COMMITTEE ON STANDARDS INQUIRY ON OUTSIDE EMPLOYMENT AND INTERESTS IN THE CODE OF CONDUCT FOR MEMBERS OF PARLIAMENT

Committee on Standards in Public Life

- 1. The Committee on Standards in Public Life is an independent, non-departmental public body, sponsored by the Cabinet Office, that advises the Prime Minister on the arrangements for upholding standards across public life in England. CSPL is not a regulator and does not have investigative powers or consider individual cases.¹
- CSPL articulated the Seven Principles of Public Life, commonly referred to as the Nolan Principles, in its first report in 1995: honesty; objectivity; openness; selflessness; integrity; accountability; and leadership. These Principles apply to all holders of public office, including those who are elected or appointed, and to private providers of public services.²

Introduction

- 3. CSPL welcomes this important inquiry by the House of Commons' Committee on Standards on the rules relating to outside employment and interests in the Code of Conduct for Members of Parliament. We are grateful for the Committee's invitation to submit evidence to this inquiry.
- 4. This submission sets out CSPL's views on Members' outside employment and interests as per the inquiry's terms of reference, which it last formally considered in its 2018 report, *MPs' Outside Interests*.³ CSPL's current independent members discussed and confirmed that these remain CSPL's views at their February 2025 Committee meeting. In summary, CSPL continues to hold the view that the MPs' Code should be updated to state that any outside interests including second jobs should be subject to "reasonable limits"; we are clear that being an MP should be an MP's primary job, and their primary duty should always be to their constituents.
- In line with our Code of Practice, our political colleagues did not take part in drawing the conclusions made in this submission. They may not agree with every aspect. However, we are grateful to our political members for sharing their knowledge and advice on parliamentary life.

¹ <u>https://www.gov.uk/government/organisations/the-committee-on-standards-in-public-life/about/terms-of-reference</u>

² <u>https://www.gov.uk/government/publications/the-7-principles-of-public-life/the-7-principles-of-public-life-r2</u>

https://assets.publishing.service.gov.uk/media/5b3b2ba340f0b645fd5921f8/CSPL_MPs__outside_inte rests_-_full_report.PDF

Benefits and risks of Members retaining outside interests and employment to the functioning of the House

- 6. In its 2018 report on MPs' outside interests, CSPL took evidence on the benefits and risks of MPs retaining outside interests and employment to the functioning of the House of Commons. The report concluded that there are arguments to be made for and against MPs retaining outside interests, and therefore, that there was a balance to be struck between fully allowing and prohibiting MPs to hold outside interests and employment.
- 7. The Committee appreciates that there is an argument for MPs being allowed to take on outside interests and employment to "maintain a connection to the outside world" and a "world view outside of the Westminster bubble", which was seen as beneficial to the functioning of Parliament. Public attitudes research from 2018 was consistent with the view that "a diverse range of MPs, who come from a number of different professions, is valuable, and that Parliament should reflect a range of professional experience and expertise outside of politics".⁴ Some of the public were also sympathetic to the precarious nature of MPs' employment, and saw the ability to retain outside interests as beneficial for providing job security for MPs.⁵ A number of public submissions to our review, which were generally not in favour of outside interests, also said that exceptions should be made for MPs who needed to maintain professional qualifications (e.g. doctors).⁶ Our report therefore concluded that "any strengthening of the regulation of MPs' outside interests needs to consider the potential for unintended consequences on the diversity of careers and backgrounds of MPs".⁷
- 8. We also appreciate that it is not possible or reasonable to define one common way for MPs to go about their duties given their competing pressures and responsibilities in Parliament and their constituencies. We agreed with the Standards Committee in 2018 that "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…".⁸

⁴ Professor Cees van der Eijk, British Election Study Survey, 2014-2024 <u>https://www.britishelectionstudy.com/wp-content/uploads/2019/06/Bes_wave15Documentation_V2.pdf</u> 5

https://assets.publishing.service.gov.uk/media/5b3b2ba340f0b645fd5921f8/CSPL_MPs_outside_inte rests_-_full_report.PDF, p.23

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- 9. However, it was clear from our evidence that the public is concerned about outside interests and employment that they perceive to be beyond what might be considered "reasonable", both in terms of excessive hours and remuneration. We heard strongly, for example, that any outside interest that distracts or prevents an MP from undertaking their primary role as an MP is seen as unacceptable to the public, and risks undermining public trust in Parliament (see paragraph 13). We also heard from the public that with the increasing professionalisation of an MP's role, accompanied by what the public considers to now be a substantial, professional salary, there is a public perception that being an MP should be a full-time job without the capacity to retain lucrative outside interests or employment, which might lead to real or perceived conflicts of interest.
- 10. The most significant risk we heard about in 2018 was the potential for MPs' outside interests and employment to increase the risk of undue influence on the political system through lobbying. We heard that between 2014 and 2015, around 10% of MPs had "some kind of external advisory role on the board of an organisation"⁹, including where they were advising on Parliament. Such external advisory roles risked "perpetuating the public concern that MPs are using their public office for personal gain".¹⁰ This perception led to our recommendation that the MPs' Code of Conduct should be updated (as it since has been¹¹) 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."¹²

Effectiveness of the current rules on MPs' outside interests and employment

- 11. CSPL welcomes a number of changes made to the rules on outside interests and employment in the Code since 2018, in particular:
 - a. The prohibition on paid parliamentary advice as per our recommendation above, and more recently, the government's proposal to remove two of the three existing exemptions to the ban on paid parliamentary advice¹³, which has since been approved by the House¹⁴. CSPL said in 2018 that "a limited amount

12

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https://assets.publishing.service.gov.uk/media/5b3b2ba340f0b645fd5921f8/CSPL_MPs_outside_inte rests_-_full_report.PDF, p.58

¹¹ <u>https://committees.parliament.uk/committee/290/committee-on-standards/news/186452/new-code-of-conduct-for-mps-launched-today/</u>

https://assets.publishing.service.gov.uk/media/5b3b2ba340f0b645fd5921f8/CSPL_MPs_outside_inte rests_-_full_report.PDF, p.59

¹³ <u>https://publications.parliament.uk/pa/cm5803/cmcode/1083/1083.pdf</u>, p.39

of time writing newspaper articles or other paid journalism, for example, need not be incompatible with being [an]...MP^{"15}; and is, therefore, content with the third exemption on "media appearances, journalism, books, public lectures and speeches" to remain in place.

- b. The requirement for Members to have a written contract or statement for any outside work detailing their duties and stating that they cannot lobby for their employer, give paid parliamentary advice, or be asked to do so.¹⁶
- c. The addition of the "safe harbour" provision.¹⁷ CSPL is of the view that this provision should apply to all aspects of the Code and Guide to the Rules; and therefore, allow MPs to clarify whether or not any outside interest or employment is permitted before taking it up.¹⁸
- 12. However, CSPL continues to hold the view that the MPs' Code should be updated to state that any outside interests including second jobs be subject to "reasonable limits", as set out below.

Qualified prohibition on MPs' outside interests and employment, and enforcement of the rules

- 13. CSPL recommended in 2018 that the Code of Conduct for MPs be updated to state that: "any outside activity undertaken by an MP, whether remunerated or unremunerated, should be within reasonable limits...". CSPL defined "reasonable limits" on the basis that no outside interests or employment should prevent MPs from "fully carrying out their range of duties" as an MP.¹⁹ Being an MP should be their primary job, and their primary duty should always be to their constituents.
- 14. A "reasonable limits" rule remains CSPL's preferred approach for managing MPs' outside interests and employment. This preference is because a strict cap on outside earnings or hours is a blunt instrument, which may unfairly restrict MPs from engaging in outside interests that pose no conflict of interest with their primary role as an MP.²⁰

19

¹⁴ <u>https://commonsbusiness.parliament.uk/Document/88335/Pdf?subType=Standard</u> ¹⁵

https://assets.publishing.service.gov.uk/media/5b3b2ba340f0b645fd5921f8/CSPL_MPs_outside_inte rests_-_full_report.PDF, p.16

¹⁶ <u>https://committees.parliament.uk/committee/290/committee-on-standards/news/186452/new-code-of-conduct-for-mps-launched-today/</u>

¹⁷ <u>https://www.parliament.uk/mps-lords-and-offices/standards-and-financial-interests/parliamentary-</u> commissioner-for-standards/parliamentary-commissioner-for-standards/talks-and-materials/changesin-the-new-code-of-conduct/

¹⁸ <u>https://committees.parliament.uk/writtenevidence/43020/pdf/</u>

https://assets.publishing.service.gov.uk/media/5b3b2ba340f0b645fd5921f8/CSPL_MPs_outside_inte rests_-_full_report.PDF, p.40

- 15. In its evidence to the Standards Committee's 2022 review of the MPs' Code of Conduct, CSPL suggested that the criteria for defining "reasonable limits" could be clarified by defining more precisely the circumstances in which MPs' outside interests and employment are deemed reasonable or unreasonable.²¹ We remain of the view that the Standards Committee should set an indicative limit of outside hours and earnings, framed within a rebuttable presumption that allows MPs to exceed those limits when they meet certain criteria:
 - a. Where outside employment complements an MP's parliamentary role and responsibilities. This provision would include, for example, any central or local government employment; party political roles; most think tank and NGO positions; some journalism, writing and broadcasting engagements; some academic work and relevant speaking engagements at conferences and events.
 - b. Where an MP is required to maintain a certain number of hours to uphold a professional registration held prior to becoming an MP.
 - c. Where an MP can demonstrate that their outside employment creates no perception of a conflict of interest, nor will it create the perception that the MP is failing to treat their parliamentary role as their primary employment.
- 16. Whilst the Committee believes that the decision on setting indicative limits a certain percentage of annual remuneration, and a certain number of hours spent on outside interests and employment per week is a matter for the Standards Committee and the House, one suggestion of CSPL's current members is that the indicative limit on time spent on outside interests might be around one day per week.
- 17. We said in 2018 that any alleged breach of the principle of "reasonable limits" should trigger an investigation by the Parliamentary Commissioner for Standards into whether an MP's outside interest is impacting on their ability to carry out their role, and, dependent on the investigation's findings, make recommendations for sanctions to the Committee on Standards.²² An indicative limits rule would make it simpler for the Standards Commissioner to decide on a case-by-case basis whether the thresholds and criteria set out in the Code had been exceeded or met, and therefore, to make a judgement on any potential breaches and sanctions.

²¹ <u>https://committees.parliament.uk/writtenevidence/43020/pdf/</u> 22

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18. The "safe harbour" process should help ensure the smooth implementation of this rule by allowing MPs to seek advice from the Registrar of Members' Financial Interests if they are in any doubt about whether an outside interest is within "reasonable limits".

Mechanisms for transparency of any new rules or principles

- 19. Transparency is fundamental to democracy, reducing the likelihood of poor behaviour in Parliament, increasing the chances of it being detected when it does occur, and helping the public make informed decisions about their representatives. However, our evidence suggests the transparency regime for outside interests and employment does not always "provide the public...with the ability to properly understand what outside interests MPs have, and therefore how these...may impact their work in Parliament and their constituency".²³
- 20. The rules for registering and declaring interests are complex, and there are some gaps. For example, it is not always easy to distinguish in the Register between ongoing outside interests and one-off payments (e.g. for journalism), which makes it difficult for the public to determine whether an MP holds a significant and continued outside interest. However, we are pleased that since 2009, MPs have had to register the exact amount paid for, and estimated time spent on, any outside interest or employment, alongside an indication of the nature of any outside work carried out.²⁴
- 21. CSPL continues to be of the view that unpaid outside interests and employment should be registered on the same basis as paid outside interests.²⁵ We do not agree this is adequately covered by the miscellaneous registration requirements, which may or may not be used by MPs to register unpaid outside interests and the time spent on them, which could be significant.²⁶
- 22. We welcome the frequent updates made to the Register of Interests, with the intention of making it more transparent and digitally accessible to the public. It is very helpful to see that you can now search for an MP on the Register and click through to find their registered interests online.²⁷ However, we would welcome greater accessibility, for example, enabling the public to compare MPs' interests (e.g. to see how many MPs are working in certain industries or for certain companies or to find out what are the most frequent outside interests)., This information was very difficult for CSPL to ascertain in 2018.²⁸ We would welcome ascertaining whether fuller information could

25

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²⁴ <u>https://publications.parliament.uk/pa/cm200910/cmselect/cmcomstan/418/41806.htm</u>

https://assets.publishing.service.gov.uk/media/5b3b2ba340f0b645fd5921f8/CSPL_MPs_outside_inte rests_-_full_report.PDF, p.44

²⁶ <u>https://committees.parliament.uk/writtenevidence/13065/pdf/</u>, Annex B

²⁷ <u>https://members.parliament.uk/members/commons</u>

be made available to the public for example by adding a clickable link on any registered organisations through to any MP who holds outside interests or employment with the same organisation.

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https://assets.publishing.service.gov.uk/media/5b3a38da40f0b645fd5921ef/Summary_of_Analysis_of Register_of_Interests_Papz_Apolinario.pdf