INDEPENDENT ADVISER ON MINISTERIAL STANDARDS

ANNUAL REPORT 2024-2025

29 May 2025

1. Introduction

This is my third annual report as the Prime Minister's Independent Adviser on Ministerial Standards. It covers a year of considerable change (April 2024 to March 2025).

I was delighted to be invited to meet the Prime Minister on his first day in office on 5th July 2024. During this meeting, he made clear his commitment to maintaining the highest standards of conduct in government and his support for my role. I promptly initiated the ministerial declaration of interests process whereby his newly appointed ministers were invited to identify and, with the support of their respective departments and my advice where necessary, address any actual or perceived conflicts of interest. This process is a critical step for members of an incoming government and an ongoing obligation throughout their time in office.

Subsequently, as is customary after taking office, the Prime Minister issued his version of the Ministerial Code on 6th November 2024. The Code sets out the Prime Minister's expectations of his ministers in terms of conduct and has been strengthened in a number of respects. The changes include incorporating the full text of the Seven Principles of Public Life (or "Nolan Principles") into the opening chapter to emphasise their overriding status in the standards expected of members of his government. The Prime Minister asked me to make a short presentation to a meeting of the Cabinet shortly before the Code was published.

As part of the new Code, my terms of reference were revised and my title changed to Independent Adviser on Ministerial Standards, reflecting more accurately the scope of the role. The ability of the Independent Adviser to open investigations, which previously required the Prime Minister's consent (which would normally be given), can now start merely following a formal notification to the Prime Minister of my intention to do so. A new provision has also been introduced whereby ministers can refer themselves to me to consider a matter under the Ministerial Code. My full updated terms of reference are included in Section 5.

The Ministerial Code requires the List of Ministers' Interests to be published quarterly, having previously been required twice yearly. During the year, I released two full Lists of Ministers' Interests (November 2024 and February 2025). A list relating to the previous government was prepared for publication in May, but was not published on account of the calling of the 2024 General Election. More information on the ministers' interests process leading to the publication of the List of Ministers' Interests is provided in Section 2.

I have met several ministers and permanent secretaries during the year to discuss the Ministerial Code and the ministers' interests process and, where relevant, to provide advice on the management of actual or perceived conflicts. I consider this engagement to be an important part of my role and particularly so during a period after a new government has been formed, with many of its members taking up ministerial office for the first time. High expectations are rightly placed on ministers, starting immediately, to be ready to account publicly for their decisions and conduct. It is important, therefore, that ministers are able to perform their duties with confidence and with any actual or perceived conflicts identified, properly managed and, where appropriate, publicly disclosed. My face-to-face meetings have been a useful opportunity to discuss the principles and provisions of the Ministerial Code and to provide clear advice to ministers where necessary. It remains my intention, as far as possible, to be available to meet

ministers at their request and, in certain cases, myself to propose a meeting where I consider one might be helpful.

On entering government service, ministers must rapidly understand the more rigorous considerations that need to be applied around matters of conduct. Advice and support is provided by permanent secretaries, ministers' private offices and the Cabinet Office, but the rapid change of government following the General Election provided little time for the type of induction that might be provided in a more typical workplace. Those who are directly involved in assisting ministers will, I am sure, be considering this carefully, including how onboarding processes might be improved in the future.

During the period covered by this report, I provided written advice to the Prime Minister under the provisions of the Ministerial Code in relation to one matter concerning a serving minister. This aspect of my work is covered in more detail in Section 3.

I have been pleased to meet others active in upholding standards in public life, including the Chair of the Committee for Standards in Public Life, the Parliamentary Commissioner for Standards, the First Civil Service Commissioner, the Prime Minister's Anti-Corruption Champion and representatives of the National Audit Office. More information about this side of my work can be found in Section 4.

The Prime Minister has committed to leading a government of service, setting out the high standards he expects in his Ministerial Code with its prominent focus on the Seven Principles of Public Life. I am wholehearted in my commitment to support the Prime Minister and all those who serve in the Government to ensure that exemplary standards are maintained.

Sir Laurie Magnus CBE Independent Adviser on Ministerial Standards

29 May 2025

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 1.5 (f) states: 'Ministers must ensure that no conflict arises, or could reasonably be perceived to arise, between their public duties and their private interests'. Part B chapter 3 of the Code then provides more detail on the standards expected of ministers in the handling of their private interests. Paragraph 3.2 states: 'It is the personal responsibility of each minister to decide whether and what action is needed to avoid a conflict or to manage the perception of a conflict, taking account of advice received from their permanent secretary and the Independent Adviser on Ministerial Standards.'

The ministers' 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, actual or perceived. Ministers disclose, in confidence, a wide variety of information, including details of financial interests, directorships, public appointments, links with charities, trade union memberships, details of previous employment, relevant acquaintances and constituency interests and any relevant interests of their spouse, partner or close family members. Ministers also make declarations in relation to their tax affairs.
- 2.3 When completing their declarations of interests, ministers attest that they accept the provisions of the Ministerial Code and acknowledge their personal responsibility for deciding how to comply. This attestation, required at least annually, serves as a reminder of their ongoing duty to uphold the provisions of the Code throughout their time as ministers.
- 2.4 The information provided in a minister's declaration of interests form is reviewed initially by their permanent secretary or accounting officer who, given their in-depth understanding of the minister's responsibilities and the associated activities of their departments, have a critical role in the assessment and management of interests and the provision of advice on how any relevant interests should be managed. I would expect permanent secretaries to meet any minister joining their department specifically to address the ministers' interests process and to remain vigilant concerning the need for ministers to keep their declarations up to date so that, where mitigations are needed, these are discussed and implemented promptly. Ministers and their permanent secretaries are also asked to consider together whether any recent donations (as published in the parliamentary registers of interests) may have a bearing on the minister's portfolio and duties and, where necessary, to agree appropriate mitigations. Given their full disclosure in the parliamentary registers, I do not duplicate details of donations received in a non-ministerial context in the List of Ministers' Interests. Information on gifts and hospitality received by ministers as part of their work for the Government is made public on GOV.UK.
- 2.5 The process of a minister disclosing their interests and these being reviewed and advised upon by the accounting officer should be undertaken promptly and, in any event, within 14 days of appointment or a change in role. Ministers' declarations and any associated advice are then forwarded to my office, where each declaration is scrutinised and further advice is

provided to ensure all ministers are able to meet the principle set out in paragraph 3.1 of the Ministerial Code and also to ensure consistency in the approach taken by departments.

- 2.6 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 promptly of any substantive change in their circumstances.
- 2.7 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 and keep their entries in the respective Houses of Parliament registers of interests up to date.

Approaches to mitigation

- 2.8 It is highly probable that, with approximately 125 ministers in post at any one time, ministers and their close family members collectively will have a wide range of interests, some of which may be relevant to a specific minister's portfolio. A number of approaches are used to manage relevant interests and mitigate any actual or perceived conflicts. These can include removal of the interest, for example by stepping down from a position with a public body, institution or charity or through the sale of an asset such as shares. However, it is not always necessary or possible for an interest to be removed, for example the employment of a family member or an interest that derives from a minister's constituency. Where a relevant interest is retained, there is a range of ways in which it can be managed, for example through recusal from government activity that may have a bearing on that interest or through the involvement of a second minister in the decision-making process. Oral and written declaration is also an important tool for ministers, allowing them to ensure that particular connections are always transparent and understood.
- 2.9 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 those 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.
- 2.10 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 decisions that might have, or be perceived to have, an impact upon such interests. All shareholdings held by ministers above certain thresholds are included in the parliamentary registers of interests.¹ In general, this information is not duplicated in the List of Ministers' Interests. However, where a minister holds a financial interest that I consider to be relevant to their ministerial portfolio and which falls below the thresholds specified by the parliamentary disclosure regimes, such an interest will be published in the List of Ministers' Interests.

Publication of the List of Ministers' Interests

- 2.11 From November 2024, my terms of reference require that I should prepare and publish a statement covering the relevant interests of ministers on a quarterly basis. This statement takes the form of the List of Ministers' Interests. The list is not a register of interests and is not intended to duplicate the information available in each minister's entry in either the House of Commons Register of Members' Financial Interests or the House of Lords Register of Members' Interests. The list does not include every interest that a minister has declared to their departments and the Independent Adviser in relation to themselves and their family members. Such extensive publication and disclosure would represent an excessive degree of intrusion into the private affairs of ministers that would be unreasonable, particularly in respect of their family members. I see my role in compiling the list as being to strike a balance between the need for appropriate transparency about ministers' interests so that the public has sight of any interest that may be relevant, or may be perceived to be relevant, to a minister's role and the need to ensure appropriate confidentiality for ministers and their family members in relation to interests which I consider fall below this relevance threshold.
- 2.12 Ministers are asked to make the fullest disclosure of their interests to their permanent secretaries and myself to enable these judgements to be made. Ministers should be confident, in recognition of such complete transparency, that where information is provided that is not relevant to their role and therefore not relevant for publication, it will remain confidential. I review carefully all of the information submitted and I prepare a list that documents those interests, including of close family, which are, or may be perceived to be, directly relevant to a minister's portfolio responsibilities or wider government business.
- 2.13 The list should be read alongside the parliamentary registers of interests and any relevant information published by the Electoral Commission. The list includes information across a number of categories:
 - financial interests, including blind trusts or blind management arrangements
 - directorships, partnerships and shareholdings
 - investment properties
 - public appointments

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¹ In the House of Commons, shareholdings greater than 15% of issued share capital, or greater in value than £70,000 are included on the Register of Members' Financial Interests. In the House of Lords, any shareholding either amounting to a controlling interest, or exceeding £100,000 in value; any private equity investment worth more than £100,000 or constituting more than 10 per cent of the fund or investment; and any corporate debt security with a value exceeding £100,000 is included in the Register of Members' Interests.

- formal links with charities and other non-public organisations, for example as a patron or trustee
- other relevant interests, including interests in ministers' constituencies that could have relevance to their portfolios or broader work in government, former employment or roles and membership of trade unions and other groups
- relevant interests of a minister's spouse, partner or close family members
- 2.14 During the year under review, I published a List of Ministers' Interests in November 2024 and February 2025:
 - <u>List of Ministers' Interests, February 2025</u>
 <a href="https://www.gov.uk/government/publications/list-of-ministers-interests/list-of-ministers-
 - <u>List of Ministers' Interests, November 2024</u>
 <u>https://www.gov.uk/government/publications/list-of-ministers-interest</u>

Previous lists are available at: www.gov.uk/government/publications/list-of-ministers-interests

- 2.15 The publication of the List of Ministers' Interests can be impacted by events such as the calling of elections which place restrictions on the work of government. In May 2024, a List of Minsters' Interests for the previous government was close to finalisation, but ultimately was not published on account of the General Election.
- 2.16 With all publications, I am grateful to departments, in particular to permanent secretaries' offices, ministers' private offices and to the team that supports me in the Cabinet Office, for the considerable work undertaken to compile and issue the List of Ministers' Interests.

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. Following the updating of my terms of reference in November 2024, ministers may now request the Prime Minister's consent to refer themselves to me where they believe that there is a matter under the Ministerial Code that could benefit from independent scrutiny.

Former Economic Secretary to the Treasury - fact-finding exercise

3.2 During the year, this new mechanism was used by the former Economic Secretary to the Treasury, Tulip Siddiq MP. On 6th January 2025, Ms Siddiq referred herself to me in light of a series of allegations made in the media about possible connections to the former government of Bangladesh and the Awami League. I undertook a short fact-finding process and provided advice to the Prime Minister on 14th January 2025. Ms Siddiq decided to resign later that day. The exchange of letters between Ms Siddiq and the Prime Minister and my advice are available online at:

https://www.gov.uk/government/publications/exchange-of-letters-between-the-prime-minister-and-tulip-siddig-mp

Advice to ministers

- 3.3 Under my terms of reference, ministers are able to ask for my advice in confidence in relation to the provisions of the Ministerial Code. In these instances, ministers fully disclose the circumstances of the issue of concern and provide any further information that I may request in order that I can advise accordingly. I may also approach ministers to request clarification of a particular matter. It is not necessarily the case that this work, which has carried on throughout the year and which I consider to be an integral part of my role, will be made public. I consider it important to be able to engage with ministers in confidence to encourage the fullest possible open discussion, reporting as necessary to the Prime Minister so that he can determine any action required.
- 3.4 There have been instances during the year where a minister has recognised that a matter should have been handled with greater care. It is important that ministers have the ability and confidence to acknowledge such instances, recognising the Prime Minister's expectations concerning their adherence to the Ministerial Code and, where appropriate, apologise. The Ministerial Code makes clear that apologies can be an acceptable means to acknowledge conduct which falls, or may appear to have fallen, below the standards expected under the Code. It is the Prime Minister's prerogative as to whether an apology is accepted and also as to whether it is made public.

4. Engagement with others responsible for standards in public life

- 4.1 I am one of a number of office-holders and bodies charged with upholding standards in public life. I welcome opportunities to share knowledge and best practice with others in the field so that we can be as effective as possible in delivering our common objective to champion high standards of conduct and robust adherence to the Principles of Public Life.
- 4.2 During the year, I was pleased to meet with the Chair of the Committee on Standards in Public Life (CSPL), Doug Chalmers CB DSO OBE; the Parliamentary Commissioner for Standards, Daniel Greenberg CB; the First Civil Service Commissioner, the Rt Hon the Baroness Stuart of Edgbaston, and the Prime Minister's Anti-Corruption Champion, the Rt Hon Baroness Margaret Hodge DBE. I attended a number of useful meetings convened by CSPL for leaders of the various standards bodies.
- 4.3 I met representatives of the National Audit Office to talk about my work as part of their review of the management of conflicts of interests in government departments and public bodies. Their report, *Managing Conflicts of Interests*, was published in November 2024 and is available at:

https://www.nao.org.uk/wp-content/uploads/2024/11/managing-conflicts-of-interest.pdf

4.4 I was delighted to be invited to write a blog to coincide with the 30th anniversary of the formation of CSPL and the adoption of the Seven Principles of Public Life. This is included in Section 6.

5. Terms of Reference

The Independent Adviser on Ministerial Standards is appointed by the Prime Minister to advise them 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 (paragraph 3.2), "it is the personal responsibility of each minister to decide whether and what action is needed to avoid a conflict or to manage the perception of a conflict, taking account of advice received from their permanent secretary and the Independent Adviser on Ministerial Standards".
- 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. This must occur within 14 days (paragraphs 3.3-3.4). The list should have been reviewed where relevant by the appropriate permanent secretary or Accounting Officer. Ministers have an ongoing duty to ensure that their declarations are kept up to date and that they notify their permanent secretary and the Independent Adviser of any relevant change in circumstances.
- 1.3. The personal information which ministers disclose to those who advise them is treated in confidence (paragraph 3.6).
- 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 (paragraph 3.4). 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 (paragraph 3.4).
- 1.6. On a quarterly basis the Independent Adviser must prepare and publish a statement covering the relevant interests of ministers (paragraph 3.6). The statement must set out such information about those relevant interests as the Independent Adviser considers appropriate. The Independent Adviser will advise the Prime Minister of their intention to publish the list which will then be published as promptly as possible.

2. Investigation of alleged breaches of the Ministerial Code

2.1. Under the terms of the Ministerial Code (paragraph 2.6a): "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, the Prime Minister may ask the Cabinet Office to investigate the facts of the case and/or refer the matter to the Independent Adviser on Ministerial Standards".

- 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 them, they may initiate an investigation (paragraph 2.6b). Before doing so, the Independent Adviser will notify the Prime Minister in writing.
- 2.3. Where a minister believes they may have failed to uphold the standards set by the Prime Minister in the Ministerial Code, they may write to the Prime Minister to request that the matter is referred to the Independent Adviser to determine whether further action is needed, including the need for an investigation. The Independent Adviser will advise the Prime Minister of their determination.
- 2.4. Following an investigation carried out by the Independent Adviser, the Independent Adviser may advise the Prime Minister on whether, in their view, there has been a breach of the standards expected in the Ministerial Code. Additionally, the Independent Adviser may recommend what sanction should be considered.
- 2.5. 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 (paragraph 2.3).
- 2.6. 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 (paragraph 2.6b). Where the Independent Adviser considers that a minister is not providing such information, they will notify the Prime Minister.
- 4.2. Information provided to the Independent Adviser for the purposes of their functions is provided in confidence. The Independent Adviser may publish information provided to them, including in summarised form, if they consider this is necessary to discharge their 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.
- b. Include observations on matters relating to the role of the Independent Adviser.
- 4.5. The Independent Adviser will advise the Prime Minister of their intention to publish their annual report providing at least four weeks' notice of the publication date.

6. Publications and resources

Blog published by the Committee on Standards in Public Life as part of its series to mark the 30th anniversary of the Nolan Principles in 2025.

The role of Independent Adviser to the Prime Minister on Ministerial Standards ("IA") has existed with various titles since 2006.

The IA's principal duties are to advise ministers on the management of their financial and other interests in the context of their portfolio responsibilities and to advise the Prime Minister on ministers' compliance with the Ministerial Code ("Code"). The Code is issued by the Prime Minister and, whilst he is always accountable to Parliament, it is his absolute prerogative to advise the King on who serves as ministers in HM Government. The IA therefore has never had any power beyond the parameters approved by the Prime Minister, but it is significant that those parameters have been materially broadened during the last five years, with greater public awareness of the IA's status.

Debate continues as to whether, in the light of recent political upheavals, it remains appropriate for officer-holders such as the IA to draw their authority solely from the Prime Minister and not to have some form of statutory footing. The IA now has the power unilaterally to initiate investigations of ministers in relation to their compliance with the Code, including their adherence with the Seven Principles of Public Life, and importantly demonstrating exemplary leadership and setting "the tone from the top". The IA can also require that any resulting advice to the Prime Minister is published. This independence and transparency is very significant but, as Head of the Executive, it is solely the Prime Minister's decision as to the outcome that follows such advice. Of course, the IA would have the option to resign if his advice is overruled, but the Prime Minister has the final word, as arbiter of ministerial conduct, albeit remaining ultimately accountable to Parliament.

It is not my place to express a preference between a statutory and the current non-statutory framework for the IA, but I consider that the status quo is effective, particularly where the Prime Minister remains demonstrably supportive and the IA can genuinely "speak truth unto power".

How then do I see my role in the context of CSPL's aspirations? Opinion polls in recent years have shown low levels of public trust in politicians, including ministers, with the risk that people are deterred from becoming involved in political activity and public life. This perception, which is distorted by the actions of a small minority and also the changing nature and polarisation of political discourse, differs markedly from what I believe to be the reality based on my interaction with ministers. Since my appointment in December 2022, I have found that the holders of ministerial office in general understand the privilege of their positions, recognise their responsibilities under the Ministerial Code and are diligent in upholding high standards of behaviour. My job is to advise the Prime Minister and, where appropriate, his ministers to ensure good practice and thereby, with others responsible for upholding standards in public life, to help move the dial of public confidence in a more positive direction.

Sir Laurie Magnus Independent Adviser on Ministerial Standards

Resources

Lists of Ministers' Interests https://www.gov.uk/government/publications/list-of-ministers-interests

Independent Adviser on Ministerial Standards webpage https://www.gov.uk/government/organisations/independent-adviser-on-ministers-interests

House of Commons Register of Financial Interests
https://www.parliament.uk/mps-lords-and-offices/standards-and-financial-interests/parliamentary-commissioner-for-standards/registers-of-interests/register-of-members-financial-interests/

House of Lords Register of Members' Interests https://members.parliament.uk/members/lords/interests/register-of-lords-interests