

Committee on Standards in Public Life

**Annual Report of the Committee
on Standards in Public Life 2007-2008**



Chairman: Sir Christopher Kelly KCB

The Seven Principles of Public Life

Selflessness

Holders of public office should act solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends.

Integrity

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties.

Objectivity

In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

Accountability

Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

Openness

Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

Honesty

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

Leadership

Holders of public office should promote and support these principles by leadership and example.

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The Committee on Standards in Public Life

Back Row (l – r) Sir Derek Morris MA Dphil, Rt Hon Alun Michael JP MP,
Dr Brian Woods Scawen CBE, Oliver Heald MP

Front Row (l – r) Dr Elizabeth Vallance JP, Sir Christopher Kelly KCB, Baroness Maddock

Two members, Lloyd Clarke QPM and Dame Patricia Hodgson DBE
were not present for the group photograph

FOREWORD BY SIR CHRISTOPHER KELLY CHAIRMAN OF THE COMMITTEE

This is my first report as Chairman of the Committee on Standards in Public Life. It is an honour and a privilege to take up this role. I am conscious of the unique contribution to the promotion of higher standards in public life which has been made by the Committee over the last 14 years, and I am determined over the five years of my own appointment to continue to uphold the same high standards promoted by my predecessors.

Each of them had a different approach to the role. I will have mine. But what will remain constant is the Committee's insistence on resolute independence in its choice of subjects and its conclusions, on evidence based analysis and on its willingness to speak truth to power.

I have been appointed at an interesting time. On the one hand it is almost certainly true that we now have more transparency in many areas of public life than ever before, and higher expectations of those in public office. On the other, trust and confidence seem to have decreased. The two phenomena are, of course, related. It is likely in my view that standards of behaviour in public life have improved over the last 14 years. It would be a sad reflection on the new or reformed ethical regulators and codes which have been created as a result of the Committee's past recommendations if that were not the case. But greater transparency has also meant greater awareness and brought into sharper focus practices which in the past would simply have gone unnoticed or been taken for granted. When now exposed to public gaze and set against the high expectations we rightly have of our elected politicians and other public office holders, their unacceptability can be seen more clearly.

I have no doubt at all that the need for the existence of the Committee is as strong as it has ever been. The long interregnum between the departure of Sir Alistair Graham in April 2007 and my own appointment at the beginning of this year presumably reflected consideration of whether the work of the Committee was substantially accomplished. If so, I am glad that good sense prevailed. The rest of this report

demonstrates very clearly in how many areas there remain issues of concern. It is encouraging that the present Prime Minister has asserted his commitment to the promotion of high standards. The Committee will continue to monitor the way that commitment is implemented in practice and to press for change where we regard it to be necessary.

There are a number of examples of unfinished business from previous Committee recommendations which continue to demand attention. I regard three as being of particular importance.

First, in last year's report my predecessor expressed concern about the vulnerability to fraud of our electoral system because of the combination of head of household registration – an anachronistic arrangement – and the introduction of postal voting on demand. That concern has increased over the last 12 months following some well reported instances of voting fraud in Peterborough, Burnley and Slough. It must, or ought to be, troubling to all of us that last year the Council of Europe came close to triggering its special monitoring processes for United Kingdom elections, a process more usually employed for states where democracy is new or unstable, for example in parts of the former Soviet Union or in Africa.

In its Eleventh report the Committee made a strong case for the introduction of individual voter registration combined with an objective personal identifier. Such a system has already been successfully introduced in Northern Ireland, where it has transformed both the quality of the electoral register and confidence in the integrity of the system. We suggested a timetable which would have led to implementation immediately following the next general election.

So far no progress has been made. This inaction is not, it appears, because of disagreement in principle. It reflects concern because of the effect the change might have on the number of people registering to vote. I understand that concern. But I regard it as something

to be tackled directly, not as an excuse for a failure to tackle a problem which could become urgent. As we say elsewhere in the report, electoral fraud is not a trivial matter, even if so far it appears to be relatively limited in scope. It is an affront to the democratic process. Left unchecked, it will eventually undermine confidence, and by implication consent, in the outcome of elections.

Accurate, complete electoral registers are important in their own right as well as to help combat fraud. The right of every eligible individual to vote is central to our democracy. So we are concerned too about the slow progress on our recommendations in the Eleventh report for the creation of regional electoral officers to ensure that electoral administrators and councils are properly held to account, and on our other proposals intended to make the Electoral Commission a more effective organisation.

The second major item of unfinished business concerns party political funding. Few things have been more corrosive in recent years to public trust in politicians and the political process than the perception – however ill-founded that may be shown to be in most cases – that financial support to a political party can buy influence or personal advancement. It is therefore deeply disappointing that the attempts brokered by Sir Hayden Phillips to bring about all-party agreement on much needed reforms to the system appear to have broken down. This cannot be acceptable to anyone. It is essential in my view that further thought now be given to the issue, taking account of public reaction to the Phillips proposals. That will undoubtedly require willingness by more than one party to compromise in the public interest on some deeply entrenched positions. If the present stalemate persists, my Committee may feel that it has no choice but to take its own look at the issues.

Third is the issue of MPs' pay and allowances. I have little doubt about the personal integrity in financial matters of the vast majority of Members of Parliament. But they are not well served by arrangements for reimbursement of the costs they incur in performing their role which appear to be less transparent and less rigorous than those for other public office holders or in the private sector; and recent events show that it is possible for those rules to be exploited. My understanding is that many Members of Parliament share this view. So my Committee welcomed Parliament's decision to instigate a root and branch review of the allowance system. We were less impressed

by the decision that the review should be conducted by a committee composed solely of parliamentarians, though the Senior Salaries Review Body was involved at an earlier stage. This is in contrast to the way similar reviews have been conducted in Scotland in relation to the Scottish Parliament and are being conducted in Wales in relation to the Welsh Assembly. In both cases a significant independent element has been involved in the whole process. However conscientiously the Members Estimate Committee undertake their task in relation to the Westminster Parliament, it is difficult to see how the results can be expected to command full public confidence.

My Committee did therefore consider whether we should mount an inquiry of our own in this area. We took the view that that would not be helpful, or appropriate, while Parliament's own review was under way. But we have provided a statement (reproduced elsewhere in this report) of the principles on which we would expect any new system of allowances to be based if the highest standards used elsewhere are to be followed; and we have kept open the possibility of returning to this subject at a later date.

This report also gives details of a number of other areas on which my Committee will continue to keep a close eye. Again there are three which warrant particular mention.

First, the run-up to the Mayoral and Assembly elections in London through the early months of 2008 suggested potential weaknesses in the governance arrangements and standards established by the Great London Authority Act 1999 which became an issue in a close-fought political contest. Now that the elections are finished, the implications for public standards of the accountability arrangements for elected mayors in general will be a strong candidate for further Committee consideration.

Second, the implications for standards of behaviour of the Freedom of Information Act continue to be a matter of great interest as the consequences of the Act are developed through decisions by the Information Commissioner, Information Tribunal and High Court, and as Parliament and the executive react to those decisions.

Finally, in July 2007, the Committee welcomed the proposal in the *Governance of Britain* statement for a more powerful independent Adviser on Ministerial interests, able to carry out investigations into alleged breaches of the

Ministerial Code. But we were disappointed that the Adviser has no powers to instigate such investigations at his own discretion. They are still dependent on a request from the Prime Minister. The Committee regard this limitation as potentially being a serious weakness and we will continue to monitor the way the arrangement is operated in practice.

I have no doubt that these and other matters will provide the Committee with a good deal of further work in the year ahead, and potentially at least one area for a prospective future inquiry. We are also looking forward to the publication in the autumn of our third Public Attitudes Survey; and, in a new departure for us, we will be holding a number of seminars over the next few months to provide a forum for discussion by key stakeholders of important standards issues and to help to inform the future work of the Committee.

I would like to thank Rita Donaghy, Baroness Gillian Shephard and Dame Hazel Genn who retired from the Committee at the end of 2007 for their contributions to the work of the Committee. I should also like to thank Rita for agreeing to serve as the interim Chair for eight months following the end of Sir Alistair Graham's term as Chairman and my appointment from the beginning of this year.

Christopher Kelly

OVERVIEW OF ACTIVITIES

This section describes the Committee's main activities over the last 12 months.

Response and Follow-up to the Eleventh Report: Review of the Electoral Commission

The Committee published its Eleventh Report¹, *Review of the Electoral Commission*, on 18 January 2007. The main recommendations were that:

- The Commission's mandate as set out in the Political Parties, Elections and Referendums Act 2000 should be refocused on two principal duties – regulator of party political funding and campaign expenditure and regulator of electoral administration.
- Consequently it should no longer have the roles of encouraging participation in the democratic process, of undertaking policy development in relation to electoral legislation or of involvement in electoral boundary matters.
- Statutory regional electoral officers should be established with responsibility for monitoring the performance of electoral administrators in their regions.
- Current restrictions on who can be a commissioner should be revised to make possible the appointment of four commissioners with recent political experience. These new commissioners should, however, not be appointed as representatives or delegates of a particular political party.
- Plans should be made to introduce individual voter registration immediately following the next general election or by 2010 at the latest. The new system should require at least one objective personal identifier such as the National Insurance number.

¹ *Eleventh Report of the Committee on Standards in Public Life: review of the Electoral Commission, January 2007 (CM 7006)*

The Electoral Commission's² response to the report was published on 19 March 2007. It accepted that its mandate should now be more focused and agreed with the bulk of the Committee's recommendations, except those on funding arrangements for electoral administration, the creation of Regional Electoral Officers and appointing individuals with recent political activity as Commissioners.

The Speaker's Committee³ published its response on 26 July 2007. It welcomed the report and agreed with most of those recommendations in which it had an interest except that it disagreed with proposals for lessening the role of the Speaker in the day-to-day activities of the Speaker's Committee.

The Government's⁴ response was published on 20 November 2007. It broadly welcomed many of the Committee's recommendations, including some of those relating to the refocusing of the Commission on its core regulatory activities. In its formal reply to the Government response published on 18 December 2007, however, the Committee noted that there were several areas where the Government's intention to implement the recommendations was uncertain, or where the position indicated by the response was unclear. The main points at issue are outlined below.

Principal Role of the Commission (Report recommendation 1)

The Government agrees with the Committee's recommendation to refocus the Electoral Commission's mandate on its regulatory functions in relation to political party funding and campaign expenditure and electoral administration. But there has as yet been no commitment to legislate to make such changes.

² *The Electoral Commission: Response to the Recommendations of the Eleventh Report of the Committee on Standards in Public Life, March 2007*

³ *Speaker's Committee First Report 2007: Observations of the Speaker's Committee on the Eleventh Report of the Committee on Standards in Public Life, July 2007*

⁴ *The Government Response to the Committee on Standards in Public Life's Eleventh Report, November 2007 (Cm 7272)*

The Committee continues to believe that it is essential that the Commission's revised mandate be made clear in law and that it be given statutory powers both to set performance standards and to enforce them with appropriate sanctions.

Regulation of Party Funding and Expenditure (Report recommendations 2-8)

The Government is currently considering what steps to take next about party funding in the light of the recent failure of inter party talks. The Committee takes the view that any new structure for party funding will not carry public support unless it is underpinned by a vigorous regulatory regime. It continues to believe therefore that the Government should legislate so that there is no doubt about the Commission's regulatory role, nor that the Commission has a duty to investigate proactively allegations or suspicions of failures to comply with the regulatory framework.

Regulation of Electoral Administration (Report recommendations 9-14)

The standard of electoral administration is currently very uneven in different parts of Great Britain. The Committee therefore recommended that statutory Regional Electoral Officers should be established with responsibility for monitoring standards and reporting on them.

The Government has not rejected this idea, but is awaiting the outcome of the Commission's current review of its English regional network. The Committee welcomes the opportunity to discuss with the Commission the value of a stringent regional system for driving up the standards of electoral administration throughout Great Britain.

Electoral Boundaries (Report recommendations 17-20)

The Eleventh Report recommended that the Electoral Commission should no longer retain any involvement in electoral boundary matters, a role for which it is not well suited and which in the Committee's view detracted from its key regulatory functions. The Commission itself shares this view. The Committee welcomes the Government's commitment to accept its recommendations on electoral boundaries. But it is puzzled by the Government's proposal to retain for the Electoral Commission an oversight

role, including a power to review the local and parliamentary boundary review process as it operates in any part of the UK .

The Committee can see no added value in putting in place such an arrangement as parliamentary boundary reviews are already overseen by independent commissioners. Giving the Commission this new role will in its view only add unnecessary bureaucracy and lengthen the already prolonged period it takes to complete a boundary review. It will also distract the Commission from its core activities. The Committee's view on this issue is shared by the four Parliamentary Boundary Commissions and by the Speaker's Committee. The Committee is therefore continuing to urge the Government to re-consider its approach.

Integrity of the Electoral System (Report recommendations 40-47)

In the Committee's view the current system of household voter registration is no longer appropriate as a means of establishing an accurate and comprehensive electoral register. It leaves the electoral system in Great Britain more open than necessary to abuse and fraud, particularly when combined with increased postal voting; and it is inconsistent with the view that in a modern democratic society eligible individuals should take personal responsibility for registering. The Electoral Commission and the Association of Electoral Administrators both share this view and have joined with the Committee in pressing for individual voter registration.

The Government has made clear that it supports the principle of individual registration, but is concerned about how it could be implemented without causing significant numbers of eligible people to fall off the register. The Committee understands these concerns, which is why it recommended that a plan be put in place to establish registers which are as complete as possible as well as accurate and secure. But it does not think that they should be allowed to over ride the desirability of introducing a more secure system of individual registration, and it takes the view that that the success of such a system in Northern Ireland shows the impact it can have in improving public confidence in its integrity.

The Eleventh Report suggested a timetable for introducing individual registration following the next General Election. The Committee believes that this continues to represent a realistic ambition. The Committee has therefore called on the Government to bring forward proposals to increase the integrity of the register during the current Parliament, which would offer the opportunity to ensure that the electoral register is both accurate and comprehensive in time for the next but one General Election.

The System of Allowances and Expenses for Members of Parliament

The Committee's 2006 Annual Report highlighted the potential damage to public trust in Parliament and politicians which could be caused by the system of Members' allowances, and in particular by the perception that the rules that apply to Members seeking reimbursement are less rigorous than those for other public office-holders or which apply in the private sector. The Committee therefore welcomed the opportunity offered by a then current Senior Salaries Review Body review to clarify the basis and boundaries of the allowances and expenses regime.

The Senior Salaries Review Body⁵ review was published on 16 January 2008. It made a number of recommendations both at a general level and on specific allowances. It made the point that most of what are known as allowances for MPs are in fact mechanisms for reimbursing expenditure incurred by them necessarily in the performance of their duties and recommended that they should be renamed to make this clearer. It did not make any recommendations of a structural nature.

The issue was given greater prominence by public revelations about the use of the allowance system made by Derek Conway MP to employ his sons. On 24 January the House of Commons referred 11 recommendations from the Senior Salaries Review Body on Members' allowances to the Members Estimate Committee (MEC). Shortly afterwards the MEC's work was extended following the Fourth Report from the Standards and Privileges Committee about the use of the staffing allowance to employ relatives, in consequence of which the MEC therefore decided to conduct a root and branch review. The MEC stated that

"Our first priority is looking at radical options for restructuring pay and allowances. We are conscious of the need to establish a structure which will endure and will rebuild confidence."

In the light of widespread public concern about this issue, the Committee on Standards in Public Life considered whether it should mount its own independent inquiry. It took the view that it would not be appropriate for the Committee to undertake a parallel inquiry into MPs' allowances simultaneously with the review by the MEC. The Chairman of the Committee said on 27 February

"My Committee has recently discussed how to respond to current public concerns about parliamentary allowances. There can be no doubt that recent events have been damaging to public trust in Parliament and that a fundamental review of allowances is required if trust is to be restored. My understanding is that many Members of Parliament share this view. My Committee therefore intends to produce a statement of the principles that we believe a new system of allowances should follow if it is to measure up to the highest standards expected elsewhere. The Speaker has told me that he would welcome this."

The Committee published its principles on 10 April 2008. They are reproduced at Appendix 8. They start from the premise that it is in MPs' own interest, as well as that of the public, that the arrangements for their remuneration and reimbursement of expenses should meet the highest standards of transparency, probity and accountability and that our elected representatives should be seen to lead by example.

The MEC is aiming to publish the outcome of its review in late June or early July. The Committee looks forward to commenting on its conclusions.

Third Public Attitudes Survey on Conduct in Public Life

The Committee will be publishing the results of its third biennial Public Attitudes Survey in the autumn of 2008.

⁵ Review Body on Senior Salaries, report No. 64 Review of Parliamentary Pay, Pensions and Allowances, January 2008

In 2001 the Committee initiated a long-term study to benchmark public opinion about standards of conduct in public life and subsequently to track these opinions over time. The initial phase was qualitative research to:

- explore with the public their perceptions of the standards that public office holders should uphold; and
- help articulate people's views of the types of conduct implied by the Seven Principles.

The work was carried out by the National Centre for Social Research during 2002 and was based on focus groups totalling 122 people from six regions in Great Britain. The Stage 1 report summarising the findings was published by the National Centre for Social Research as *Guiding Principles: Public Attitudes towards Conduct in Public Life*, and is available from their website www.natcen.ac.uk.

In April 2003 the Committee commissioned BMRB Social Research to conduct the first national quantitative survey, using information derived from the qualitative study. BMRB interviewed a nationally representative random sample of 1,097 adults aged 18 or over in Britain. The results were published on 8th September 2004 in a report entitled *Survey of Public Attitudes towards Conduct in Public Life*. Copies of the questionnaire used, the data tables, and the final report can be found on the Committee's website at www.public-standards.gov.uk/research.

A second survey took place in 2005-06 conducted by Ipsos MORI, the results of which were published in September 2006. Copies of the questionnaire used, the data tables, and the final report can be found on the Committee's website.

Fieldwork on the third survey began in January 2008. The work is being carried out by BMRB who conducted the First Survey. BMRB won the contract following a competitive tender. For the first time the survey will give a breakdown of results in each of the four home countries as well as a United Kingdom wide perspective. The survey will also cover a number of new areas, including: views on electoral registration systems in Great Britain and Northern Ireland; attitudes towards coverage of political news by different media; and an experiment to test the impact of varying response options for the question on trust in professions.

Research Advisory Board

An Advisory Board was appointed in 2001 to assist the Committee in its research activities. The current membership is as follows:

- Dr Mark Philp (Chairman), Fellow and Tutor in Politics, Oriel College, University of Oxford
- Jean Martin, Senior Research Fellow, Social Inequality and Survey Methods, Department of Sociology, University of Oxford
- Professor Cees van der Eijk, Professor of Social Science Research, methods Director of Social Sciences Methods and Data Institute, University of Nottingham

To reflect the involvement of Northern Ireland, Scotland and Wales in the third survey Neill Jackson, Office of the First Minister and Deputy First Minister, Louise Appleton, Scottish Executive and Becca Sarasin, Welsh Assembly Government are also members of the Board. They advise on matters relating to the devolved administrations.

The Committee thanks Dame Hazel Genn CBE, Professor Charlie Jeffery and Peter Riddell who have all retired from the Advisory Board over the last 12 months.

STANDARDS IN PUBLIC LIFE – A STANDARDS CHECK

When the then Prime Minister, the Rt Hon John Major, established the Committee on Standards in Public Life in October 1994, the Committee was given wide terms of reference.

The following month Mr Major said of the Committee:

“It is to act as a running authority of reference – almost you might say, an ethical workshop called in to do running repairs.”

This aspect of the Committee’s work was reaffirmed in 2000 as part of the Cabinet Office’s Quinquennial Review of the Committee, which concluded that there was a:

“...continuing need to monitor the ethical environment and to respond to issues of concern, which may arise.”

To fulfil this role and in addition to its formal inquiries, reports and research into public attitudes, the Committee devotes time throughout the year to discussing current issues and concerns relating to standards in public life. These considerations may, and sometimes do, result in a full-scale inquiry. Even where no inquiry is conducted, these discussions are regarded by the Committee as a useful check on current standards and the effectiveness, or otherwise, of the arrangements in place to ensure the highest standards of propriety in public life.

The issues considered by the Committee come from a wide range of sources, including correspondence received, debates in Parliament, and issues raised by the media. Not all relate to concerns about things going wrong. The Committee is equally interested to see and consider evidence that arrangements already in place are working to ensure the highest standards of propriety in public life.

In this section a selection of issues discussed by the Committee during the last year provide an illustration of the practical operation of some of the arrangements for ensuring the highest standards of propriety in public life.

STANDARDS ISSUE

The operation of the Ministerial Code

The Committee’s focus

Revised Ministerial Code published by the Cabinet Office in July 2007.

The Committee’s interest

The Committee has held a long-standing interest in the content and operation of the Ministerial Code. In its Ninth Report⁶ in 2003 it made detailed recommendations designed to improve the handling of Ministerial interests and the investigation of complaints about alleged breaches of the Ministerial Code, including:

- The appointment of an independent office-holder, called the Adviser on Ministerial Interests, to advise an incoming Minister on what arrangements to make to ensure that actual or perceived conflicts of interest do not arise between Ministers’ public duties and their private interests, and to maintain a record of ministerial interests which Ministers would be required to disclose; and
- At the beginning of each Parliament, the nomination by the Prime Minister of a panel of people of senior standing, after consultation with the leaders of the major opposition parties, to be available as individuals to investigate alleged breaches of the Ministerial Code, and report findings to the Prime Minister.

⁶ *Ninth Report of the Committee on Standards in Public Life: Defining the Boundaries within the Executive: Ministers, Special Advisers and the permanent Civil Service (Cm 5775), paragraphs 5.9-44.*

In its Response to the Committee's Ninth Report⁷ the Government accepted the case for appointing an independent adviser on Ministerial Interests, though on different terms to those that the Committee proposed. The Government rejected the Committee's recommendation to appoint, at the beginning of each Parliament, individuals of senior standing to a panel to investigate alleged breaches of the Ministerial Code.

Subsequent experience of the handling of both Ministerial interests and allegations of breaches of the Code reinforced the Committee's view that the Ninth Report recommendations remained relevant and the Committee continued to press publicly for their adoption⁸.

On 3 July 2007 the Prime Minister, The Rt Hon Gordon Brown MP published a new Ministerial Code. This new Code is an important step forward in addressing the long-standing concerns of the Committee about the content and operation of the previous Code. The Committee in particular welcomes:

- The move towards a more principle-based Code, with the removal of some of the more detailed procedural guidance; and
- The appointment of Sir Philip Mawer as the Independent Adviser on Ministerial Interests. Sir Philip brings significant expertise and experience, gained during his successful term as the Parliamentary Commissioner for Standards;
- The fact that the Independent Adviser can be asked to investigate any allegation about a breach of the Code that the Prime Minister believes to warrant it.
- The fact that it is now a requirement for Ministers both to seek and to follow the advice of the Business Appointments Committee.

To date no cases have been referred to the Independent Adviser and where complaints have been made about the conduct of Ministers it appears that these have been referred to the Cabinet Secretary.

The Committee would prefer that the Independent Adviser be given the power to launch an investigation without first being asked by the Prime Minister, although the Prime Minister would still have the final decision in relation to any action that needed to be taken. The Committee intends to keep this aspect of the arrangement under review.

The Committee will also be keeping under review the practical application of the recent changes to the Whitehall Ministerial Code, and will be pressing the devolved administrations to adopt similar procedures.

STANDARDS ISSUE

Civil Service Bill

The Committee's focus

The Governance of Britain – Draft Constitutional Renewal Bill, March 2008.

The Committee's interest

The Committee has had a long-standing interest in the Civil Service Code. Its Ninth Report⁹ recommended that the key principles in the Code be put on a statutory footing in a Civil Service Act and that the Code itself be made a regulation under such an Act. In its response to the Ninth Report¹⁰ the Government undertook to consult on a draft Bill. That commitment was fulfilled during 2005, but no further progress was then made.¹¹

When the Rt. Hon. Gordon Brown MP became Prime Minister in 2007 one of his first major statements was the publication of the *Governance of Britain* Green Paper covering a wide range of constitutional issues including revived interest in a Civil Service Bill. On 27 March 2008 the Government published a White Paper¹² *Governance of Britain: Constitutional Renewal* and a draft Constitutional Renewal Bill,¹³ part of which deals with the Civil Service.

⁷ *The Government's Response to the Ninth Report of the Committee on Standards in Public Life, September 2003 (Cm 5964)*.

⁸ See Committee on Standards in Public Life Annual Report 2005 for a full account

⁹ See footnote 6, Chapter 6

¹⁰ See footnote 6

¹¹ See Committee on Standards in Public Life Annual Report 2005 for a full account

¹² *The Governance of Britain – Constitutional Renewal, March 2008 (CM 7342-1)*

¹³ *The Governance of Britain – Draft Constitutional Renewal Bill, March 2008 (CM 7342-11)*

The Committee previously commented in detail on draft Civil Service legislation in 2004/05. However, the Committee welcomes the fact that the current draft builds on some important Government commitments including the explicit ending of special advisers having line management responsibilities within 10 Downing Street. There are some aspects of the Bill which give some cause for concern such as the lack of any proposed Parliamentary scrutiny over the codes for the Civil Service and for special advisers.

The deadline for comments on the draft Bill is 18 July 2008. The Committee will however be submitting an earlier response to the Joint Select Committee established to scrutinise the draft Bill.

STANDARDS ISSUE

Electoral Fraud

The Committee's focus

A number of incidents of electoral fraud particularly related to abuses in postal voting including in Peterborough and Slough.

The Committee's interest

In its annual report last year the Committee expressed its concerns about growing evidence that the electoral system has become more susceptible to organised electoral fraud since the introduction of postal voting on demand in 2001.

In 2006 the Parliamentary Assembly of the Council of Europe decided to carry out investigations to see whether it should initiate the Council's monitoring procedures for United Kingdom elections because of serious concerns expressed about the level of postal voting fraud. This type of monitoring is usually undertaken in relation to those states where democracy is new or unstable such as in some parts of the former Soviet Union or in Africa. The report of the Monitoring Committee published last summer concluded that the electoral system in Great Britain was open to electoral fraud, mainly because of the system of voter registration exacerbated by the introduction of postal voting on demand. The monitoring arrangements have not, however, been triggered.

In April 2008 a councillor in Slough was found guilty of postal voting fraud through stuffing the electoral register with false names. In passing judgement Richard Mawrey QC

expressed the view that

"Great Britain's system of voter registration may well have been a quaint but harmless anomaly while personal voting was the norm, but the introduction of postal voting on demand has made it lethal to the democratic process."

In the Committee's view, the safeguards introduced by the Government in the 2006 Act to combat electoral fraud are easily bypassed because of the fundamental weaknesses in the current system of electoral registration. In most cases the information supplied on completed electoral registration forms is taken at face value, and few checks are carried out at polling stations to verify a voter's identity.

Electoral fraud is not a trivial matter. It is an affront to the democratic principle of one-person one vote. Left unchecked it will eventually undermine trust and confidence in the democratic process and by implication the electorate's consent to the outcome of elections.

STANDARDS ISSUE

Electoral Registration

The Committee's focus

Evidence received by the Committee during the 11th Inquiry.

The Committee's interest

The system of electoral registration is probably the most critical element of the electoral administration process. An electoral registration system serves to ensure:

- That the right to vote is available to those individuals who are eligible and choose to exercise it;
- That it is a personal right so that the vote is owned by the eligible person on the register, and no-one else; and
- That there can only be one vote cast per person.

It is essential, therefore, that the electoral register and the system of electoral registration retain the trust and confidence of both the electorate and political parties.

During the Committee's 11th Inquiry concerns were raised about the integrity of the current registration system in Great Britain. Many of the individuals who gave evidence were concerned

that large numbers of eligible voters were not registering and that up to 3.5 million eligible individuals were not registered.

Currently the United Kingdom has a combination of household and individual registration in Great Britain and individual registration only in Northern Ireland.

The Electoral Commission has been in favour of introducing individual registration in Great Britain since it published *Voting for Change* in 2003. When the Government announced that it was not including individual registration in the Electoral Administration Bill, the Electoral Commission made clear publicly that it disagreed. Pressure from the House of Lords during the passage of the Bill resulted in an amendment to bring in individual registration that was accepted in the Commons. The Government's view was that, while it accepted the approach in principle, it was not the time to introduce it because it could lead to a substantial diminution in the numbers who register. The House of Lords dropped its amendment after the Government decided to accept an amendment to improve anti-fraud measures for postal voting in Great Britain by introducing personal identifiers.

The Committee continues to take the view that individual registration is the right way forward because in a democratic society eligible individuals should take personal responsibility for registering and will continue to press that view on the Government.

In the meantime, it is essential that the Electoral Commission uses performance standards to drive-up the effectiveness of the registration process and that local authorities give electoral administrators the resources required to be effective. It is also important that electoral administrators put as much effort as possible into ensuring that the current registration system is as comprehensive and accurate as possible within the limitations of the current household system.

STANDARDS ISSUE

Party Political Funding

The Committee's focus

The current stalemate between the political parties on future proposals for party political funding following the review by Sir Hayden Phillips.

The Committee's interest

In 1997 the Committee was given additional terms of reference by the then Prime Minister, the Rt. Hon. Tony Blair to look at party funding. The Committee's Fifth Report contained around 100 recommendations for the reform of party funding which were mainly accepted by the Government in the Political Parties, Elections and Referendums Act 2000. This Act is the framework under which the current political funding regime operates.

Following controversy about loans to political parties and allegations about connections to the awarding of honours, the then Prime Minister asked Sir Hayden Phillips in March 2006 to undertake a review of the funding of political parties. The terms of reference of the review were:

"To examine the case for state funding of political parties including whether it should be enhanced in return for a cap on the size of donations; and to consider the transparency of political parties' funding".

Sir Hayden Phillips report¹⁴ was published in March 2007. Its main recommendations included:

- A cap on donations and loans of £50,000 to all political parties with two or more elected representatives;
- Affiliation fees paid by trades unions to be treated for the purposes of the cap as individual donations of the members;
- All registered political parties to be subject to spending controls that would apply to the whole of the Westminster electoral cycle – £150million for the full term of the next Parliament including a general election premium of £20million
- Two new schemes for public funding to be introduced including matched funding per vote, primarily designed to help provide for financial stability following the introduction of the cap on donations; and a sum of money based on the number of votes a party received at the previous General Election up to a maximum ceiling.

Following lengthy discussions with the political parties, it was announced in October 2007 that the talks had been suspended after it became

¹⁴ *Strengthening Democracy: Fair and Sustainable Funding of Political Parties*, March 2007

clear that the parties would not be able to arrive at agreement.

In the Queen's Speech it was announced that

"Political Party Funding and Expenditure Proposals will be brought forward. The Government is committed to a fair and transparent system of political party funding that does not disadvantage any party. It is now considering what steps to take next, including how to restore public confidence by tackling the spending arms race."

As yet no new proposals have been made and consensus on the issues relating to both donations and expenditure remains elusive. This is disappointing. It may be that the Committee will want to examine the current party funding legislation in due course if the current stalemate persists.

STANDARDS ISSUE

Freedom of Information

The Committee's focus

Ongoing public debate on the impact of freedom of information on good governance and other issues.

The Committee's interest

The Committee is interested in the workings of freedom of information, based upon three principal components for effective regulation of standards of conduct identified by the Committee in its Tenth Report.

- Burden of regulation. Is the operation of FOIA proving proportionate to its intended outcomes in terms of the regulatory burden placed upon those subject to requests (and indeed on requesters)? Are the current provisions in the Act designed to ensure proportionality being fully and properly utilised or are additional measures required?
- Governance. What impact has FOI had on the quality of governance? On the one hand has greater openness improved the quality of decision making, or, on the other, has it constrained the way information is produced and used internally to the detriment of good quality decision-making and audit trails? Has there been encroachment into the "private" space needed for good quality decision making? Are some public bodies reluctant

to pursue appeals in fear of reputational damage, leading to wider precedents that are unhelpful to good governance of other public bodies?

- Trust. Has FOIA created a framework within which public authorities and the general public can engage with each other in a non-adversarial manner and therefore contribute to the development of trust in public office-holders? Is FOI serving the public as its principal customer or is it more focussed towards third parties, the media for example? Does this matter? What has been the impact on organisational culture in public bodies? Is more information being proactively released?

Over the year there have been a series of developments on ongoing issues concerned with FOI all relevant to the issues above.

The Freedom of Information (Amendment) Bill 2006-07 introduced as a Private Members Bill by David Maclean MP aimed to

- Remove both House of Parliament from the list of public bodies within the scope of FOI; and
- Make communications between Members of Parliament and public bodies exempt from FOI.

The Bill was passed by the House of Commons on 18 May 2007. There was hostile coverage in the media and from FOI campaigners. MPs were accused of hypocrisy and the apparent tacit support of both front benches of Labour and Conservatives and the lack of any substantial parliamentary debate added to the furore. The Bill failed to find a sponsor in the House of Lords.

Government consultation on the FOIA Fees Regulations. Following an internal review by the then Department of Constitutional Affairs, the Government published new draft Fees Regulations for consultation on 14 December 2006. Briefly the draft Regulations proposed to:

- include reading, consideration and consultation time in the calculation of the (£600) limit on which FOIA requests could be refused on costs grounds; and
- aggregate requests made by a person or persons, apparently acting in concert, to each public authority for the purpose of calculating the appropriate limit.

The basis for this proposal was evidence that a small percentage of requests and requesters were placing large resource burdens on public authorities.

The proposals drew heavy criticism from a variety of sources including the Information Commissioner, the Constitutional Affairs Select Committee, FOI campaigners and the media. Criticism was in two main areas:

- That this was a back door attempt to stifle the effectiveness of FOIA, particularly its use by the media and single issue campaigners and would be used to refuse potentially embarrassing disclosures that otherwise would pass the public interest test; and
- That the proposals were in practice unworkable and would lead to a massive increase in appeals to the Information Commissioner about the basis for refusing requests on cost or aggregate grounds.

As a result of this criticism, the Government extended (until 26 June) and modified the consultation to be about the principles of the changes, rather than just on the precise legislative changes. Then, on 25 October, the new Administration announced its decision not to proceed with the regulations, but instead potentially to move towards greater openness through a review of the 30-year rule, and consultative proposals on extending the scope of FOI to private and third-sector organisations carrying out public functions.

More recent developments have strongly confirmed this reversal of the tide which at the beginning of the year had appeared to be running against the Act: in particular, a series of decisions by the Information Commissioner, the Information Tribunal and the High Court have required disclosure of a range of sensitive documents from minutes of Cabinet meetings discussing the legality of invading Iraq, to the details of MPs' claims under the Parliamentary Additional Costs Allowance. While the latter disclosure has implications for the Committee's involvement with MPs' expenses, it is really in the area of considerative government material that the FOIA is starting to have a significant effect, described by one source as resulting in "policy advice being released after months, not decades".

Disclosure of "policy advice" to Ministers. The key issue appears to be the interpretation of s35 of the FOIA which provides for an exemption

if the release of information would "*prejudice effective conduct of public affairs..*". As with most exemptions in the Act this is subject to a "public interest test" which must be applied on a case by case basis. Civil Servants and Ministers appear to have believed that the exemption could be used to uphold the principle that policy advice should not be disclosed. But the emerging case law indicates that "clear, specific and credible evidence" must be provided, that is case specific, in order to justify refusing disclosure. Some commentators have argued that this is evidence of FOIA being a success that will lead to better public understanding of how important policy problems are tackled and improve the quality of policy advice. Others believe that it impinges on the "private space" required for government to assess options on difficult policy decisions and will lead to less official advice being provided with a consequent negative impact on the quality of decision making.

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STANDARDS ISSUE

London Government and Elected Mayors

The Committee's focus

Concerns about the accountability structures in some public sector organisational structures. Controversies regarding accountability and governance within the Greater London Authority and London Development Agency.

The Committee's interest

The Committee has covered standards and propriety issues in local government and in arm's length public bodies on a number of occasions, most recently in the 10th report. A series of developments in the planning and management of public services over the last 10-15 years has introduced new governance arrangements into some Government Departments, and also new types of organisation into certain sectors, including bodies which combine public, private and third sector elements as partnerships. In some cases accountability and governance structures have been designed specifically to limit what is seen as external control and interference. Clearly however there may be risks of inadequate controls and standards of behaviour resulting.

A particular and high-profile example of this during 2007/08 has been in the current local government structures for London, where extensive and prolonged media claims about financial and other irregularities in organisations accountable to the Mayor have clearly damaged public trust in aspects of local government in the capital, and may well have influenced the outcome of the 2008 elections for Mayor. Given these developments, the Committee will be seeking a closer understanding of the accountability and governance arrangements applicable to London in particular and to elected mayoralities more generally, and whether these are properly compatible with the seven principles of public life set out by the Committee in its First Report.

STANDARDS ISSUE

Public Administration Select Committee Review of Ethical Regulators

The Committee's focus

Public Administration Select Committee report, Ethics and Standards: The Regulation of Conduct in Public Life.¹⁵

The Committee's interest

The aim of the Public Administration Select Committee's inquiry was to examine the role and independence of a number of ethics and standards bodies, focussing on their

accountability, independence and contribution to public administration. The report covers statutory bodies such as the Information Commissioner, Audit Commission and Standards Board for England, as well as bodies already directly accountable to parliament such as the Electoral Commission and NAO. Appendix 1 of the report tabulates the institutional arrangements for the fourteen bodies considered by PASC.

The report expresses two main concerns:

- The potential impact on the independence of those ethics watchdogs who are sponsored by Government (principally by the Cabinet Office bodies, including this Committee) and on whom they rely for funding, staffing, and appointments; and
- The lack of obvious coherence and uniformity of the institutional and accountability arrangements for the 14 bodies in question.

A number of principles are proposed, drawn from the example of the National Audit Office, that PASC believes should guide the institutional arrangements for all ethical regulators to ensure conspicuous independence and appropriate accountability. They conclude that it is unsatisfactory for ethical regulators who regulate government to be appointed and funded by government and that, in general, such bodies should be established in statute and report to Parliament rather than government and with the consequential arrangements for funding, appointment and staffing in line with that for the NAO and Electoral Commission.

The report sets out a tentative proposal for a new statutory Public Standards Commission which would perform the sponsorship role for the "college" of ethics bodies. The new body would be responsible for setting budgets, appointments, staffing and audit and would be at arms length from both Government and Parliament. It could have Members of Parliament and the Government as members, and a fixed proportion of lay members. Direct Parliamentary scrutiny of each of the collegiate bodies would continue through the appropriate select committee and other existing mechanisms.

In November, the Government responded to the report, essentially putting off its key recommendations for further consideration.

¹⁵ *Public Administration Select Committee Ethics and Standards: The Regulation of Conduct in Public Life Fourth report of Session 2006-07 April 2007 (HC 121-1)*

APPENDIX 1

ABOUT THE COMMITTEE

Terms of reference

The Committee on Standards in Public Life was established, under the chairmanship of the Rt. Hon. Lord Nolan, by the then Prime Minister, the Rt Hon. John Major MP, in October 1994, with the following terms of reference:

“To examine current concerns about standards of conduct of all holders of public office, including arrangements relating to financial and commercial activities, and make recommendations as to any changes in present arrangements which might be required to ensure the highest standards of propriety in public life”.

The term “public office” is taken to include Ministers, civil servants and advisers, Members of Parliament and UK Members of the European Parliament, members and senior officers of NDPBs and of NHS bodies, non-Ministerial office holders, members and other senior officers of other bodies discharging publicly-funded functions, and elected members and senior officers of local authorities.

On 12 November 1997 the Prime Minister announced additional terms of reference:

“To review issues in relation to the funding of political parties, and to make recommendations as to any changes in present arrangements.”

The current Chair (since 1 January 2008) is Sir Christopher Kelly KCB.

The other members of the Committee are Lloyd Clarke QPM; Oliver Heald MP (from 1 March 2008); Dame Patricia Hodgson DBE; Baroness Maddock; The Rt Hon Alun Michael JP MP, Sir Derek Morris MA Dphil (from 1 March 2008); Dr Elizabeth Vallance JP; Dr Brian Woods-Scawen DL. (See Appendix 2 for more details). The Committee is supported by a small secretariat of five civil servants.

Other members of the Committee over the last year were Sir Alistair Graham (Chair until 25 April 2007), Rita Donaghy CBE (member and interim Chair from 26 April 2007 until December

2007), Professor Dame Hazel Genn OBE (until 31 December 2007) and the Rt Hon Baroness Shephard DL (until December 2007).

Status

The Committee is an independent advisory Non-Departmental Public Body (NDPB). Its members are appointed by the Prime Minister for renewable periods of up to three years. The current chair has been appointed for a non-renewable term of five years which will now become the norm for all future chair appointments. Seven of the members, including the Chair, are appointed by the Prime Minister through open competition and under the rules of the Office of the Commissioner for Public Appointments. Three of the members are appointed by nomination by the three main political parties. The Committee is not based on statute and has no legal powers, either to compel witnesses to provide evidence or to enforce its recommendations. It has no powers to investigate individual allegations of misconduct.

Method of working

The Committee has produced eleven major studies since it was first set up. Its established method of working on these studies involves:

Publication of a consultation paper setting out the issues and questions it believes to be important and inviting written submissions.

- Commissioning any appropriate research to support evidence-based inquiry.
- Informal meetings with practitioners and experts.
- Formal hearings open to the public and media, at which the issues are explored in detail.
- Publication of a report containing conclusions and recommendations, together with a complete record of written and oral evidence and any associated papers.

The public hearings are open to radio and television as well as to the written media. Agreement has been reached with the broadcasters to enable them to have a presence at the hearings in a way that kept disturbance to witnesses to a minimum.

The written evidence received for our first four reports was deposited in the Public Records Offices of England, Scotland, Wales and Northern Ireland. The written evidence received in relation to subsequent reports has been published on CD-ROM with the report.

The Committee is currently planning to supplement the use of major inquiries by setting up occasional seminars on relevant issues.

Policy on openness

As an integral part of its first report the Committee defined and endorsed the Seven Principles of Public Life. The Committee takes its public responsibilities extremely seriously, and throughout its existence has sought to implement its Principles both in fact and in spirit. The Committee has always been as open as possible with its own information.

Freedom of Information Act

Most of the information held by the Committee is readily available to every one, and does not require a request under the Act to access it. Besides contacting the Committee in writing, by email (public@standards.x.gsi.gov.uk) by telephone or fax, the public can access information via the Commission's website at www.publicstandards.gov.uk and can request copies of publications promoted on the website. Details of how to do this are on the website. Requests for information under the Act should be made to the Secretary to the Committee, who has responsibility for the operation and maintenance of our Publication Scheme. Day to day operation and maintenance of the Scheme is undertaken by the Secretariat Manager.

Funding and administration

The Committee is an independent advisory body which presents its recommendations direct to the Prime Minister. It receives its budget through the Cabinet Office. Day-to-day responsibility for financial controls and budgetary mechanisms is delegated to the Secretary. The Secretary and the rest of the team which make up the Secretariat are permanent civil servants employed by the Cabinet Office.

How to contact us

The Secretary to the Committee can be contacted in writing, by telephone or e-mail to:

The Secretary to the Committee
Committee on Standards in Public Life
35 Great Smith Street
London SW1P 3BQ
Telephone: 020 7276 2593

charles.ramsden@standards.x.gsi.gov.uk

www.public-standards.gov.uk

APPENDIX 2



Sir Christopher Kelly KCB Chair
(d.o.b 18 August 1946)

Appointed 1 January 2008. Term ends 31 December 2012

Christopher Kelly is currently Chairman of the NSPCC and of the Financial Ombudsman Service. He is also a Board member of the National Consumer Council.



Lloyd Clarke QPM
(d.o.b 2 July 1952)

Appointed 1 November 2004. First term ended 31 October 2007. Re-appointed 1 November 2007 for three years until 31 October 2010

Lloyd Clarke was a career police officer and was the Chief Executive and Chief Constable of the Ministry of Defence Police and Guarding Agency until he retired in 2005. Lloyd is a life member of the Association of Chief Police Officers (ACPO) and a non-executive board member of the Northern Counties Housing Association.



Oliver Heald MP
(d.o.b 15 December 1954)

Appointed 1 March 2008. Term ends 28 February 2011

Oliver Heald was called to the Bar in 1977 and has practised as a barrister on the South Eastern Circuit. He is a specialist in employment law. He was elected as Member of Parliament for North East Hertfordshire at the General Election of April 1992.



Dame Patricia Hodgson DBE
(d.o.b 19 January 1947)

Appointed 1 January 2004. Term ended 31 December 2006. Appointment extended for six months to 30 June 2007. Re-appointed 1 July 2007 for three years until 30 June 2010.

Dame Patricia Hodgson is Principal of Newnham College, Cambridge. She is a Member of the BBC Trust, a Governor of the Wellcome Foundation, a member of the Higher Education Council for England and a non-executive director of the Competition Commission. Until the beginning of 2004 she was chief executive of the Independent Television Commission and, before that, a main board director of the BBC. She also served for six years as a member of the Monopolies and Mergers Commission. She chaired the Higher Education Regulation Review Group between 2004-6 and was also a non-executive director of GCAP Media plc.



Baroness Maddock
(d.o.b 19 May 1945)

Appointed 1 November 2003. Term ended 31 October 2006. Re-appointed for a further three years until 31 October 2009

Diana Maddock has been a member of the House of Lords since 1997. She was Housing Spokesperson for the Liberal Democrats 1997-2005, and is a member of the Merits of Statutory Instruments Committee. She is President of the National Housing Forum, President of Micropower Council and President of the Anglo-Swedish Society. Additionally, she is a Vice-President of the National Housing Federation, the National Home Improvement Council and National Energy Action. She is also a Trustee of Carbon Neutral North East, the Wessex Medical Trust, the Richard Newitt Trust and non-executive director of Utilicom Ltd.



Rt Hon Alun Michael JP MP
(d.o.b 22 August 1943)

Appointed 9 October 2006. Term ends 8 October 2009

Rt Hon Alun Michael JP MP was first elected to Parliament for Cardiff South and Penarth in 1987. He was elected Leader of the Labour Party in Wales in 1999. He was then elected the Founding First Secretary (First Minister) of the National Assembly for Wales, resigning in 2000 and going back to the House of Commons.



Sir Derek Morris MA DPhil
(d.o.b 23 December 1945)

Appointed 1 March 2008. Term ends 28 February 2011

Sir Derek Morris has been Provost of Oriel College, Oxford since 2004. He is a Governor of the National Institute for Economic and Social Research, a Fellow of the Society of Business Economists and a Member of the Royal Economic Society.



Dr Elizabeth Vallance JP
(d.o.b. 8 April 1945)

Appointed 26 April 2004. Term ended 25 April 2007. Appointment extended for six months to 31 October 2007. Re-appointed from 1 November 2007 for three years until 31 October 2010.

Dr Elizabeth Vallance was Head of the Department of Politics at Queen Mary & Westfield College, University of London, where she is now an Honorary Fellow. She is also a Sloan Fellow of the London Business School. Dr Vallance continues her involvement with the University by chairing the Council of the Institute of Education, University of London. She is also Chairman of I CAN, the Children's communication charity, Vice Chairman of the Health Foundation and is a non-executive member of the Boards of the Medical Protection Society and Charter European Trust plc. In 2008-09 she is the High Sheriff of Greater London.



Dr Brian Woods-Scawen CBE DL
(d.o.b 2 November 1946)

Appointed 1 January 2004. Term ended 31 December 2006. Appointment extended for six months to 30 June 2007. Re-appointed 1 July 2007 for three years until 30 June 2010

Brian Woods-Scawen is a Chartered Accountant and was a partner in Pricewaterhouse Coopers from 1980 until 2003. He is currently Chairman of West Bromwich Building Society and holds public appointments as a non-executive Board member of the Department of Business and Regulatory Reform, Chairman of Culture West Midlands and a Board member of the Government Office for the West Midlands.

Members attendance (1 February 2007 until 31 March 2008)

The table below shows the total number of meetings that each current member could have attended and the number of meetings they actually attended.

| | Possible meetings | Actual meetings |
|---------------------------|-------------------|-----------------|
| Sir Christopher Kelly KCB | 3 | 3 |
| Lloyd Clarke QPM | 12 | 11 |
| Oliver Heald MP | 1 | 1 |
| Dame Patricia Hodgson DBE | 12 | 9 |
| Baroness Maddock | 12 | 10 |
| Sir Derek Morris MA Dphil | 1 | 1 |
| Rt Hon Alun Michael JP MP | 12 | 11 |
| Dr Elizabeth Vallance JP | 12 | 11 |
| Dr Brian Woods-Scawen DL | 12 | 9 |

Remuneration

Those Committee members who do not already receive a salary from public funds may claim £240 for each day they work on Committee business. Sir Christopher Kelly is paid a flat rate of £50,000 per annum. All members are reimbursed for any actual expenses incurred.

Code of Practice and Register of Interest

In accordance with the best practice recommended in its first report, and in line with the Government's proposal that all advisory NDPBs should adopt a board members' code, members of the Committee formally adopted a code of practice in March 1999. The code was readopted in June 2001, in May 2004 and again in January 2005. Members also provide details of their interests that might impinge on the work of the Committee. This is contained in the Committee's Register of Interests, which is available on the website. The code of practice is shown below.

Code of Practice for members of the Committee on Standards in Public Life

Public service values

1. The members of the Committee on Standards in Public Life must at all times:
 - observe the highest standards of impartiality, integrity and objectivity in relation to
 - the advice they provide and the management of this public body;
 - be accountable through the Prime Minister to Parliament and to the public more generally for the activities of the Committee and for the standard of advice it provides; and
 - in accordance with Government policy on openness, comply fully with the Code of practice on Access to Government Information.

2. The Prime Minister is answerable to Parliament for the policies and performance of the Committee, including the policy framework within which it operates.

Standards in Public Life

3. All Committee members must comply
 - with this Code of Practice, and ensure that they understand their duties, rights and responsibilities, and that they are familiar with the function and role of the Committee and any relevant statements of Government policy. New Committee members should be fully briefed on these issues by the Secretary;
 - not misuse information gained in the course of their public service for personal gain or for political purpose, nor seek to use the opportunity of public service to promote their private interests or those of connected persons, firms, businesses or other organisations; and
 - not hold any paid or high-profile unpaid office in a political party, and not engage in specific political activities on matters directly affecting the work of the Committee.

Role of Committee members

4. Members of the Committee have collective responsibility for its operation. They must:
 - engage fully in collective consideration of the issues, taking account of the full range of relevant factors, including any guidance issued by the Prime Minister or a Government Department;
 - ensure that the Code of Practice on Access to Government Information (including prompt responses to public requests for information) is adhered to; agree an Annual Report; and, where practicable and appropriate, hold public meetings designed to elicit information from witnesses and
 - regularly place in the public domain information about the Committee's activities

5. Communications between the Committee and the Prime Minister will generally be through the Chairman, except where the Committee has agreed that an individual member should act on its behalf. Nevertheless, any Committee member has the right to approach the Prime Minister on any matter which he or she believes raises important issues relating to his or her duties as a Committee member. In such cases the agreement of the rest of the Committee should normally be sought.
6. Individual Committee members can be removed from office by the Prime Minister if they fail to perform the duties required of them in line with the standards expected in public office.

The Role of the Chair

7. The Chair has particular responsibility for providing effective leadership on the issues above. In addition, the Chair is responsible for:
 - ensuring that the Committee meets at appropriate intervals, and that the minutes of meetings and reports to the Prime Minister accurately record the decisions taken and, where appropriate, the views of individual Committee members;
 - representing the views of the Committee to the general public; and
 - ensuring that new Committee members are briefed on appointment and providing an assessment of their performance to the Prime Minister, on request, when members are considered for reappointment to the Committee or for appointment to the board of some other public body.

Handling conflicts of interests

8. The purpose of these provisions is to avoid any danger of Committee members being influenced, or appearing to be influenced, by their private interests in the exercise of their public duties.

Registration of interests

9. All Committee members should register in the Committee's Register of Interests any private interest which might influence their judgement or which could be perceived (by a reasonable member of the public) to do so.
10. In particular, Committee members should register:
 - relevant personal direct and indirect pecuniary interests;
 - relevant direct and indirect pecuniary interests of close family members of which Committee members could reasonably be expected to be aware; and
 - relevant personal non-pecuniary interests, including those which arise from membership of clubs and other organisations.
11. In this paragraph "relevant" interest, whether pecuniary or non-pecuniary and whether direct or indirect, means any such interest which might influence the judgement of a Committee member or which could be perceived (by a reasonable member of the public) to influence his or her judgement in the exercise of his or her public duties; "indirect pecuniary interest" means an interest which arises from connection with bodies which have a direct pecuniary interest or from being a business partner of, or employed by, a person with such an interest.
12. The Register of Interests should be kept up to date and be open to public inspection.

Oral declaration of interests

13. An oral declaration of any relevant interest, as defined in paragraph 10 above, should be made at any Committee meeting if it relates specifically to a particular issue under consideration and should be recorded in the minutes of the meeting.

Withdrawal from meetings

14. If the outcome of any discussion at a Committee meeting could have a direct pecuniary effect on a Committee member, that member should not participate in the discussion or determination of matters in which he or she has such an interest and should withdraw from the meeting (even if held in public).

Personal liability of Committee members

15. Legal proceedings by a third party against individual Committee members of advisory bodies are very exceptional. A Committee member may be personally liable if he or she makes a fraudulent or negligent statement which results in a loss to a third party; or may commit a breach of confidence under common law or a criminal offence under insider dealing legislation, if he or she misuses information gained through their position. However, the Government has indicated that individual Committee members who have acted honestly, reasonably, in good faith and without negligence will not have to meet out of their own personal resources any personal civil liability which is incurred in execution or purported execution of their Committee functions. This includes the costs of defending proceedings. Committee members who need further advice should consult the Secretary in the first instance.

APPENDIX 3

COMMUNICATIONS

Listening and learning

The Committee is committed to a way of working that encourages the involvement of those with interest in its work and is determined to do as much as possible to maintain and develop this transparency. The Committee makes consultation papers and summaries of reports widely available and publicises their existence through the Consultations pages of Directgov as well as by press release.

Documents are available free of charge on the Committee's website from the moment of publication, in a range of formats. They can be accessed at www.public-standards.gov.uk

Events and speaking engagements – February 2007 to 31 March 2008

| Date | Organisation | Subject Matter | Attended by |
|------------------|--|--|--------------------------------------|
| 21 February 2007 | "Public" – The Guardian in association with the Standards Board for England – Roundtable Debate | Constitutional regulators | Dr Brian Woods-Scawen |
| 27 February | Association of Electoral Administrators Annual Conference Brighton | Committee's 11th Inquiry – Review of the Electoral Commission | Sir Alistair Graham |
| 28 February | Association of Electoral Administrators Annual Conference Brighton | Committee's 11th Inquiry – Review of the Electoral Commission | Dr Richard Jarvis Peter Hawthorne |
| 8 March | Chartered Institute of Public Finance – Investment Property Forum Better Governance Seminar | 11th Report: Review of the Electoral Commission 10th Report: Ethical framework for local government | Dr Richard Jarvis |
| 20 March | Annual General Meeting – Chartered Institute of Public Relations Government Affairs Group London | The Committee's work | Sir Alistair Graham |

| Date | Organisation | Subject Matter | Attended by |
|--------------|--|--|---------------------------------------|
| 27 March | Committee on Standards in Public Life Open Meeting Commonwealth Club | The Committee's work and launch of Annual Report | The Committee |
| 28 June | Public Administration Select Committee | Seminar on Ethical Regulators | Rita Donaghy CBE Dr Richard Jarvis |
| 4 September | Hill & Knowlton | Views from Westminster, Whitehall and the Public Affairs Community on the Evolving Role of Think Tanks in UK Public Policy | Rita Donaghy CBE |
| 3 October | Council of Europe's Group of States Against Corruption (GRECO) evaluation meeting | Discussion on the Committee's Eleventh Inquiry | Charles Ramsden |
| 7 November | "Public" – The Guardian Newspaper in association with the Standards Board for England –Roundtable debate | Achieving Standards in Public Life | Rita Donaghy CBE |
| 20 November | Public Administration International | UK Study programme on Public Service Commissions: professionalism, performance – excellence – The work of the Committee | Charles Ramsden |
| January 2008 | Public Administration Select Committee | Introductory hearing as new Chair of the Committee on Standards in Public Life | Sir Christopher Kelly KCB |

International relations

The Chair and senior members of the Secretariat receive visitors from around the world and are often invited to attend conferences and seminars abroad to speak about the work of the Committee.

Overseas visitors received by the Chairman and Secretariat

| Date | Visiting Party | Hosted By |
|-----------------|---|-------------------|
| 5 February 2007 | Chevening Fellows, Birmingham University | Peter Hawthorne |
| 19 June | Public Sections Standards Commissioner, Australia | Dr Richard Jarvis |
| 25 June | Delegation from the United Bermuda Party | Dr Richard Jarvis |
| 17 October | Discussion with Spanish University delegate – Ms Gloria Martinez re party funding in the United Kingdom and Spain | Charles Ramsden |
| 22 November | Delegation from the Jigawa State of Northern Nigeria supported by the EC and British Department for International Development | Charles Ramsden |
| 31 March 2008 | A Latin American Study Group visit co-ordinated by the British Council looking at transparency and access to information | Charles Ramsden |

APPENDIX 4

FINANCIAL REVIEW

Budgetary Information

As an advisory Non-Departmental Public Body (NDPB), the Committee receives its delegated budget from the Cabinet Office. The Cabinet Office Accounting Officer has personal responsibility for the regularity and propriety of the Cabinet Office Vote. However, the responsibility for certain levels of authorisation, methods of control and day to day mechanisms have been delegated to Heads of Management Units (HMUs), effectively to the Secretary to the Committee. He is free to manage the allocation as he thinks best, to deliver the objectives reproduced later in the Appendix.

The HMU is responsible for setting out clearly the outputs and outcomes, which the Committee plans to deliver with the resources for which he has delegated authority, and for reporting regularly on resource usage and success in delivering those plans. In particular, he must ensure that the Cabinet Office Resource Accounting system (CORAS) holds accurate forecasts of the planned expenditure and accurate records of the profiled delegated budgets and actual expenditure.

The HMU is also responsible for maintaining a sound system of internal control over the resources for which he has delegated authority, and for providing the accounting officer with assurances that those controls are effective. This means that the HMU must ensure that:

- value for money is demonstrated in delivering planned outputs and outcomes;
- risks to the successful delivery of the plans, or to the management of resources according to the required standards of regularity and propriety, are identified and managed;

- departmental requirements, and any additional requirements which may apply – including both financial and non-financial (e.g. health & safety, and security) requirements, are met;
- assets are safeguarded;
- Cabinet Office Financial Management Division is notified of all losses, special payments, loans or gifts. Irregularities include frauds, or breaches of the provisions of *Government Accounting* or the Cabinet Office *Finance Manual*, or the laws and regulations within which the Cabinet Office operates; and
- all those in the team who manage resources are aware of their responsibilities, have clear, written delegations of authority and have the necessary knowledge and skills to carry out their responsibilities.

The HMU is required to provide an assurance statement to the accounting officer stating that there is an effective system of internal control operating within the management unit during the whole of the relevant period. In the Cabinet Office, the requirement is to provide two statements each year.

Payment performance

The Committee is committed to complying with HM Treasury's guidance on measuring and targeting performance in the paying of invoices. The Committee's policy is to pay bills in accordance with the terms of the relevant contract or within 30 days of receipt of a valid invoice. The 30 days are measured from the date at which the invoice was received in the office.

In 2007-08, the Committee settled all suppliers' invoices within the specified time.

| TABLE 1 | 2006-2007 | 2007-2008* |
|-------------------------|------------------|-------------------|
| Total Allocation | £577,000 | £640,000 |
| Staff Costs | £332,588 | £362,524 |
| Other Running Costs | £246,302 | £240,472 |
| Capital | £0 | £0 |
| Income | £0 | £72,216** |
| Total Gross Expenditure | £578,890 | £530,780 |
| Receipts | £0 | £0 |
| Total Net Expenditure | £578,890 | £530,780 |
| Outturn +/- | £1,890 | -£109,219*** |

* Figures as of publication of Annual Report are not audited.

** This income is the recovery of salary for a member of staff on secondment.

*** Underspend due to the 12th Inquiry not taking place during the financial year

| TABLE 2 | Total number of invoices | Total not paid on time | Number paid on time | % paid on time |
|----------------|---------------------------------|-------------------------------|----------------------------|-----------------------|
| 2007-08 | 68 | 0 | 68 | 100% |
| 2006-07 | 159 | 6 | 153 | 96.23% |
| 2005-06 | 81 | 0 | 81 | 100% |
| 2004-05 | 175 | 0 | 175 | 100% |
| 2003-04 | 104 | 0 | 104 | 100% |
| 2002-03 | 209 | 0 | 209 | 100% |
| 2001-02 | 196 | 0 | 196 | 100% |
| 2000-01 | 239 | 0 | 239 | 100% |
| 1999-00 | 226 | 1 | 225 | 99.56% |
| 1998-99 | 266 | 9 | 257 | 96.62% |

APPENDIX 5

STANDARDS OF SERVICE TO THE PUBLIC

A standard for public enquiries

The Committee receives correspondence on a range of issues from Members of Parliament, Members of the House of Lords, academics, other organisations, and the general public.

We are publicly committed to achieving and maintaining target levels of 95 per cent of public correspondence (letters, faxes and emails) responded to within 15 working days. In 2007-08, we responded to 96 per cent of correspondence within 15 working days.

We aim to provide an efficient and effective service for our correspondents. Most of the queries we receive can be dealt with promptly, either by sending one of our publications, a simple letter or perhaps through a telephone call. Occasionally the issues raised require more detailed consideration. Whatever the reason for contacting us we will respond in accordance with the commitments set out below:

If you write to us we will endeavour to give you a full and clear response within 15 working days. From receipt of a letter, we will ensure that our response is both accurate and appropriate. This service standard applies to all forms of correspondence including e-mails and faxes.

If we cannot give you a full response within 15 days, we will contact you and let you know the reasons why this is not possible and indicate when we expect to be in a position to give you a full response. We will also let you have the name and contact number of the person dealing with your query.

If you contact us centrally by e-mail we will initially acknowledge receipt of your enquiry. Whilst we recognise that e-mail offers great advantages in terms of speed, many of the queries we receive can be complex requiring careful consideration and advice from a number of sources. We will respond fully within the published service standard for other correspondence.

We will monitor our performance against this service standard and publish the results.

A standard for telephone calls

If you ring us we will answer your call promptly, courteously and helpfully. If the person you wish to speak to is not available, we will take a message and arrange for your call to be returned by them or some other suitable person.

We will assess our performance against this standard and ensure that action is taken to improve standards where this is found to be necessary.

An information standard

We will provide clear and straightforward information about our services to our customers. This will be available on request including through our helpline and on our website where you will also find our central e-mail addresses.

The Committee also maintains a public enquiry line on Freephone: 0800 692 1516, available 24hrs a day, for ordering copies of its free publications.

| TABLE 3: REPLIES TO CORRESPONDENCE: PERFORMANCE REPORT | | | | | |
|---|----------------|----------------|----------------|----------------|----------------|
| | 2003-04 | 2004-05 | 2005-06 | 2006-07 | 2007-08 |
| Total number of letters received | 200 | 166 | 300 | 296 | 205 |
| Total requiring substantive reply | 116 | 127 | 188 | 224 | 172 |
| Total replied to within 15 day deadline | 107 | 122 | 183 | 210 | 165 |
| Replied to in more than 15 day deadline | 9 | 5 | 5 | 14 | 7 |
| Percentage replied to within 15 days | 92% | 96% | 97% | 94% | 96% |

Putting things right

A complaint is any written or spoken expression of dissatisfaction with the service that we provide. We aim to ensure that we:

- treat complaints seriously and deal with them properly;
- resolve complaints promptly and informally whenever possible; and
- learn from complaints and take action to improve our service.

What to do if you have a complaint

Formal complaints about the working of the Committee or Secretariat should be addressed in the first instance in writing to: The Secretary, Committee on Standards in Public Life, 35 Great Smith Street, London SW1P 3BQ.

If you remain unhappy with the Committee's actions, you may ask a Member of Parliament to request that the independent Parliamentary Commissioner for Administration (the Ombudsman) investigate your complaint and how it has been handled.

Details of how to do this may be obtained from:

The Office of the Parliamentary Commissioner for Administration
Millbank Tower
Millbank, London SW1P 4QP

Helpline: 0845 015 4033 or 020 7217 4163
Fax: 020 7217 4160
Email: OPCA.Enquiries@ombudsman.gsi.gov.uk

Website: www.ombudsman.org.uk/

STANDARDS OF SERVICE TO THE PUBLIC

Performance against objectives

Objective 1

To reinforce public confidence in standards of conduct by carrying out an effective programme of work (established after consultation with the Government) on behalf of the Committee

Performance indicators:

- identifying priority areas for attention from reviewing the outcomes of previous Committee recommendations; and monitoring new and emerging issues of concern about conduct in public life.

The Committee pressed for the implementation of key recommendations in its 11th Report on the Electoral Commission and the electoral system through a number of public appearances and statements and in meetings with the Government and with the Commission itself. The Committee developed its approaches for identifying and tracking standards issues, monitoring the range of issues shown in this Report, responding publicly to Sir Hayden Phillips' report on political funding, and *The Governance of Britain* Green paper, and commenting on aspects of lobbying and public appointments.

- undertaking a major inquiry and publishing the Committee's resultant Report with a launch and conference; undertaking one other substantive piece of work – eg a smaller inquiry – with published documents

The 11th Report, into the Electoral Commission, was published in January 2007. Following that report, recruitment of a permanent Chair and two new members was awaited from April to December 2007, and the Committee did not undertake a major inquiry during that period. In early 2008, and following the "Conway case", the Committee began work into MPs' Allowances, and prepared a statement of principles to govern the current Parliamentary review of this [the statement was published on 10 April].

- publication of the Committee's Annual report on its work

The 2006 Annual Report was published in March 2007, at a public meeting of the Committee. The 2007/08 Annual Report will be published at a similar meeting in June 2008.

- undertaking a biennial National survey of public attitudes to standards in public life.

The third biennial national survey on public attitudes to standards in public life was launched in the autumn of 2007 with the contract for undertaking the research being awarded to BMRB following a public tender exercise. The questionnaire was signed-off by the Committee in December 2007 and the fieldwork which began in January 2008 is now nearly completed. The results and commentary will be published in the autumn of 2008.

Objective 2

To promote training and development in practical aspects of propriety and ethics by carrying out an effective outreach programme on behalf of the Committee

Performance indicator:

- Outreach programme to disseminate the work of the Committee and aspects of propriety and ethics in UK public service; production of resource materials to support that programme.

Committee members and Secretariat undertook a programme of speeches, presentations and workshops for a variety of national and international groups and practitioner organisations on issues including the Committee's expectations for improvements in local government standards in the light of the 10th Report; the integrity of the electoral system following the 11th Report; and the range of current "Standards Issues" being monitored by the Committee.

APPENDIX 6

PROFILE OF THE SECRETARIAT

The Committee is served by a Secretariat of five civil servants seconded or on loan from the Cabinet Office and other government departments. The Secretariat provides policy advice, drafting and all aspects of the organisational and logistical support required by the Committee to operate effectively.

Current members



Charles Ramsden
Secretary from 1 September 2007



Peter Hawthorne
Assistant Secretary



Gloria Durham
SPS to the Chairman and the Secretary



Matthew Dowding
Secretariat Co-ordinator from 1 February 2008

Former Members

Dr Richard Jarvis
Secretary until 31 July 2007

Jan Ashton
Secretariat Manager until 29 February 2008

Gemma Ungood-Thomas
Secretariat Co-ordinator until August 2007

In line with good practice, the Secretariat has adopted a People Plan. This sets out our objectives for recruitment, appraisal, staff development and employment equity.

Other assistance to the Committee

Maggie O'Boyle Press Officer
(until 31 October 2008).

APPENDIX 7

REPORTS AND PUBLICATIONS

| Title | ISBN | Command Paper No | Price |
|--|----------------|------------------|----------------|
| First Report of the Committee on Standards in Public Life, May 1995 | | | |
| <i>Volume 1: Report</i> | 0-10-1265027 | Cm 2850-I | £11.80 |
| <i>Volume 2: Transcripts of Oral Evidence</i> | 0-10-1285035 | Cm 2850-II | £38.00 |
| Summary of the Committee's First Report | | | Free of charge |
| Second Report of the Committee on Standards in Public Life, May 1996 | | | |
| Local public spending bodies | | | |
| <i>Volume 1: Report</i> | 0-10-1327021 | Cm 3270-I | £14.00 |
| <i>Volume 2: Transcripts of Oral Evidence</i> | 0-10-132703X | Cm 3270-II | £34.00 |
| Summary of the Committee's Second Report | | | Free of charge |
| Third Report of the Committee on Standards in Public Life, July 1997 | | | |
| Standards of conduct in Local Government in England, Scotland and Wales | | | |
| <i>Volume 1: Report</i> | 0-10-137022-9 | Cm 3702-I | £12.80 |
| <i>Volume 2: Transcripts of Oral Evidence</i> | 0-10-137023-7 | Cm 3702-II | £34.00 |
| Summary of the Committee's Third Report | | | Free of charge |
| Misuse of Public Office. A new offence? (Consultation paper) | | | Free of charge |
| Fourth Report of the Committee on Standards in Public Life, November 1997 | | | |
| Review of Standards of conduct in executive NDPB's, NHS Trusts and local public spending bodies | | | Free of charge |
| Personal Liability in Public Service Organisations: A legal research study, June 1998 | 0-11-4301050-6 | | £19.90 |
| Fifth Report of the Committee on Standards in Public Life, October 1998 | | | |
| <i>The Funding of Political Parties in the United Kingdom Volume 1: Report</i> | 0-10-140572-3 | Cm 4057-I | £19.70 |
| <i>Volume 2: Evidence (including CD-ROM)</i> | 0-10-140573-1 | Cm 4057-II | £68.00 |
| Summary of the Committee's Fifth Report | | | Free of charge |
| Annual Reports 1994-98 | | | Free of charge |

| Title | ISBN | Command Paper No | Price |
|---|--------------------------------|-------------------------|------------------------------------|
| Sixth Report of the Committee on Standards in Public Life, January 2000: Reinforcing Standards | 0-10-145572-0 0-10-145573-9 | Cm 4557-I Cm 4557-II | £17.00 £46.00 Free of charge |
| <i>Volume 1: Report</i> | | | |
| <i>Volume 2: Evidence (including CD-ROM)</i> | | | |
| Summary of the Committee's Sixth Report | | | |
| Annual Report 1999-2000 | | | Free of charge |
| Seventh Report of the Committee on Standards in Public Life, November 2000: Standards of Conduct in the House of Lords | | | |
| <i>Volume 1: Report</i> | | | |
| <i>Volume 2: Evidence (including CD-ROM)</i> | | | |
| Summary of the Committee's Seventh Report | | | |
| Annual Report 2000-2001 | | | Free of charge |
| The First Seven Reports – A Review of Progress, September 2002 | | | Free of charge |
| Defining the Boundaries of the Executive: Ministers, Special Advisers and the permanent Civil Service, Issues and Questions Consultation Paper, March 2002 | | | Free of charge |
| The Regulation of Parliamentary Standards: A Comparative Perspective, Research Paper, May 2002 | | | Free of charge |
| Eighth Report of the Committee on Standards in Public Life, November 2002: Standards of Conduct in the House of Commons | | | |
| <i>Report (including CD-ROM containing written and oral evidence)</i> | | | |
| Summary of the Committee's Eighth Report | | | |
| Annual Report 2001-2002 | | | Free of charge |
| Ninth Report of the Committee on Standards in Public Life, April 2003: Defining the Boundaries within the Executive: Ministers, Special Advisers and the permanent Civil Service | | | |
| <i>Report (including CD-ROM containing written and oral evidence)</i> | | | |
| Summary of the Committee's Ninth Report | | | |
| Annual Report 2003-2004 | | | Free of charge |
| Survey of public attitudes towards conduct in public life 2004 | | | Free of charge |

| Title | ISBN | Command Paper No | Price |
|---|---------------|------------------|---|
| <p>Tenth Report of the Committee on Standards in Public Life, January 2005: Getting the Balance Right Implementing Standards in Conduct in Public Life</p> <p><i>Report (including CD-ROM containing written and oral evidence)</i></p> <p>Summary of the Committee's Tenth Report</p> | 0-10-164072-2 | Cm 6407 | <p><u>£20.50</u> Free of charge</p> |
| <p>Annual Report 2005</p> | | | Free of charge |
| <p>Survey of public attitudes towards conduct in public life 2006</p> | | | Free of charge |
| <p>Eleventh Report of the Committee on Standards in Public Life, January 2007: Review of The Electoral Commission</p> <p><i>Report (including CD-ROM containing written and oral evidence)</i></p> <p>Summary of the Committee's Eleventh Report</p> | 0-10-170062-8 | Cm 7006 | <p>£18.63 Free of charge</p> |
| <p>Annual Report 2006</p> | | | Free of charge |

APPENDIX 8

PRINCIPLES TO GOVERN A REVIEW OF MPs' ALLOWANCES

This note sets out the principles which the Committee on Standards in Public Life believes should be followed in the review of MPs' allowances currently being conducted by the Members Estimate Committee. It has been produced following a discussion between the Chairman of the Committee and the Speaker, and a separate discussion with the Members Estimate Committee.

It starts from the premise that it is in Members' own interest, as well as that of the public, that the arrangements for their remuneration and reimbursement of expenses should meet the highest standards of transparency, probity and accountability. It is clear from recent events and the reaction to them that the current arrangements fail to meet those standards in a number of respects. Our understanding is that a large number of MPs share that view.

We therefore welcome the decision to review the current arrangements and the steps that have already been taken, or set in train, towards greater transparency and accountability. The public credibility of the outcome of the review is, however, likely to be greater if it had been undertaken independently of the House of Commons, as with the recent review of Parliamentary allowances in Scotland conducted by a panel chaired by Sir Alan Langlands. In the event that the outcome of the current review fails to command public confidence, we may wish to undertake such a review in any event.

In the meantime, and in the absence of hearing the evidence which we would expect to take should we mount our own review, we have not felt it right to express firm views at this stage on the detail of the allowance structure. But we are clear about the principles which we would expect reforms to follow if confidence in the system and in the probity of Members of Parliament is to be restored.

The principles which we suggest should govern the review are as follows:

General

1. Members of Parliament have a duty to demonstrate leadership in the observation of the 7 Nolan principles of public life, as set out in the Parliamentary code of conduct. We expect they would wish to do so anyway.
2. There should always be a clear distinction between pay, reimbursable expenses, and the resources provided to Members to enable them to carry out their jobs effectively – accommodation, staffing, IT etc. Nomenclature should reflect this
3. The system for claiming costs incurred by Members of Parliament in performing their public duties should be based on the reimbursement of actual expenses, not on entitlement to "allowances". Again, nomenclature should reflect this.
4. Members of Parliament should take personal responsibility for ensuring that any expenses claimed or resources used in pursuit of their duties are properly incurred. They should be at least as careful in the spending of public money as of their own.
5. Members of Parliament should be as open and transparent as possible about their expenditure and the claims they make on public funds, subject only to data protection or security considerations.
6. Arrangements should be as simple as possible both for ease of administration and for transparency.
7. Robust but proportionate audit is needed to restore confidence. It must be shown to be sufficiently independent.

Pay

8. Members of Parliament have the right to expect to be paid a reasonable salary for the work they do.
9. But they should not be responsible for setting their own salaries, both because that creates a conflict of interest and because it exposes settlements to political pressures.

Expenses

10. Members of Parliament should be entitled to be reimbursed for reasonable expenses incurred wholly, necessarily and exclusively in the performance of their Parliamentary duties.
11. But such expenses should never be regarded as a substitute for pay.
12. Nor should Members seek any personal financial benefit from them, either directly or indirectly.
13. Wherever reasonably possible, all claims for expenses should be backed up by receipts or other appropriate documentation, available to be produced if necessary.
14. Claims should be subjected to robust audit on a sample basis using a proportionate and risk-based approach. Members should be expected to retain receipts for a set period, perhaps three years, to make this possible.
15. Maxima placed on claims for expenses should be regarded as such and not as entitlements.
16. In deciding whether to make a claim, the spirit of the rules should be respected as well as the letter.
17. There should be no double benefit for Members who are also Ministers.

Resources

18. Members of Parliament should, in line with other public servants, be given the means to undertake the duties for which they have been elected.

19. Wherever practical and economic, such resources should be centrally procured, and subject to occasional audit to ensure propriety and value for money.
20. There should be no cross-subsidisation between resources provided to enable Members to undertake their Parliamentary duties and party political activities. Preserving this boundary is important to public confidence in the arrangements and it must be rigorously policed. Where premises or staff are shared, it should be possible to demonstrate that such cross subsidisation is not occurring, and the arrangements should be subject to occasional audit.
21. Members of Parliament should be able to select their own staff. But the need for each post should be clearly established and staff should always be employed against a contract setting out their duties. They should be able to demonstrate that they have appropriate skills for the job; and their salaries should be commensurate with their responsibilities, experience and skills. Observance of this should be auditable. Ideally all such payments should be made centrally and direct to the staff member concerned. In accordance with best practice, employment of all staff should be supported by a statement of objectives and by periodic appraisal.

Transition

22. While a transitional period may be necessary for any major changes, this should not extend beyond the next general election. Existing Members of Parliament should know the basis on which they will be remunerated and supported at the time they choose to stand for re-election. There is a compelling case for tightening up the arrangements for transparency and audit immediately.

**Committee on Standards in Public Life
April 2008**

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