



House of Commons
Committee on
Standards and Privileges

**Pay for Select
Committee Chairmen**

Sixth Report of Session 2002–03

Report, together with formal minutes

*Ordered by The House of Commons
to be printed 14 October 2003*

Committee on Standards and Privileges

The Committee on Standards and Privileges is appointed by the House of Commons to oversee the work of the Parliamentary Commissioner for Standards; to examine the arrangements proposed by the Commissioner for the compilation, maintenance and accessibility of the Register of Members' Interests and any other registers of interest established by the House; to review from time to time the form and content of those registers; to consider any specific complaints made in relation to the registering or declaring of interests referred to it by the Commissioner; to consider any matter relating to the conduct of Members, including specific complaints in relation to alleged breaches in the Code of Conduct which have been drawn to the Committee's attention by the Commissioner; and to recommend any modifications to the Code of Conduct as may from time to time appear to be necessary.

Current membership

Rt Hon Sir George Young Bt MP (*Conservative, North West Hampshire*) (Chairman)
Mr Russell Brown MP (*Labour, Dumfries*)
Ross Cranston QC MP (*Labour, Dudley North*)
Mr Andrew Dismore MP (*Labour, Hendon*)
Rt Hon Derek Foster MP (*Labour, Bishop Auckland*)
Mr Michael Jabez Foster MP (*Labour, Hastings and Rye*)
Mr David Heath CBE MP (*Liberal Democrat, Somerton and Frome*)
Rt Hon Andrew Mackay MP (*Conservative, Bracknell*)
Mr Kevin McNamara MP (*Labour, Hull North*)
Richard Ottaway MP (*Conservative, Croydon South*)

Powers

The constitution and powers of the Committee are set out in Standing Order No. 149. In particular, the Committee has power to order the attendance of any Member of Parliament before the committee and to require that specific documents or records in the possession of a Member relating to its inquiries, or to the inquiries of the Commissioner, be laid before the Committee. The Committee has power to refuse to allow its public proceedings to be broadcast. The Law Officers, if they are Members of Parliament, may attend and take part in the Committee's proceedings, but may not vote.

Publications

The Reports and evidence of the Committee are published by The Stationery Office by Order of the House. All publications of the Committee (including press notices) are on the Internet at: www.parliament.uk/parliamentary_committees/standards_and_privileges.cfm. A list of Reports of the Committee in the present Parliament is at the back of this volume.

Committee staff

The current staff of the Committee are Dr Christopher Ward (Clerk), Mike Clark (Second Clerk) and Lisa Hasell (Secretary).

Contacts

All correspondence should be addressed to The Clerk of the Committee on Standards and Privileges, Committee Office, House of Commons, London SW1A 0AA. The telephone number for general enquiries is 020 7219 6615.

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1 Introduction

1. On 14 May 2002, the House agreed to a motion that the Review Body on Senior Salaries (SSRB) be invited to consider what additional remuneration is appropriate for chairmen of select committees. SSRB reported to the Leader of the House on 24 January 2003, and its report was published by the Government on 17 July 2003 as Cm 5673.
2. One of the recommendations of SSRB was that the House should decide, before introducing extra payment for chairmen of select committees, whether they should be required to relinquish “paid or conflicting” outside interests as a condition of receiving payment.¹
3. On the day the SSRB report was published, the Leader of the House announced, in a Written Ministerial Statement,² that he had asked our Chairman if the Committee would look into the matter of chairmen’s outside interests, and report its findings to the House in the autumn.
4. Following an initial discussion of the matter on 16 September, we sought views on the underlying issues, both from chairmen of select committees, some at least of whom would benefit from SSRB’s proposals were they to be accepted by the House, and from others. We have received twenty two responses in all. We are most grateful to all Members who gave us the benefit of their views. Their names are listed in the Annex to this Report.

1 Cm 5673, paragraph 2.34.

2 Official Report, 17 July 2003, Vol 409, Col 83–4WS.

2 The Current Position

5. The Select Committee on Members' Interests reported on the interests of chairmen and members of select committees in February 1991.³ Its inquiry had been prompted by concerns expressed by the Defence Committee about potential conflicts of interest arising from the privileged access to information arising from committee membership. The Committee's recommendations relating to declarations of interest in select committees, withdrawal from committee proceedings, and procedures prior to the election of a chairman were approved by the House on 13 July 1992. These remain the basis of current practice; the recommendations on procedures prior to the election of a chairman apply to all select committees except those of a 'wholly procedural nature'.⁴

6. The intention of the House was to ensure that, when the members of a select committee choose their chairman, they do so in the knowledge of his or her relevant interests. The presumption is that they will select a member whose effectiveness in that role will not be compromised by his or her outside interests.

7. The most common situation in which a committee needs to choose a chairman is when it first meets. Before then, or at that meeting, all members are required to declare their interests. They then proceed to choose a chairman. The fact that members have declared their interests is recorded in the Committee's Minutes of Proceedings. Besides registrable interests, members declare relevant non-registrable interests, pecuniary and non-pecuniary. If it is necessary to choose a new chairman at any other time, the procedures used ensure that any prospective chairman's relevant interests are known to the committee.

8. Since 2001, details of individual members' declarations have also been published in full as an appendix to the relevant day's proceedings in the Committee's Minutes of Proceedings for the Session. Such declarations are in addition to, and not a substitute for, the requirements to declare at the appropriate times pecuniary (and, on occasion, non-pecuniary) interests that are relevant to specific inquiries and committee decisions.

9. Given the broad scope of many departments' responsibilities, a chairman may occasionally find that he or she has a conflicting interest in relation to a specific inquiry. In such circumstances, if the difficulty cannot otherwise be resolved, the chairman stands aside from the inquiry.⁵

3 First Report from the Select Committee on Members' Interests, Session 1990–91 (HC 108).

4 HC 108 (1990–91), paragraph 25.

5 As did Mr David Howell on 26 January 1994, when Chairman of the Foreign Affairs Committee, in relation to its inquiry into the Pergau Hydro-electric project.

3 Other Paid Office Holders

10. There are three groups of Members who receive salaries from public funds over and above their salaries as Members:

- The Speaker, and the Chairman and Deputy Chairmen of Ways and Means;
- The Leader of the Opposition, and the Opposition Chief Whip, Deputy Chief Whip and Pairing Whip; and
- a limited number of Ministers of the Crown.

11. There appears to be no requirement for Members who are paid office holders, but are not members of the Government, to relinquish outside interests. They are bound by the same rules as all other Members, but beyond that the matter is left to their own judgement.

12. Special considerations apply to members of the Government, principally because of their need to be seen to have no personal interest in Ministerial decisions, for which all Ministers have collective responsibility. They are subject to restrictions, which include specific restrictions on outside interests, set out in the Ministerial Code. The Code is issued under the authority of the Prime Minister. We are informed that all Ministers, paid or unpaid, are bound by the provisions of the Ministerial Code.⁶

⁶ Section 10 (Ministerial Pensions) does not apply to an unpaid Minister.

4 Conclusions

13. We have received no evidence to suggest that present arrangements aimed at ensuring that the outside interests of those who chair select committees do not generally conflict with their responsibilities as chairmen, nor compromise their effectiveness in this role, are ineffective or inadequate. On the rare occasions that there have been conflicts of interest, the mechanisms for resolving these appear to have operated effectively. We reiterate that in some cases of conflict, or the appearance of a conflict, this may mean that a chairman must either divest himself or herself of an interest, or stand aside.

14. Receipt by a Member of a salary from public funds has not hitherto been a ground *per se* for imposing restrictions on their outside interests. We see no reason why a different principle should apply to payments to select committee chairmen.

15. As part of our inquiry, we sought information from the respective secretariats on the position in the devolved assemblies, and in Australia, Canada and the United States of America. In some of these, committee chairmanships attract additional payment, and in others they do not. However, in no case are there any additional restrictions on chairmen's outside interests beyond those applying to members generally.

16. Some practical points arise, though, if chairmen are to be paid from public funds. As a matter of principle, there should be no question of, nor any appearance of, any double payment—from both a chairman's salary and an outside interest—for an outside activity arising primarily as a result of the chairmanship. Nor, like Ministers, should chairmen gain private benefit from work done, in whole or in part, with any assistance from public resources. **We recommend that the House endorses these principles, if it agrees to pay select committee chairmen.**

17. Applying these principles would suggest restrictions on accepting payment for outside activities such as radio and television broadcasts or speeches and presentations which arise directly from the work of the select committee, or where the invitation to contribute has been extended primarily because the Member is chairman of a select committee, as it is likely to be generally assumed that such activity falls within a chairman's representational role. Similar considerations might apply to some press articles and contributions to books.

18. If these principles are accepted, there will need to be suitable arrangements in place to offer advice to chairmen on whether payment is acceptable for any specific activity. This is a matter on which the Registrar of Members' Interests might advise in individual cases, with the Parliamentary Commissioner for Standards arbitrating if necessary. Complaints that a chairman had accepted a payment in breach of the principle would fall to be investigated by the Commissioner in the usual way.

19. If the House decides that some or all select committee chairmen should be paid, we will bring forward guidelines on these and related matters for its consideration. To that end, we will invite the Commissioner to bring forward draft guidelines to us as soon as possible after the House has come to its decision.

20. We believe that the restrictions inherent in these principles could reasonably be introduced at the same time as payments to chairmen are introduced. However, as a

transitional arrangement for the remainder of this Parliament, existing chairmen should have the option of electing either to receive payment from public funds, and accepting the inherent restrictions on their outside interests, or declining to receive payment, in which case their freedom to accept outside interests will remain unchanged.

21. The decision to publish in full, in the Minutes of Proceedings of select committees, details of the interests declared by Members before they chose a chairman introduced a welcome additional degree of transparency into the procedure. However, committees normally report their Minutes of Proceedings to the House *en bloc* towards the end of a Session and they are typically published some time after its conclusion. It is therefore some time before the interest declarations become a matter of public knowledge by this route; in the case of a long Parliamentary Session it could be a year or more.

22. **We consider that, if select committee chairmen are to be paid, their declared interests should become a matter of public knowledge as soon as possible after they have been chosen.** Although individual days' Minutes of Proceedings are not normally reported to the House by select committees, there is no reason in principle why the Minutes of Proceedings of meetings at which chairmen are elected, both when a committee first meets and at other times, should not be reported to the House immediately and published separately, ahead of the complete Session's Minutes. Introducing such a requirement would mean that the declared interests of chairmen could be public knowledge almost from the outset of receipt of payment.

23. It is now the practice for a new select committee chairman formally to report his or her appointment to the House. **We recommend that the Committee's Minutes of Proceedings relating to the appointment, to include all relevant declarations of interest, should be reported to the House at the same time, and that these should be published by the Committee as soon as practicable thereafter and accessible through the Committee's website.**⁷

24. In coming to our conclusions on the matter of chairmen's outside interests, and the implications for these of remunerating chairmen from public funds, we have taken into account both the SSRB's package of recommendations as a whole, and the underlying considerations on which these were based.

25. SSRB has given a commitment⁸ to revisit the pay of committee chairmen as part of its continuing fundamental reviews of parliamentary pay and allowances, the next of which, it indicates, is expected to be part of its current reporting round, due to end next spring. We recognise that the matter of chairmen's outside interests may need to be revisited if the nature and basis of future recommendations from SSRB differs significantly in any way from those in Cm 5673. In those circumstances, we will be prepared, if necessary, to look again.

7 The fact that the Minutes of Proceedings had been reported to the House would be recorded in the Appendices of that day's Votes and Proceedings (as is the choice of chairmen). The Minutes of Proceedings themselves will be published by The Stationery Office, as House of Commons Papers.

8 Paragraph 2.30.

Annex: List of Respondents

Mr Peter Ainsworth MP
Rt Hon Donald Anderson MP
Tony Baldry MP
Rt Hon Alan Beith MP
Andrew Bennett MP
Derek Conway TD MP
Sir Patrick Cormack FSA MP
Rt Hon David Curry MP
Julia Drown MP
Hon Gwyneth Dunwoody MP
Mr Martyn Jones MP
Rt Hon Gerald Kaufman MP
Mr Denis MacShane MP
Mr John McFall MP
Mr John McWilliam MP
Mr Barry Sheerman MP
Mr Dennis Turner MP
Mr Andrew Tyrie MP
Rt Hon Alan Williams MP
Sir Nicholas Winterton MP
Tony Wright MP
Derek Wyatt MP

Formal minutes

Tuesday 14 October 2003

Members present:

Sir George Young, in the Chair

Mr Russell Brown

Ross Cranston

Mr Andrew Dismore

Mr Derek Foster

Mr Michael Jabez Foster

Mr David Heath

Mr Kevin McNamara

Richard Ottaway

The Committee deliberated.

Draft Report [Pay for Select Committee Chairmen], proposed by the Chairman, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 25 read and agreed to.

Annex agreed to.

Resolved, That the Report be the Sixth Report of the Committee to the House.

Ordered, That the Chairman do make the Report to the House.—(*The Chairman.*)

[Adjourned till Tuesday 28 October at 9.30 am.]

Reports from the Committee on Standards and Privileges in the current Parliament

Session 2002–03

First Special Report	Standards of Conduct: Letters from the Committee on Standards in Public Life	HC 516
First Report	Complaint against Mr Nigel Griffiths	HC 195
Second Report	Eighth Report of the Committee on Standards in Public Life: "Standards of Conduct in the House of Commons"	HC 403
Third Report	Complaints against Mr Michael Trend	HC 435
Fourth Report	Complaints against Mr Henry McLeish	HC 946
Fifth Report	Complaints against Mr Clive Betts	HC 947
Sixth Report	Pay for Select Committee Chairmen	HC 1150

Session 2001–02

First Report	Complaint against Mr Geoffrey Robinson: Supplementary Report	HC 297
Second Report	Complaint against Mr Roy Beggs	HC 319
Third Report	Complaint against Mr John Maxton	HC 320
Fourth Report	Restrictions on the Initiation of Parliamentary Proceedings: A Consultation Paper	HC 478
Fifth Report	Complaints against Mr Keith Vaz	HC 605–I&II
Sixth Report	Registration of Interests by Members who have not taken their seat	HC 624
Seventh Report	Complaints against Mr Nigel Griffiths	HC 625
Eighth Report	Complaints against Mr Archy Kirkwood	HC 755
Ninth Report	A new Code of Conduct and Guide to the Rules	HC 763
Tenth Report	Complaint against Mr Peter Brooke	HC 1147