



House of Commons  
Public Administration  
Select Committee

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# Inquiry into the Scrutiny of Political Honours

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Third Special Report of Session  
2005-06

*Ordered by The House of Commons  
to be printed 27 March 2006*

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## The Public Administration Select Committee

The Public Administration Select Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of the Parliamentary Commissioner for Administration, of the Health Service Commissioners for England, Scotland and Wales and of the Parliamentary Ombudsman for Northern Ireland, which are laid before this House, and matters in connection therewith and to consider matters relating to the quality and standards of administration provided by civil service departments, and other matters relating to the civil service.

### Current membership

Dr Tony Wright MP (Labour, Cannock Chase) (Chairman)  
Mr David Burrowes MP (Conservative, Enfield Southgate)  
Paul Flynn MP (Labour, Newport West)  
Julia Goldsworthy MP (Liberal Democrats, Falmouth and Camborne)  
Mr Ian Liddell-Grainger MP (Conservative, Bridgewater)  
David Heyes MP (Labour, Ashton under Lyne)  
Kelvin Hopkins MP (Labour, Luton North)  
Julie Morgan MP (Labour, Cardiff North)  
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Grant Shapps MP (Conservative, Welwyn Hatfield)  
Jenny Willott MP (Liberal Democrats, Cardiff Central)

### Powers

The Committee is one of the select committees, the powers of which are set out in House of Commons Standing Orders, principally in SO No 146. These are available on the Internet via [www.parliament.uk](http://www.parliament.uk).

### 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 <http://www.parliament.uk/pasc>.

### Committee staff

The current staff of the Committee are Eve Samson (Clerk), Clive Porro (Second Clerk), Lucinda Maer (Committee Specialist), Anna Watkins (Committee Assistant), Sue Holt (Secretary) and Phil Jones (Senior Office Clerk).

### Contacts

All correspondence should be addressed to the Clerk of the Public Administration Select Committee, Committee Office, First Floor, 7 Millbank, House of Commons, London SW1P 3JA. The telephone number for general enquiries is 020 7219 3284; the Committee's email address is [pubadmincom@parliament.uk](mailto:pubadmincom@parliament.uk).

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# Inquiry into the Scrutiny of Political Honours

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1. On 21 November 2005 we announced that we were conducting an inquiry into ethics and standards in public life, and in particular, into the role of the regulators of such standards. In July 2004, the Committee in the last Parliament had conducted an inquiry into the honours system. It had been our intention to look afresh at propriety issues in the award of honours as part of our wider inquiry. Recent allegations that the existing system had led to nominations for peerages being blocked without giving those concerned the chance to represent themselves, and that loans to parties were being used to circumvent disclosure under the Political Parties, Elections and Referendums Act 2000, gave this strand of our inquiry a new urgency and on 14 March we announced that:

As part of its current inquiry into ethics and standards in public life PASC—the Public Administration Select Committee—is asking whether the scrutiny of honours and peerages for political service is working.

Hearings were arranged for 28 March and 2 May, and more were to be arranged.

2. On 21 March it was announced that the Metropolitan Police were to conduct an inquiry into allegations that offences had been committed under the Honours (Prevention of Abuses) Act 1925. Last week, Deputy Assistant Commissioner John Yates contacted our chairman to urge that our inquiry be postponed, because “many of the individuals that you wished to hear evidence from may be the very people that could be central to our criminal inquiry, either as witnesses or suspects.” Today (Monday 27 March), he sent a letter amplifying the police’s concerns. He suggested that corruption charges could also be involved. This evening, we met him to discuss the implications of continuing the inquiry.

3. The matters alleged go to the heart of the political and parliamentary process, and we think it vital that Parliament should investigate as soon as possible. The sub judice rule does not apply in this case. No criminal charges have yet been made. We have discussed the implications of continuing a high profile inquiry for future court proceedings with the police and Speaker’s Counsel. In the light of advice, we have decided to have a short pause in our inquiry, of no more than a matter of weeks, to allow the police to tell us whether there is a realistic prospect of charges being brought.

4. We wish to make it clear that we will resume our investigation as soon as possible. We will reschedule our hearings, and we expect all witnesses to cooperate. We will not hesitate to use our powers to compel attendance, if necessary.

## Appendix

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### **Letter from John Yates QPM, Deputy Assistant Commissioner, Metropolitan Police Service to Dr Tony Wright, Chairman of the Public Administration Select Committee, dated 27 March 2006**

RE: Honours (Prevention of Abuses) Act 1925

I refer to our telephone conversation of Friday evening concerning the above. For the record, in that conversation I registered my concerns in relation to the proposed Public Affairs Select Committee meeting commencing on Tuesday 28th March 2006. I indicated to you that many of the individuals that you wished to hear evidence from may be the very people that could be central to our criminal inquiry, either as witnesses or suspects. My concerns were that your scrutiny could be viewed as an abuse of process in terms of fairness in any future potential criminal trial. I have consulted closely with senior lawyers from the Crown Prosecution Service about this matter. They share my concerns and are happy for them to be articulated in this letter.

I do, of course, recognise that our enquiries are at a very early stage and that charges are not imminent. I therefore concede that these matters cannot be considered sub-judice at this stage. I also recognise the authority of Parliament to consider and scrutinise these matters under Article 9 of the 1689 Bill of Rights.

I would however ask you to take into account the recommendations contained in the report by the Joint Committee on Parliamentary Privilege dated 9th April 1999 (HC 214 1998/1999). In this report, the Joint Committee concluded that “corruption, a serious and insidious offence, could only be dealt with effectively by using the police and the courts. Prosecution through the courts is the only credible remedy and the only credible deterrent for any briber”. Whilst it may be too early for us to widen our investigation into the arena of corruption, I certainly have not ruled this out. I would argue, therefore, that the principle articulated in the Joint Committee report remains a valid one for you to consider.

I am more than happy to assist you personally on these matters and would be content, if necessary, to provide a briefing around the structure and Terms of Reference of my investigation to the Committee if you thought this would be helpful.

I would be very grateful if you could inform me, at your earliest convenience, whether and to what extent you intend to continue with your inquiry.

Please do not hesitate to contact me if there are any other matters that require clarification.

# Formal Minutes

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**Monday 27 March 2006**

Members present:

Dr Tony Wright, in the Chair

Paul Flynn

David Heyes

Kelvin Hopkins

Ian Liddell-Grainger

Gordon Prentice

Jenny Willott

Draft Special Report [*Inquiry into the Scrutiny of Political Honours*], proposed by the Chairman, brought up and read.

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

Paragraphs 1 to 4 read and agreed to.

*Resolved*, That the Report be the Third Special Report of the Committee to the House.

A paper was ordered to be appended to the Report.

*Ordered*, That the Chairman do make the Report to the House.

[Adjourned till Wednesday 29 March at 2.15 p.m.]

# Reports from the Public Administration Select Committee since 2005

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## Session 2005–06

First Special Report	The Attendance of the Prime Minister's Strategy Adviser before the Public Administration Select Committee	HC 690
First Report	A Debt of Honour	HC 735
Second Report	Tax Credits: putting things right	HC 577
Second Special Report	Ministerial Accountability and Parliamentary Questions: Government Response to the Committee's Fifth Report	HC 853