



House of Commons
Committee on
Standards and Privileges

**Employment of family
members through the
Staffing Allowance**

Seventh Report of Session 2007-08

*Report and appendices, together with formal
minutes*

*Ordered by The House of Commons
to be printed 18 March 2008*

The 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)
Rt Hon Kevin Barron MP (*Labour, Rother Valley*)
Rt Hon David Curry MP (*Conservative, Skipton & Ripon*)
Mr Andrew Dismore MP (*Labour, Hendon*)
Nick Harvey MP (*Liberal Democrat, North Devon*)
Mr Elfyn Llwyd MP (*Plaid Cymru, Meirionnydd Nant Conwy*)
Mr Chris Mullin MP (*Labour, Sunderland South*)
The Hon Nicholas Soames MP (*Conservative, Mid Sussex*)
Mr Paddy Tipping MP (*Labour, Sherwood*)
Dr Alan Whitehead MP (*Labour, Southampton Test*)

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/sandp. 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), Mr Keith Neary (Second Clerk) and Miss Michelle Owens (Secretary).

Contacts

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

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Employment of family members through the Staffing Allowance

Introduction

1. The House has given us responsibility for reviewing the form and content of the Register of Members' Interests.¹ In our Sixth Report,² we set out provisional proposals for the disclosure of the employment by Members of Parliament of family members paid for through the Staffing Allowance, and invited comments on them. We have received 33 responses in all, 29 of them from Members. A summary of the responses from Members of Parliament and from the general public is set out at Appendix 1. A letter from the Chairman of the Committee on Standards in Public Life (CSPL) is reproduced at Appendix 2. We are most grateful to all who responded.

Objectives

2. A common theme emerging from a significant number of submissions was that there was no pressing need for action on employment of family members before April 1, the start of the new allowance year, and many of them also went on to propose that our suggestions should be treated as an input to the wider Members' Estimate Committee (MEC) review, now due to report in the summer.³ CSPL has also raised the question as to whether our proposals might be better looked at in a broader context, including the general issue of publishing information about all Members' staff.

3. We have given careful consideration to this suggestion. The misuse of the Staffing Allowance in relation to employment of a family member which lay at the heart of our Fourth Report⁴ undoubtedly highlighted interest in employment at public expense by Members of relatives, an arrangement described by CSPL as "an unusual arrangement which might not be allowed elsewhere". The leaders of the three largest political parties have urged their Members of Parliament to disclose any employment of relatives, and a number of Members have already approached the Registrar of Members' Interests, seeking to include details of such employment in their Register entries.

4. We acknowledge, as does CSPL, that wider disclosure of information about Members' staff raises important issues. It is, however, the case that the names of all Members' staff who hold a parliamentary pass have for many years been in the public domain through inclusion in the Register of Interests of Members' Staff and Research Assistants, and others are in the public domain in other ways. In all, we estimate that the names of at least 60% of

1 Standing Order No. 149 (1) (b).

2 HC 383

3 First Special Report from the Members Estimate Committee, Session 2007-08, HC 368.

4 HC 280.

Members' staff are already in the public domain.⁵ Our proposals are therefore likely to have a relatively modest impact in this regard. We are also satisfied that our proposals can be implemented in a way which is consistent with the requirements of the relevant data protection legislation.

5. Taking all these factors into consideration, we believe it right to confirm our previous recommendation to the House that a scheme for disclosure of family members employed through the Staffing Allowance be introduced with effect from April 1. We also recommend, as foreshadowed in that report, that it should not become compulsory until August 1. This will provide Members who are pressing to disclose publicly their employment of family members with a formal opportunity to do so within the framework of the Register of Members' Interests, while at the same time providing those who need to review their contractual arrangements with a reasonable opportunity to do so in an orderly way. It will also provide us with an opportunity to review the arrangements if necessary, before they become compulsory, in the light of any proposals to be brought forward before the House by the MEC.

What should be disclosed in the Register?

6. We confirm the proposal in our Sixth Report that Members should be required to disclose in each case the name of the staff member, their relationship to the Member, and a description of the job they do. We consider later the changes we recommend from the proposals in that report as to the precise information and the range of relationships to be disclosed.

7. We also confirm our proposal for a *de minimis* threshold of 1% of a Member's annual salary per employee.

Whom might be covered by the disclosure requirement?

8. We recommend a simple formula requiring registration of any employee where the Member knows of, or might reasonably be expected to know of, any relationship, past or present:

- by marriage, or partnership equivalent to marriage; or
- by blood.

9. In cases where the relevant relationship ends but the employment continues, we confirm our proposal that the requirement to register should continue to apply for a period of three years.

⁵ Based on a comparison of the number of Members' staff recorded on the Staff Register with the total number of Members' staff paid by the Department of Resources.

10. We also recommend that the requirement to register should commence, in relation to permanent employment, from the date of employment. In the case of casual employment, it should commence when the *de minimis* threshold is exceeded in the course of any particular financial year.

What information should be given in the Register entry?

11. Our purpose in making these proposals is not to pass judgement on the practice of employment of family members; it is merely to introduce transparency.

12. We now recommend a revised heading as follows:

Category 11

Family members employed and remunerated through the Staffing Allowance.

and a Register entry along the lines of:

I employ my [*relationship*], [*name*], as my Office Manager, and my [*relationship*], [*name*], as a Parliamentary Assistant.

13. We proposed in our Sixth Report that details of the standard job descriptions and pay ranges should be placed on the Parliamentary web-site. CSPL has suggested that this is unnecessarily opaque. We still consider that this information should be available on the Parliamentary website, but propose in addition to include it in the Register, in the interests of transparency.

14. We commend to the House the proposals in this Report.

Appendix 1: Summary of Responses to the Sixth Report of the Committee from Members of Parliament and members of the public

Introduction

1. In its Sixth Report, Session 2007-08 (HC 383), published on 28 February, the Committee put forward proposals for consultation on a possible framework for disclosure of employment of family members through the Staffing Allowance. The Committee had previously announced on 5 February that it believed that, by 1 April 2008, the House should have in place, within the framework of the existing Registers, a system for compulsory registration of Members who employ family members in connection with their duties as Members, and remunerate them through the Staffing Allowance.

2. Of the 33 submissions received, 29 came from Members of Parliament, and 3 from members of the public. The Committee on Standards in Public Life (CSPL) also made a submission. A full list of respondents is attached.

3. This is a summary of the principal points made in all the submissions, except that of the CSPL, which the Committee is publishing separately, which are relevant to the specific issue of the employment of family members. A number of submissions made points which went beyond the scope of the consultation exercise. Many of these are, however, relevant to the wider exercise being conducted by the Members' Estimate Committee (MEC). One specifically mentioned that the data protection, staff privacy and legal issues raised by the Committee's proposals needed to be addressed as well in relation to disclosure of employment details generally. The Committee will therefore be making a full set of responses available to the MEC.

4. One respondent simply expressed complete agreement with the proposals, but most made specific points. In this summary, these have been grouped under the same five headings as were used in the Sixth Report.

The objectives

5. 10 respondents argued that there was no need for action on employment of family members on the timescale proposed by the Committee, and most of these went on to suggest that the question of disclosure of the employment of family members should be addressed instead as part of the wider MEC review, now due to report in the summer.

6. Two respondents queried the need for registration on the grounds that there are no objective reasons for the employment status of Members' family members to be put on the

public record any more than that of other staff. One stressed the need to protect unelected people from unwarranted intrusions into their privacy.

7. One respondent suggested that the different character of the information to be disclosed from that currently included in the Register of Members' Interests argued for a new and separate 'Disclosure Register' for this purpose.

8. Some respondents argued that the objectives were not broad enough. Several respondents said that there should be a register of all Members' staff. One said that such a register could indicate any family relationship, but staff payments should only be disclosed in aggregate, while another argued for disclosure of each staff member's pay scale. A further respondent who supported publication of a full list recognised that some staff might feel some unease about the wide availability of names.

What should be disclosed in the Register?

9. One respondent argued for contracts of employment to be disclosed, and that family members should have the same scales of pay and the same duties as other equivalent employees of the Member.

10. The proposed *de minimis* threshold attracted a number of comments. One respondent expressed concern that Members might seek to underpay casual staff, to get under the *de minimis* registration threshold. Another expressed concern that it could be misused. A further respondent argued for the scope of the *de minimis* threshold to be reduced to a total of 1% of Members' salary, not 1% per individual employee.

Whom might be covered by the disclosure request?

11. There were a number of comments on the list of relationships to which the Committee said, in paragraph 22 of its report, the disclosure requirements should apply.

12. Two respondents supported the Committee's specific proposals.

13. Several respondents commented on the practicability of the proposed list. One commented on the difficulties and potential anomalies inherent in any attempt to define the relationships that should be within the scope of any registration requirement. Another commented that the list was unworkable, citing in particular the omission of cousins, and argued for compulsory registration to be restricted to spouse/partner and children unless the Member chose to volunteer further information.

14. Several respondents argued for more extensive disclosure. One argued for any family "or other relevant relationship" to be disclosed, and another for the requirement to be extended to the spouses and children of business partners and co-directors. Some respondents argued that the disclosure requirement should also extend to employment by a Member of a member of any other Member's family.

15. Several respondents raised the issue of the continued disclosure of employees with whom a relationship falling within a prescribed category had ceased to exist, for example, following a divorce. One of these specifically expressed support for a three year cut-off period, as proposed in paragraph 25 of the Committee's report. Another respondent warned of the potential of abuse of the Staffing Allowance to pay alimony or child maintenance under the guise of work undertaken.

16. One respondent asked about the application of the proposed disclosure requirement to the circumstance where a relationship developed between a Member and a family member of an employee, subsequent to their employment.

What information should be covered in the Register entry?

17. Several respondents considered that the proposed heading for the new Category 11 carried an unnecessary insinuation of undesirability in principle in respect of employment of family members. One argued that the registration requirement implied that employing family members was "somehow tainted", and proposed that in their Register entries, Members should be free to give more details to refute any such implication. Two others considered that the proposed description of the new Category 11 implied an element of guilt or dishonesty about such arrangements.

18. One respondent suggested that Members should be able to indicate that they had never employed a family member in a paid capacity.

19. One respondent, who supported the proposals generally, suggested that the proposed scope of the new Category 11 could be defined more clearly, to reduce the scope for subjective judgements of 'perceptions'.

20. A number of respondents commented on the Committee's proposals in paragraph 27 of the report as to the extent of the information that should be disclosed. One argued for disclosure of both the job description and the pay band specifically, thus not requiring those interested to look the bands up elsewhere.

21. Different views were expressed on whether the Register entry should also include more specific information on staff salaries. One respondent called for precise salaries and annual bonuses to be declared in relation to staff generally, together with the staff member's location and hours of work, plus any relationship to the Member. Others argued that no specific staff salary details should be disclosed. Further respondents argued for the disclosure of the salaries of relatives employed by Members, but not otherwise.

22. One respondent commented on the importance of maintaining the distinction put forward in paragraph 26 between pre- and post- August 1 2001 employment.

23. Another respondent commented in relation to the Committee's proposals in paragraph 26 relating to staff employed other than under a contract of employment on the potential difficulties of capturing occasional work by family members, and the risk that they might be unwilling to assist a Member in this way if required to register.

Bringing the requirement into effect

24. Two respondents specifically supported the Committee's proposal of a transitional provision of a period of voluntary registration lasting until the Summer Recess.

Annex: Respondents to Consultation Exercise

Members of Parliament

Janet Anderson

Sir John Butterfill

Christopher Chope, OBE

David Clelland

David Crausby

Dai Davies

Mark Field

The Rt Hon Peter Hain

Fabian Hamilton

Doug Henderson

The Rt Hon Michael Jack

Helen Jones

Lynne Jones

Kevan Jones

Tom Levitt

John Mann

Andrew Miller

Kali Mountford

David Mundell

Ken Purchase

Jim Sheridan

The Rt Hon John Spellar

Bob Spink

Richard Spring

Robert Syms

Dr Richard Taylor

The Rt Hon Don Touhig

Peter Viggers

Mike Wood

Others

The Committee on Standards in
Public Life

L W C Harrington

Peter Hooper

Linda Wilkinson

Appendix 2: Letter to the Chairman of the Committee from the Chair of the Committee on Standards in Public Life, 10 March 2008

Employment of Family Members through the Staffing Allowance: Proposals for consultation

Thank you for your letter of 28 February, inviting the Committee on Standards in Public Life to comment on the proposals in your Sixth Report. I am grateful for the opportunity to do so. I am sure you will understand that the timetable you have set for responses does not allow any time for my committee to consult others and to take evidence before formulating our response, as is our normal practice as an evidence-based body.

There are a number of general points:

First, the current ability of Members of Parliament to use public money to employ members of their own family is an unusual arrangement which might not be allowed elsewhere. There are arguments for allowing it to continue, as I have already acknowledged. But, if so, these need to be set out very clearly; and if the arrangement is not to bring the House into disrepute, nor run the risk of unjustified aspersions being cast on the many family members who work diligently and entirely properly for MPs, my Committee is strongly of the view that it has to be completely transparent and sensibly monitored.

If for whatever reason it proves not to be possible to police the arrangement adequately, the alternative would be that the practice should be banned, as I understand to be the case in the US House of Representatives.

Second, my Committee welcomes your desire to ensure a system of disclosure which is adopted by the House as a whole and not left to be an issue of partisan point scoring. But there must be risks in seeking a partial solution to only one part of the general issue of members' allowances currently being reviewed by the Members Estimate Committee. For example, is there a case for a more radical change in the basis on which all members' staff are employed, such as adopting a centralised arrangement based on fair and open competition? There must be a danger that limited changes on disclosure will not satisfy critics of the present arrangements, will not serve the purpose of encouraging public confidence and trust in their MPs, and will not for that reason prove to be sustainable.

Third, we see merit in setting disclosure of related staff within the wider context of publication of relevant information about all Members' staff (paragraph 8a). This would increase disclosure of the details of Staffing Allowance expenditure generally, would better help to set the employment of family members in the context of Members' staffing overall, and would better signal the importance of treating all staff, whether within a relationship with the Member or not, on a fair and equal basis. It could also obviate the need for the complexity of some of the proposed requirements around the need to define the prescribed

relationships. Wider disclosure would clearly raise serious issues of data protection, personal safety of staff and/or privacy which need to be dealt with carefully and definitively before such a system could be implemented. We strongly endorse the Committee's suggestion that the MEC address these issues in its wider review.

Subject to those very important points, my committee has the following comments on the current proposals.

The Alternative Approaches

We strongly believe that a purely voluntary scheme (paragraph 8b) would not be adequate, not least because it would create speculation about individual Members who decide not to register.

What should be disclosed in the Register?

We agree (paragraph 19) with the recommendation that the name, relationship and role of the staff members be registered: indeed, we think it likely that the minimum proposals of simply registering numbers of such staff would be unsustainable as it would simply create media interest in identifying individuals and their relationship to a registering Member.

We note (paragraph 20) that disclosure of staff salaries (even by range) is not proposed, on the basis that the relevant pay ranges are publicly available on the web, and a connection can be made, if required between the two sources of information. On the face of it, this seems an unnecessarily oblique approach, and we think it would be more logical, as well as more transparent, to include the pay range applicable to the relevant job description in the register. It would be possible for the House Authorities to certify that the individual is being paid at the correct rate for the job, based on the relevant job description (which we understand already has to be lodged in order for that member of staff to be paid).

Given the nature of the Conway case, it would be helpful for the hours specified in any employment contract—or at least whether the individual is employed on a full-time or part-time basis—to be included in the disclosure.

Bringing the requirement into effect

Ideally, my Committee would support introduction of the Scheme from 1 April, but there are clearly some significant practical, legal and contractual issues that need to be ironed out.

Formal minutes

Tuesday 18 March 2008

Members present:

Sir George Young, in the Chair

David Curry	Mr Chris Mullin
Mr Andrew Dismore	The Hon Nicholas Soames
Nick Harvey	Mr Paddy Tipping
Mr Elfyn Llwyd	Dr Alan Whitehead

Draft Report [Employment of family members through the Staffing Allowance], proposed by the Chairman, brought up and read.

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

Paragraphs 1 to 14 read and agreed to.

Several Papers were ordered to be appended to the Report.

Resolved, That the Report and Appendices be the Seventh Report of the Committee to the House.

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

[Adjourned till Tuesday 1 April at 9.30 am]

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

Session 2007-08

First Report	Conduct of Mr Elfyn Llwyd, Mr Adam Price and Mr Hywel Williams	HC 94
Second Report	Conduct of Mr Norman Baker, Mr Malcolm Bruce and Mr Sadiq Khan	HC 182
Third Report	Publications funded from the Communications Allowance	HC 232
Fourth Report	Conduct of Mr Derek Conway	HC 280
Fifth Report	Conduct of Mr Peter Hain	HC 324
Sixth Report	Employment of family members through the Staffing Allowance: Proposals for consultation	HC 383
Seventh Report	Employment of family members through the Staffing Allowance	HC 436

Session 2006-07

First Report	Evidence to the SSRB Review of Parliamentary pay, pensions and allowances	HC 330
Second Report	Conduct of Mr David Cameron	HC 429
Third Report	Complaints about alleged misuse of Parliamentary dining facilities	HC 431
Fourth Report	Conduct of Mr Julian Brazier	HC 682
Fifth Report	Handling of future complaints on misuse of the private dining facilities	HC 683
Sixth Report	Conduct of Mr George Galloway	HC 909
Seventh Report	Conduct of Mr Gregory Campbell	HC 992
Eighth Report	Conduct of Mr Martin Salter and Mr Rob Wilson	HC 1071

Session 2005-06

First Report	Conduct of Mr Jonathan Sayeed	HC 419
Second Report	Conduct of Mr John Horam	HC 420
Third Report	Conduct of Mr Tony Baldry	HC 421
Fourth Report	Pay for Standing Committee Chairmen	HC 568
Fifth Report	Electoral Administration Bill: Simplification of Reporting Requirements	HC 807
Sixth Report	Mr Stephen Byers (Matter referred on 19 October 2005)	HC 854
Seventh Report	Conduct of Mr George Galloway	HC 1067
Eighth Report	Conduct of Mr Mark Lancaster	HC 1144
Ninth Report	Lobbying and All Party Groups	HC 1145

Tenth Report	Conduct of Mr Michael Foster (Worcester)	HC 1223
Eleventh Report	Conduct of Ms Emily Thornberry	HC 1367
Twelfth Report	Conduct of Nadine Dorries	HC 1368
Thirteenth Report	Conduct of Mr John Prescott	HC 1553
Fourteenth Report	Conduct of Dr Desmond Turner	HC 1578
Fifteenth Report	Conduct of Mr Eric Illsley	HC 1579
Sixteenth Report	Review of the Guide to the Rules Relating to the Conduct of Members: Consultation Document	HC 1580