



House of Commons
Committee on
Standards and Privileges

**Lord Knight of
Weymouth**

Eighth Report of Session 2010–11

Report and Appendices, together with formal minutes

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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.

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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.

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Lord Knight of Weymouth

Introduction

1. The former Member for South Dorset, Jim Knight, was raised to the peerage as Baron Knight of Weymouth on 23 June 2010.¹ On 8 November, we received from the Parliamentary Commissioner for Standards a memorandum, reporting on his investigation into a complaint that, while still a Member of this House, Lord Knight used a risograph (a type of printing machine), the purchase of which had been funded by Parliamentary resources, to subsidise the production of party political material. The material included newsletters and campaign literature for Labour Party candidates in local elections held in 2008 and 2009.² The complaint was made by Mr Ian Bruce of Weymouth in March 2010.

2. The Commissioner's memorandum is published at Appendix 1 to this Report. In accordance with our usual procedure, we supplied Lord Knight with a copy of the Commissioner's memorandum and invited him to give evidence. Lord Knight submitted written evidence, which is published at Appendix 2.

The Commissioner's findings

3. The Commissioner identifies his task as being to resolve whether Lord Knight's claims against Parliamentary allowances for the purchase and use of a risograph when he was the Member for South Dorset subsidised the costs of the South Dorset Labour Party in the arrangements made with them for the use of that machine. He points out that if there were such a subsidy, Lord Knight would at the time have been in breach of the rules of the House of Commons for having funded from Parliamentary allowances expenditure which was not wholly, exclusively and necessarily incurred on his Parliamentary duties, namely expenditure on party political activities.³

4. The Commissioner's main findings of fact are as follows:

- Lord Knight purchased a risograph in January 2008, in his then capacity as the Member for South Dorset.⁴
- The purchase price of £7,279 was funded entirely from Lord Knight's Communications Allowance, spread over two financial years (2007–08 and 2008–09).⁵
- The machine was located in an office rented by the local Labour Party. Under the terms of a written agreement between Lord Knight and the South Dorset Labour

¹ In this Report, we refer to Lord Knight throughout as "Lord Knight"

² Appendix 1, paragraph 2

³ Appendix 1, paragraph 80

⁴ Appendix 1, paragraph 65

⁵ Appendix 1, paragraph 65

Party, Lord Knight paid no rent to the Party for keeping the machine in its office.⁶ Lord Knight has estimated the notional cost to the Party of providing the space necessary for accommodating the machine while in use as £800 per annum.⁷

- Under the terms of the agreement, both the Party and Lord Knight had use of the machine. The Party was to pay for all maintenance costs but items such as paper and ink would be paid for according to use.⁸ However, up to the end of 2009, with one exception, the cost of all purchases of ink and masters for the risograph and of its maintenance was met from Lord Knight's Parliamentary allowances. The total paid from these allowances was £1,665. The total paid by the South Dorset Labour Party was £106.⁹ Such evidence as there is suggests that the Party also provided its own paper when it used the machine.¹⁰
- Although Lord Knight's evidence is that the agreement was drawn up and signed by the Party Chair in January 2008, Lord Knight has admitted to the Commissioner that he signed it in June 2010 and backdated his signature to January 2008. Lord Knight has apologised unreservedly for what he accepts was a serious error of judgment.¹¹
- Lord Knight never discussed the agreement with the Department of Resources.¹² The Department has told the Commissioner that in its opinion such agreements may be acceptable in principle, but they need to be based on actual usage.¹³
- Lord Knight accepts that he should not have used the risograph to produce a newsletter to constituents in January 2010, following a change to the rules, which prohibited such use.¹⁴

5. Lord Knight told the Commissioner that his intentions regarding the purchase and use of the risograph were to communicate effectively as a Member with his constituents and to minimise expense for taxpayers. The agreement with the South Dorset Labour Party to locate the machine in premises rented by it saved rental costs which might otherwise have been claimed from Parliamentary allowances.¹⁵ Lord Knight agreed that he should have sought advice from the Department of Resources about drawing up and administering the agreement with his local Labour Party and that he should have monitored how it was working in practice. He told the Commissioner that he would repay any sums which are found to have been claimed in contravention of the rules.¹⁶

⁶ Appendix 1, paragraph 66

⁷ Appendix 1, paragraph 69

⁸ Appendix 1, paragraph 66

⁹ Appendix 1, paragraph 76

¹⁰ Appendix 1, paragraph 78

¹¹ Appendix 1, paragraph 68

¹² Appendix 1, paragraph 70

¹³ Appendix 1, paragraph 77

¹⁴ Appendix 1, paragraph 72

¹⁵ Appendix 1, paragraph 78

¹⁶ Appendix 1, paragraph 79

6. Lord Knight suggested to the Commissioner that the notional rental cost for locating the machine in the Labour Party's offices of £800 a year should be set off against the purchase cost of the machine.¹⁷ The Commissioner describes this as "an unusual arrangement."¹⁸

7. Although there is no substantive evidence of the extent to which the machine was used by Lord Knight as part of his Parliamentary duties on the one hand, and by the Labour Party for its party political activities on the other, the Commissioner's view is that it would be reasonable to conclude that, at the time of purchase, the use of the risograph might have been expected over time to have been evenly split between both.¹⁹ On that basis, half the purchase price of the machine could reasonably have been borne by the Labour Party and half the cost of accommodating it should have been borne by Lord Knight. This would have meant that the Labour Party should have reimbursed Lord Knight and his Parliamentary account £3,640—that is, half the cost of purchasing the machine. Given that the notional rent was £800 a year, it would have taken nine years for the Labour Party to pay off half the purchase cost by offsetting its half-share of the notional rent against it.

8. The Commissioner describes this as "a bad deal." He writes:

Even were the Labour Party to have paid off the price in half the time, it would still have been a questionable deal. When the risograph was purchased, Lord Knight would have known that the General Election was, at best, just over two years away. There was no assurance that he would be returned to Parliament (as, in the event, he was not). And, of course, by the risograph being in their office and not in his, the Labour Party had the benefit of direct access to it.²⁰

The Commissioner continues:

I conclude that the arrangements for the purchase and location of the risograph provided bad value for money for the public purse. And they had the effect of providing a benefit arising from parliamentary resources to a political party. The use of those resources was not, therefore, wholly, necessarily and exclusively incurred for parliamentary purposes, since this subsidised the South Dorset Labour Party's political activities. I conclude, therefore, that Lord Knight, while a Member of the House of Commons, was in breach of the rules of the House in the arrangements he made with the South Dorset Labour Party for the purchase and location of this machine.²¹

9. The Commissioner also concludes that Lord Knight's claims for the running costs of the risograph met some of the costs of the Labour Party for their use of the machine. "Parliamentary resources were therefore used for costs which were not wholly, exclusively

¹⁷ Appendix 1, paragraph 83

¹⁸ Appendix 1, paragraph 84

¹⁹ Appendix 1, paragraphs 85 and 86

²⁰ Appendix 1, paragraph 87

²¹ Appendix 1, paragraph 89

and necessarily incurred on parliamentary duties, namely in support of the South Dorset Labour Party's political activities."²²

10. Although the Commissioner thanks Lord Knight for his cooperation, he notes that the informal nature of the arrangements for the location and use of the risograph has meant there is a lack of reliable evidence, which has hampered his inquiry. The Commissioner suggests that, where facilities are shared between a Member and his or her political party, "very great care needs to be taken that the way these shared resources are used can be fully accounted for. That is not the position in this case."²³

11. The Commissioner has found no evidence to suggest that Lord Knight intended to provide the significant benefit to the South Dorset Labour Party which they obtained through their use of this risograph. Lord Knight was, however, careless. The Commissioner welcomes Lord Knight's apology for the laxness of the arrangements he made for sharing the machine and his offer to repay in full any sums paid to him from Parliamentary allowances which should more properly have fallen to the Labour Party.²⁴

Lord Knight's evidence

12. In his written evidence, Lord Knight unreservedly repeats his apology for the breach of the rules in respect of his use of Communications Expenditure, which he describes as "inadvertent", "due to an understandable misreading of the Department's [advice]" and which he suggests "did not result in any political advantage."²⁵

13. Lord Knight also repeats his acceptance that he should have monitored more carefully the Labour Party's purchase of supplies for the risograph. He apologises for his carelessness in not securing approval from the Department for Resources and then not monitoring the agreement he had entered into with the Labour Party. Although Lord Knight remains of the view that his use of the machine in connection with his Parliamentary duties was greater than the Labour Party's use, he states that he is committed to ensuring that Parliament is reimbursed for whatever proportion of the total claimed from allowances the Committee sees fit.

14. Lord Knight then considers the question of whether a subsidy was gained by the Labour Party from the arrangement whereby the Party made no contribution to the purchase cost of the machine but accommodated it in its offices rent-free. He disagrees with the Commissioner's conclusion that the arrangement was "a bad deal." He tells us that he personally paid about £1,500 in tax on the machine and he estimates that by purchasing and using it he made an annual saving of between £1,500 and £2,000. If the machine had not been accommodated by the Labour Party free of charge, Lord Knight estimates that the annual saving would still have been between £700 and £1,200. In Lord Knight's view, therefore,

²² Appendix 1, paragraph 93

²³ Appendix 1, paragraph 94

²⁴ Appendix 1, paragraph 96

²⁵ Appendix 2

... the deal with the Labour Party meant the machine was affordable and then reduced pressure on my communications allowance, as demonstrated by the total claimed from that allowance reducing from £10,007 in 2008/9 to £3,340.43 in 2009/10. ... By incurring £800 worth of additional cost the Labour Party would have effectively paid for 50% of the cost, ignoring any depreciation, after four and a half years. Again, I remain of the view that this was reasonable and a good attempt to provide value for money to the taxpayer for the use of the Communications Allowance.

Conclusions and recommendation

15. We welcome Lord Knight's acceptance of the majority of the Commissioner's conclusions. There is no doubt that Lord Knight should have taken greater care to ensure that the arrangements for the purchase, location and running costs of the risograph were beyond reproach. This does not mean that Lord Knight was wrong when, as a Member of this House, he entered into an agreement with the local Labour Party relating to the machine; but the agreement should have been more tightly drawn and based on actual usage; it should have been sent to the Department for Resources for approval; and it should have been properly implemented.

16. Lord Knight has disputed two aspects of the Commissioner's conclusions: the split between Lord Knight's use of the machine in connection with his Parliamentary duties and the Labour Party's use of the machine; and the question of whether the Labour Party received a benefit from Parliamentary allowances.

17. On the first of these points, in support of his view that his use of the machine was greater than that of the Labour Party, Lord Knight refers in his evidence to "the surge of use of consumables in the autumn of 2009." This reflects his evidence to the Commissioner that, although in 2008 the Labour Party made greater use of the machine than he did, in 2009 he accounted for 70% of its use.²⁶ In considering that evidence, the Commissioner concluded that it was based on "no more than judgements made by Lord Knight after what he told me were discussions with staff and checking computer records which are no longer available."²⁷ Lord Knight has brought forward no fresh evidence in support of his contention. In the absence of substantive evidence of the actual split between Lord Knight's use of the machine and that of the Labour Party, we take the view that the Commissioner's estimate of a 50:50 split is fair and reasonable.

18. We turn now to Lord Knight's comments on the Commissioner's conclusion that the Labour Party received a significant benefit from its use of a machine funded largely from Parliamentary allowances. We note that, although Lord Knight introduces his comments as relating to the question of "whether a subsidy was gained by the Labour Party," he has in fact directed his evidence to the question of whether the arrangement provided good value for money. Lord Knight has sought to demonstrate that the agreement to locate the

²⁶ Appendix 1, paragraph 26

²⁷ Appendix 1, paragraph 85

machine rent-free in the Labour Party's offices and to share costs produced a substantial saving to public funds.

19. Whether there was or was not a net saving to the public purse is a question in its own right. We share the Commissioner's concern about the paucity of evidence on the use of the machine and on the source of supplies.²⁸ This makes it very difficult to determine the extent of any saving. Lord Knight has suggested there was a gross annual saving from his use of the machine of between £1,500 and £2,000. He bases this largely on the cost of producing his newsletter before he purchased the machine.

20. The Commissioner's view is that the arrangement represented "bad value for money for the public purse," although he was not required to consider whether it represented bad value for money in Lord Knight's Parliamentary communications, because the latter point did not form part of the complaint.²⁹ In our view, the question of whether there was a saving to public funds has no bearing on the question of whether the Labour Party's political activities received a subsidy from Lord Knight's claims against Parliamentary allowances when he was a Member of this House. It is clear from the evidence that there was such a subsidy and that Lord Knight was therefore in breach of the rules when he was the Member for South Dorset.

21. We have considered whether, if there was a saving to public funds, that saving can properly be considered in mitigation of this breach. We have concluded that it cannot, as any such saving attributable to Lord Knight's use of the machine would have accrued regardless of whether the Labour Party derived a benefit from its own use of it.

22. The Commissioner has calculated the Labour Party's share of the cost of purchasing the machine as 50%, which comes to £3,640.³⁰ Setting off against this sum half the notional annual rent, £400, for the two-year period following the purchase of the machine in January 2008 brings it down to £2,840.

23. We note that nowhere in his evidence to us has Lord Knight mentioned the misjudgment he accepted in evidence to the Commissioner he made in signing in June 2010 a document dated January 2008. In our view, this was a very serious misjudgment, albeit one made when Lord Knight was a Member of neither House. Lord Knight was right to apologise unreservedly to the Commissioner for making it; we would have welcomed a repeat of that apology in his evidence to us. Had Lord Knight made such a misjudgment when he was a Member of this House, it would in our view have constituted a breach of paragraph 15 of the Code of Conduct.³¹

24. Lord Knight has also omitted from his evidence to us any reference to the breach of the rules which he accepts he made when he used the risograph to print a newsletter after the

²⁸ Appendix 1, paragraph 94

²⁹ Appendix 1, paragraphs 88 and 89

³⁰ Appendix 1, paragraph 86

³¹ "Members shall at all times conduct themselves in a manner which will tend to maintain and strengthen the public's trust and confidence in the integrity of Parliament and never undertake any action which would bring the House of Commons, or its Members generally, into disrepute."

rules changed, in January 2010. We note that there are no separately identifiable costs associated with the production of this newsletter.

Recommendation

25. We recommend that Lord Knight repay half the sum paid to him from Parliamentary allowances for the purchase of a risograph, minus £800 (half two years' notional rent for the location of the machine in Labour Party offices): that is, £2,840. We further recommend that Lord Knight repay £780, which is half the sum paid to him from Parliamentary allowances for supplies for and maintenance of the risograph. The total to be repaid by Lord Knight is thus £3,620. This sum represents the benefit to the Labour Party of its use of the machine.

Appendix 1: Memorandum from the Parliamentary Commissioner for Standards

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Complaint against Rt Hon Lord Knight of Weymouth

Introduction

1. This memorandum reports on my inquiry into allegations that, when he was the Member for South Dorset, the Rt Hon Jim Knight (now the Rt Hon Lord Knight of Weymouth) used a risograph,¹ the purchase of which had been funded by parliamentary resources, to subsidise the production of party political material, contrary to the rules of the House.

The Allegations

2. On 4 March 2010, Mr Ian Bruce, of Weymouth, wrote to me to make a complaint against the Rt Hon Jim Knight.² Mr Bruce alleged, amongst other matters, that Mr Knight had purchased a two colour printer on 21 December 2007, using his Communications Allowance, which he said had also been used, along with a large quantity of printing consumables, to print newsletters and literature for Labour Party candidates in the 2008 Weymouth and Portland Borough Council elections, the 2008 Purbeck District Council elections and the 2009 Dorset County Council elections. Mr Bruce included with his letter a copy of the by-election expenses return for the Labour candidate in the December 2009 Weymouth and Portland Borough Council Wyke Regis by-election, which listed notional expenditure by the South Dorset Labour Party on behalf of the candidate.³ Mr Bruce enclosed originals of some of the documents listed on the return where the expense was described as having been incurred by the Party as notional expenditure.⁴ These were an eve of poll card circulated on behalf of the Labour candidate, a leaflet distributed on the day of the poll, and two personalised letters sent to electors.⁵ Mr Bruce alleged that the South Dorset Labour Party had never purchased any printing equipment, and also had no computers, folding machines, or addressing equipment for targeting addressed letters.

3. Mr Bruce said that Mr Knight had previously leased a similar printer and claimed the cost against his Incidental Expenses Provision. He alleged that in March 2005 Mr Knight had purchased a colour drum unit for a leased printer so that the Labour Party leaflets could have a red colour banner on them, and that Mr Knight had purchased a folding machine, which Mr Bruce said would have only been used for mass produced literature rather than constituents' correspondence. He also said that expenses, including red and black printing ink and printing masters which were exclusively for campaigning purposes

¹ A type of digital high speed printer.

² WE 1

³ Not included in the written evidence. Mr Bruce had previously sent me a copy of a similar return for a candidate in the May 2009 county council elections.

⁴ Not included in the written evidence

⁵ One of these letters was identical in content to a letter Mr Bruce had previously sent me as an example of material alleged to have been printed on Mr Knight's risograph.

had regularly been shown in expense claims and in particular in the months before local elections.

4. Mr Bruce told me that the Electoral Commission had undertaken an investigation following a letter from him into allegations of non disclosure of any donation of the equipment used by the South Dorset Labour Party, and had concluded that there was not sufficient evidence that Mr Knight had purchased the equipment in question for the party and not for himself and his staff. Mr Bruce commented, *“In other words Mr Knight has told the Electoral Commission the Labour Party is using his equipment paid for out of both the Communications Allowance and the IEP and as he has not donated it no offence has been committed by the South Dorset Labour Party under electoral law.”*

5. Mr Bruce said that the copy which he had previously sent me of the election expenses of one of the South Dorset Labour Party County Council Election candidates⁶ showed the amount being claimed by that candidate as assistance in kind being given by the South Dorset Labour Party. He said that there had been 11 candidates who would have received benefits paid from Mr Knight’s expenses of around £4,000 during the 2009 county council elections and £5,000 would have been spent during the 2008 local elections. Mr Bruce had also previously sent me examples of election literature from the May 2009 county council elections and the December 2009 by-election for the Wyke Regis ward of Weymouth and Portland Borough Council which Mr Bruce alleged had been produced on Mr Knight’s printer.⁷ Referring to the originals of leaflets Mr Bruce produced for the Labour candidate in the by-election, which he had enclosed,⁸ he commented, *“By supplying you with these originals you have better evidence that all the documents are produced on the same machine”*.

Relevant Rules of the House

6. Paragraph 14 of the Code of Conduct for Members provides as follows:

“Members shall at all times ensure that their use of expenses, allowances, facilities and services provided from the public purse is strictly in accordance with the rules laid down on these matters, and that they observe any limits placed by the House on the use of such expenses, allowances, facilities and services.”

7. The overarching rules in relation to this complaint are set out in the 2006 edition of the Green Book. In his introduction, Mr Speaker Martin wrote as follows:

“Members themselves are responsible for ensuring that their use of allowances is above reproach. They should seek advice in cases of doubt and read the Green Book with care. In cases of doubt or difficulty about any aspect of the allowances or how they can be used, please contact the Department of Finance and Administration. The Members

⁶ Not included in the written evidence. See footnote 3.

⁷ Not included in the written evidence

⁸ Not included in the written evidence. See paragraph 2 above.

Estimate Committee, which I chair, has recently restated the Department's authority to interpret and enforce these rules."

8. The rules relevant to the purchase of printing equipment are set out in the booklet published in April 2007 entitled "*The Communications Allowance and the use of House stationery*". The scope and purpose of the Communications Allowance is set out in paragraph 6.1.1 of Appendix One to this booklet as follows:

"The Communications Allowance (CA) is available to meet the cost of Members engaging proactively with their constituents through a variety of media. It can be used for the production of unsolicited communications within the parameters set out in this Section.

*The CA may only be used to help Members inform their constituents about what they have been doing and to consult them on issues of importance to them locally. It cannot be used to meet personal costs or the costs of party political activities or campaigning. The main areas of expenditure available from the CA are outlined below. **It is each Member's responsibility to ensure that all expenditure funded by the CA is wholly, exclusively and necessarily incurred on their Parliamentary duties.***

9. Paragraph 6.3.1 summarises in the following terms the expenditure which may be met from the Communications Allowance:

Sections 6.14.1 and 6.15.1 give detailed examples of expenditure which is allowable, provided that it is incurred wholly, exclusively and necessarily on Parliamentary duties. The allowable expenditure includes:

...

Some capital purchases."

10. Paragraph 6.11.1 sets out the rules on capital purchases as follows:

"You may purchase or lease capital equipment from the CA if it is to be used for the purpose of proactive communications such as producing newsletters/annual reports and designing or maintaining websites. Equipment that mostly has other office purposes should be purchased or leased using the IEP. So, for example, a photocopier may not be purchased out of this allowance as it may be used for other purposes, but a risograph may as its purpose is the mass production of published material."

11. The examples of expenditure allowable under the Communications Allowance given in paragraph 6.14.1 include:

- *"Regular Reports or Newsletters*

...

- *Costs associated with the publishing, printing or distribution of the above, including bought-in contractor time*

- *Purchase (or leasing) of equipment for the specific purpose of producing the above items.*”

12. Paragraph 6.15.1 gives examples of expenditure not allowable under the Communications Allowance. These include “*party political activities*”.

13. Paragraph 1.3 of the March 2009 Green Book sets out a number of fundamental principles underpinning the allowance regime, and to which Members must adhere when making claims against parliamentary allowances. One of these is:

“Allowances are reimbursed only for the purpose of a Member carrying out his or her parliamentary duties. Claims cannot relate to party political activity of any sort, nor must any claim provide a benefit to a party political organisation.”

14. A number of restrictions were imposed on the use of Communications Expenditure (as the Communications Allowance had been re-named) with effect from 1 January 2010. These restrictions were set out by the Department of Resources in a letter of 15 December 2009 to all Members. The letter said:

“You cannot therefore use the Communications Expenditure or utilise resources acquired from the Communications Expenditure from 1 January 2010 for:

- *the production and distribution of newsletters, parliamentary reports, targeted letters, petitions and surveys;*
- *the production and distribution of surgery leaflets and flyers (in other words a ban on anything that can be put through the letterbox).”*

My Inquiries

15. I wrote to Mr Knight about the complaint on 25 March.⁹ I said that, in essence, the complaint against him which I had accepted for inquiry was that he had used a risograph, the purchase of which had been funded by parliamentary resources, to produce party political material. I also said that I had not accepted the other aspects of Mr Bruce’s complaint.¹⁰ I asked Mr Knight in particular to confirm the cost of the risograph, and why he had decided to purchase one in December 2007, and to claim the purchase cost from the Communications Allowance. I also asked him what use he had made of the risograph since its purchase; whether it has been used exclusively for parliamentary purposes and, if not, the nature and extent of its use for other purposes, including party political purposes.

16. I asked Mr Knight whether the risograph had been used to print any of the six items of election literature which the complainant had forwarded,¹¹ or to print any item listed in the

⁹ WE 2

¹⁰ I informed Mr Bruce that this was because he had not provided me with sufficient evidence in these cases of alleged misuse of parliamentary resources for party political purposes.

¹¹ These comprised three letters to named electors, a polling day letter, an eve of polling day card, and a Spring 2009 Labour Party newsletter.

Candidate Election Expenditure returns which he had also forwarded and, if the equipment had been so used, how the production of these documents had been funded, and how the staff time involved in their production had been funded, bearing in mind that each of the documents forwarded bore an imprint giving the name of someone who allegedly was, or had at the time been, one of his employees. I also asked Mr Knight what reimbursement he had received (if any) towards the costs of purchasing and maintaining the risograph and its paper and ink. I also asked Mr Knight, in the event that his risograph had not been used to print any of the six items of election literature forwarded by the complainant, for details of the printing arrangements, assuming he had the information, and why they had the appearance of having been printed on the same equipment as his 2009 Annual Report.

17. I asked Mr Knight to let me know the conclusions of the Electoral Commission's inquiry into the use he had made of his printing equipment and, asked, if he had a copy of the letter from the Electoral Commission quoted by the complainant, to let me see it.¹² I also asked Mr Knight whether he had had any discussions with the Department of Resources about the purchase and use of this equipment, and if so what had been the substance of those discussions. Finally, I told Mr Knight that I appreciated that Dissolution was now very close, it was therefore unlikely that I would be able to resolve this complaint before then, and that if this proved to be the case, I would need to return to it once Parliament had resumed.

18. Parliament was dissolved on 12 April, and the new Parliament assembled on 18 May. Mr Knight stood at the election but was not re-elected. His elevation to the House of Lords was announced in the Dissolution Honours, and he was introduced there on 23 June.

19. I received Mr Knight's reply on 20 May.¹³ He said that the cost of the risograph printer had been £7,279.11, and the purchase had been funded from the Communications Allowance. He had decided to purchase the risograph printer from the Communications Allowance to print communications with his constituents. Mr Knight said that this had been primarily through the production of Annual Reports, localised newsletters or information sheets and notice of public meetings. He commented, "*The use of the risograph has enabled me to reduce my use of commercial printers and seemed a reasonable investment*". Mr Knight gave examples of his use of the risograph "*for parliamentary purposes*". The first was his 2009 Annual Report, copies of which he enclosed.¹⁴ He also said that he had produced updates for his constituents concerning his work in their area, and had recently produced a newsletter to all residents in the Park District of Weymouth announcing a public meeting to deal with an increase in anti-social behaviour.

20. Mr Knight enclosed a copy of the Park District newsletter.¹⁵ This reported the outcome of a public meeting in Park District in October 2009 which Mr Knight had held, and

¹² See paragraph 4 above.

¹³ WE 3

¹⁴ Not included in the written evidence. Mr Knight sent me four separate versions of his 2009 Annual Report.. These were addressed to Portland, Rural Purbeck, Swanage and Weymouth respectively, were all in the same format, and had similar content, apart from the lead story on the first page, which was specific to the area concerned.

¹⁵ Not included in the written evidence

announced a further meeting in January 2010. It also included a number of options for dealing with problems arising from private rented accommodation (one of the problems identified by the previous meeting having been difficulties over some houses in multiple accommodation), and a survey about residents' concerns. Mr Knight provided a Freepost address for the return of the completed survey forms.

21. Mr Knight said that he had also allowed the South Dorset Labour Party to use the risograph. He explained that the risograph was too large to fit into his constituency office. Rather than incur additional cost to the public purse of renting more space, he had located it in the adjacent Labour Party office. In exchange, he allowed the Labour Party to use the risograph in lieu of rent. Mr Knight said that the additional production costs of any Labour Party literature produced on the risograph, including all ink and paper, was funded entirely by the South Dorset Labour Party. He enclosed two invoices from the risograph supplier, addressed to the Party. The invoices enclosed were both dated 28 February 2010, and related to purchases of document masters, and of red and black ink. The total cost was £760.¹⁶ Mr Knight commented that the arrangement seemed "*a reasonable exchange*". He said that he had not discussed it with the Department of Resources.

22. Mr Knight said that the risograph had been used to print what he described as "*the three campaign letters in question*".¹⁷ He also said that the member of staff who produced this literature had done so in his capacity as a part-time employee of the South Dorset Labour Party, for whom he worked for part of the week.

23. Mr Knight also enclosed a copy of an e-mail exchange between the Compliance Manager of the Labour Party and the Electoral Commission. This related to what he described as "*a very similar complaint made by the same complainant on the same issue*". Mr Knight commented, "*In this case the Electoral Commission ruled that there was no case to answer.*"

24. The e-mail from the Labour Party Compliance Manager to the Electoral Commission was sent on 8 February.¹⁸ It explained amongst other matters that Mr Knight had replaced a leased printing machine with a purchased device, using the Communications Allowance, for bulk printing of material for constituents. The e-mail said that these communications were from Mr Knight in his capacity as a Member of Parliament, responding to issues raised by constituents, and that supplies for the machine had been purchased out of the Communications Allowance. The e-mail continued, "*These IT purchases are therefore entirely consistent with his requirements as an MP. I hope this is sufficient information to allow you to close this case.*" The response from the Electoral Commission said that the Commission had "*concluded that further enquiries would be neither proportionate nor in the public interest. The Commission therefore considers the matter now closed.*"¹⁹

¹⁶ A manuscript note on the statement said that one set of document masters had been "*sent in error*" and that their collection was awaited. The price of these was £159, which is included in the overall cost given above.

¹⁷ The complainant had submitted a total of six documents. See also paragraph 2 and footnotes 5 and 11.

¹⁸ WE 4

¹⁹ WE 5. The copy of the reply supplied by Mr Knight was undated.

25. I replied to Mr Knight on 20 May.²⁰ I asked him if he could give me an estimate of the proportionate use of the risograph by himself for parliamentary purposes and by the South Dorset Labour Party from the date of its purchase in December 2007 to the end of April 2010. I said that if he had such information by financial year that would be particularly helpful. I asked Mr Knight if he had any formal sharing agreement for the risograph between himself and the South Dorset Labour Party and, if so, to let me see a copy. I also asked for copies of any further invoices for ink and paper used since December 2007 which the South Dorset Labour Party might have, or other financial records showing these payments. I asked Mr Knight for an estimate of the space taken up by the risograph, and whether, for example, it was located in its own small room. Finally, I asked Mr Knight how in practice he had ensured that the production costs were separated out; whether he had a stationery cupboard for the paper used for his parliamentary productions which was separate from that used for party political purposes; and if he had changed the ink cartridges for the separate production runs.

26. Mr Knight replied on 4 June.²¹ He began by clarifying the date of purchase of the risograph as 22 January 2008. He then set out estimates of its respective use for parliamentary and party use that had been formulated “*based on our recollection of the work produced using the risograph printer*”. Mr Knight said that, in 2008, 40% of the use had been for parliamentary purposes with 60% having been used by the South Dorset Labour Party. In 2009, 70% of the use had been for parliamentary purposes. In respect of 2010, Mr Knight said that, leading up to the election, the share of printing had been approximately 50/50 split between parliamentary and Labour Party use. He continued, “*However, during the election period, rent is being paid by South Dorset Labour Party to the fees office to cover the cost of its use during this period as it was used solely for Party political purposes.*”

27. Mr Knight illustrated the savings made by printing Parliamentary communications in-house on the risograph by comparing the cost of printing his 2009 Annual Report (printed in-house) with that of the 2007 Annual Report, which had been printed externally at a cost of £2,550. Mr Knight said that in 2009 the paper had cost £1,200 and ink £96, giving a total cost of £1,296. This, he said, was a saving of £1,254 compared to 2007.

28. Mr Knight enclosed with his letter the formal sharing agreement for the risograph between himself and the South Dorset Labour Party.²² The signatures of both Mr Knight and the person signing on behalf of the Party were dated 22 January 2008. Under the agreement, South Dorset Constituency Labour Party acknowledged that the risograph belonged to Mr Knight and agreed to accommodate it in the Party’s offices. The agreement provided for the Party to have use of the printer for as long as it was situated in their offices; for the Party to permit Mr Knight to use the printer in its offices as and when required by him; and for the Party to cover “*all maintenance costs and all liabilities in relation to their use of the printer, including ink and paper*”. Mr Knight commented, “*By the Labour Party accommodating the printer it has saved rent costs that I would have otherwise*

²⁰ WE 6

²¹ WE 7

²² WE 8

have had to meet. As long as the usage by the Labour Party is proportionate, I am confident that this is good value for money. I am also mindful that all maintenance was also carried out by the Labour Party. Therefore the public purse did not suffer for the wear and tear of the machine.”

29. Mr Knight said that the South Dorset Labour Party had invoices for ink and paper since January 2009. He enclosed a number of invoices and other documents.²³ The ten documents covered the period from October 2007 to May 2010. Nine of them related to purchases of paper and envelopes, card, and ink. The tenth was an invoice dated 15 April 2010 addressed to Mr Knight for the rent of his constituency office in May 2010, and other charges relating to its use in March and April 2010. The one invoice for the purchase of ink was dated November 2007 and thus predated the purchase of the risograph, and was from a different supplier. Only one invoice, for card in December 2009, belonged to the years between the purchase of the risograph in January 2008 and the end of 2009. Mr Knight also said that *“All variable costs and maintenance were also paid for by Labour Party as evidenced.”* He continued, *“Upon reviewing the invoices it appears that there are no receipts for ink cartridges from the South Dorset Labour Party for 2008. For avoidance of doubt I will therefore ensure that the Department of Resources is reimbursed for 60% of the value of ink purchased by me during that year.”*

30. Mr Knight said that the dimensions of the risograph were 180cm x 125cm, and that it took up 33% of the Labour Party office. He said that the cost to the South Dorset Labour Party of its office was £2,921 a year. He commented, *“The cost to the Labour Party of accommodating the machine is therefore £973.67.”* Mr Knight also said that the stationery for use in the risograph was clearly separated, with all stationery, ink and paper for parliamentary purposes being kept in the separate constituency office, and all stationery for the Labour Party kept in the Labour Party office. Mr Knight said that ink cartridges *“were removed from the risograph for separate print jobs.”*

31. I replied to Mr Knight on 23 June.²⁴ I asked him for estimates, ideally for each financial year, of the maintenance costs for the risograph which had been borne by the South Dorset Labour Party, and of total actual usage by himself and the Party, respectively. I also asked him for the basis on which he had provided the proportionate estimates for the use of the risograph. As the copy of the letter and survey which Mr Knight had sent to constituents in the Park District area of Weymouth did not bear any House of Commons imprint, I asked him to let me know if my assumption that it had not been funded from parliamentary resources was wrong. I also asked him for a fuller list, with other examples, of his use of the risograph for parliamentary purposes.

32. I pointed out to Mr Knight that, although he had said in his letter that the South Dorset Labour Party had invoices for ink and paper since January 2009, the only one of the invoices he had forwarded which fell within that period was for card, and the only invoice for ink predated the purchase of the risograph. I asked Mr Knight to identify any evidence there was of the Party having bought ink cartridges or paper for use in the risograph in any

²³ Not included in the written evidence. These invoices are summarised at WE 9.

²⁴ WE 10

of the years covered by the complaint, or to let me know the basis on which he or the Party considered that it had indeed made such purchases. Given what Mr Knight had said about his own and the Party's offices, I asked him how the premises were split, the approximate size of his constituency office, what occupied the remaining two thirds of the party office where the risograph was located, and how he reconciled the annual rent for the party office of £2,921 with the monthly rent of £456 for the suites referred to in the invoice which he had sent me.²⁵

33. I pointed out that the complainant had forwarded five examples of what he alleged were election communications from a local authority candidate that had been printed on the risograph, and had alleged that 11 local authority candidates had benefited from the material printed on this risograph.²⁶ I asked Mr Knight if he could confirm this and, if so, how many communications had been printed, and what the print run had been for each. As to the agreement for sharing the use of the risograph, I asked Mr Knight whether, when he had made the agreement with the South Dorset Labour Party, he had taken into account the likely date of the General Election, and the possibility that he might not be re-elected. I also noted that on the copy of the agreement which he had sent me, his signature and the date were imprinted on the handwritten sheet below the agreement which he had sent me, and which covered invoices from the Labour Party relating to 2009 and 2010. I asked Mr Knight to explain how this sharing agreement, which appeared to be signed and dated January 2008, could have had at least one of these signatures imprinted on a sheet submitted to me in June 2010 covering invoices from 2009 and 2010. I also asked him where the risograph now was.

34. Mr Knight (now Lord Knight of Weymouth)²⁷ replied on 9 July.²⁸ As to his signature on the sharing agreement, Lord Knight commented, *"When I found the file copy last month I discovered that I had not signed it. I unwisely chose to sign it and back date it, hence the imprint on the invoices. Clearly this could be misleading and I apologise unreservedly. I hope this doesn't detract from the fact that both South Dorset Labour Party and I were conscious of the potential complications of storing parliamentary equipment on party property. It was for this reason the agreement was made and it is the principles in this agreement that have guided the use of the risograph by my office and the South Dorset Labour Party."*

35. Lord Knight said that, in attempting to provide the most comprehensive evidence possible for my investigations, he had now been through his records again and had been trying to acquire what records he could from the South Dorset Labour Party. He explained that this had been difficult since the Party had no audit requirement until last year and records had not always been retained. In seeking copies of his own communications he had also come against the problem of his Parliamentary computers having now been wiped—destroying copies of his publications. He said that it had therefore not been possible to provide me with the detail that I needed in some cases. Lord Knight commented, *"I understand that this makes it difficult for you to satisfactorily complete your investigations,*

²⁵ Not included in the written evidence. The contents are summarised at paragraph 28 above.

²⁶ The sixth document the complainant had submitted was a Labour Party newsletter of Spring 2009.

²⁷ Lord Knight was introduced in the House of Lords on 23 June 2010.

²⁸ WE 11

but I am afraid I may need to ask you to reach a judgement on some partial knowledge. Again, as far I can be held responsible, I apologise.”

36. Lord Knight sent me print-outs from the supplier of the risograph of all his orders from them since the machine was purchased to May 2010.²⁹ An e-mail from the supplier which Lord Knight had included with one of the print-outs³⁰ said that the supplier held two different accounts for Lord Knight. The first of these dated from the purchase of the machine in January 2008, and the second from March 2009. Lord Knight had annotated each payment in manuscript as to whether he believed it had been made by him and claimed from his allowances, or by the South Dorset Labour Party. The table below summarises the eleven purchases shown on the print-outs, with the exception of the initial purchase of the machine, and identifies the attributions made by Lord Knight, with one subsequent amendment.

Date of purchase	Nature of purchase	Attribution of cost by Lord Knight		Comment
		Allowances (£)	Party (£)	
22 January 2008	Ink	157		
3 March 2008	Ink		318	Lord Knight subsequently re-attributed this payment to his allowances ³¹
5 December 2008	Ink	301		
30 March 2009	Duplicator masters		106	
17 September 2009	Maintenance	341		Lord Knight's annotation of print-out states that this was claimed "in error". ³²
23 October 2009	Ink	107		
30 October 2009	Duplicator masters	107		
6 November 2009	Ink	216		
20 November 2009	Ink	118		
28 February 2010	Ink; duplicator masters		601	
31 May 2010	Ink		99	

37. Lord Knight said that he had discovered that there was one claim made for maintenance on 24 September 2009 for £341 from the Communications Allowance. He commented, *“This was an oversight for which I again apologise. I am happy to repay this and any other claim you feel appropriate in order to give confidence that allowances have not been used inappropriately.”* He said that the total of ink and masters purchased and claimed for by him had been £665.³³ Other purchases had totalled £1,124, which he said would have

²⁹ Not included in the written evidence. A summary of the purchases shown on the print outs is given in WE 12.

³⁰ Not included in the written evidence

³¹ See WE 20 and paragraph 62 below.

³² See also paragraph 37 below.

³³ In his annotations on the print-outs, Lord Knight had attributed to his allowances purchases of ink and masters totalling £1,006.

been paid by South Dorset Labour Party.³⁴ Lord Knight commented, *“It is also clear that few supplies were needed through most of the period for any use, reflecting the good value of the machine. There was intense use for the Annual Report in 2009 and then by the Labour Party in the first quarter of this year.”*

38. Turning to the specific points in my letter of 23 June,³⁵ Lord Knight said that his estimate for the maintenance costs borne by the South Dorset Labour Party had been *“based on the removal and upkeep of the risograph based on receipts supplied previously and the maintenance work shown on the [supplier’s] print out”*. He also said that the estimates for the use of the risograph for parliamentary purposes had been *“done on the basis of discussions with staff who used the machine and our computer records available at the time”*. Lord Knight said that the machine was not metered, and it was therefore not possible to produce an estimate of the number of pages printed.

39. Turning to my question about the letter sent to constituents in the Park District announcing the meeting in January 2010 and including a survey, Lord Knight said that this did not promote any political party, did not seek any opinion which could be used for party political purposes, and was a vital piece of communications to engage constituents in the debate he was leading as their Member of Parliament. He commented, *“I conducted surgeries and public meetings in the area as MP and used this leaflet as a means to communicate the on-going issue to constituents.”* Lord Knight continued, *“As well as the Annual Report the risograph was used by me to communicate on neighbourhood matters in a similar way to the Park District example. I also produced fact sheets on areas of policy interest to constituents such as climate change legislation, housing policy and schools reorganisation processes affecting the constituency. Unfortunately the records of this activity have been destroyed as my office has now been closed down.”*

40. Lord Knight said that, when the sharing agreement had been made, it had been done on the basis that he would continue to serve the people of South Dorset as their Member of Parliament. He commented, *“I never felt it reasonable to constrain my activity or change my use of resources because of the marginality of my seat.”* He said that he was now a Member of the House of Lords and shared an office with the South Dorset Labour Party, which was where the risograph was now. Lord Knight concluded by saying that the agreement between the South Dorset Labour Party and himself was *“one that seeks to minimise cost to the taxpayer. By allowing South Dorset Labour Party use of the risograph I was removing the need for the taxpayer to foot a rent bill for housing the machine. I was clear that South Dorset Labour Party should pay for ink and paper to stock the machine and have produced evidence where possible to show this. I understand that there are gaps in evidence and regret that this doesn’t reflect well, but I would like to restate my intentions at all times were to communicate effectively as MP with my constituents and to minimise expense for the taxpayer.”*

³⁴ The figure given by Lord Knight of £1,124 includes the £318 purchase made on 3 March 2008 which he subsequently re-attributed to allowances, and £700 of purchases made after 1 January 2010. Total purchases attributable to South Dorset Labour Party in 2008 and 2009 amount to £106.

³⁵ WE 10

41. I replied to Lord Knight on 14 July.³⁶ I asked him if he could confirm that the document which he had sent me was the sharing agreement which he had concluded with the South Dorset Labour Party on 22 January 2008, because he had sent me what looked like a top copy with original signatures by both him and the representative of the party. I asked Lord Knight who had signed this copy on behalf of the South Dorset Labour Party, whether this signature was appended on 22 January 2008 or more recently, and whether he still had on his files the original which had not been signed by him. If so, I asked him to let me have a photocopy of that document, either from his own files or from those of the Party. I also noted that Lord Knight appeared to have recently signed the sharing agreement with the intention of allowing me to believe that he had signed it at the time. I told Lord Knight that I would need to record this in my conclusions to this inquiry, and offered him the opportunity to give any further explanation of the reasons for his actions.

42. I asked Lord Knight to confirm that there were no maintenance charges made for the risograph other than for the call out in September 2009. I asked when his survey letter sent to constituents in the Park District had been distributed and, if this was after 1 January 2010, whether he had met any of the costs, including the costs of dispatch, from his Communications Expenditure. I included in my letter an excerpt from a letter sent by the Department of Resources to all Members in December 2009 setting out the relevant restrictions applying from that date.³⁷ I also asked him about any other material which had been printed on the risograph and sent out in the same way after 1 January 2010. I reminded Lord Knight that I had asked in my letter of 23 June³⁸ about what the rest of the Labour Party office was used for, for an indication of the size of his constituency office, why an annual rent of £2,921 appeared to be charged for the Party office, and whether all eleven local authority candidates mentioned by the complainant had produced material using the risograph. I asked Lord Knight how many (if any) of the Labour party candidates in the 2009 elections had benefited from material printed using the shared risograph, whether, to the best of his knowledge, the examples forwarded by the complainant had all been printed on it, and whether his estimate of the proportionate use of the risograph in 2008–09 had enabled all the South Dorset Labour Party candidates for the 2008 local authority elections to have their election material printed on it. Finally, I asked Lord Knight to confirm that the risograph remained in what was the Labour party's part of the office suite, and whether he was now making any claims from parliamentary resources for the office or the risograph.

43. Lord Knight replied on 29 July.³⁹ In relation to the sharing agreement, Lord Knight said that, in his last letter, he had apologised for his “*serious error of judgement in relation to the sharing agreement*”. He said that this agreement was “*a true record of the agreement between myself and South Dorset Labour Party regarding the use of the risograph, but since I did not sign it at the time I think it is fair for you to disregard it as a document. Naturally I*

³⁶ WE 13

³⁷ On 15 December 2009, the Department of Resources had sent a letter to all Members setting out restrictions on the use of Communications Expenditure, effective from 1 January 2010. The relevant restriction in this case is set out at paragraph 14 above.

³⁸ WE 10

³⁹ WE 14

am not suggesting you disregard my actions in then signing it subsequently, but all it can now remain is a description of the agreement as it was supposed to operate between the two parties. I can only add to my apology by way of explanation of my intention. It was not my intention to mislead. I signed it merely for the sake of completeness. It was an embarrassing error of judgement.”

44. In relation to the payment he had made from his Communications Allowance in respect of maintenance of the risograph, Lord Knight said that he had checked again with the South Dorset Labour Party, and it appeared that this had been the only maintenance cost paid. He reiterated that this should not have been paid from Parliamentary funds.

45. With regards to the survey of constituents distributed in the Park District in January 2010, Lord Knight said that *“in so far as it was printed on the risograph, and the risograph had been paid for out of Communications Allowance expenditure, I was in breach of the letter sent on December 15 [2009]”*. Lord Knight said that he had incurred no additional cost as the document had been distributed by hand by his parliamentary staff in their lunch hour. Lord Knight also said that this document did not make any political point and he described it as *“simply finishing off a piece of work for constituents in that part of Weymouth”*. He said that he was *“not aware of any other similar communication this year using the printing machine”*. He continued, *“This use of the machine was an oversight by me and my team in not appreciating the significance of the phrase in the letter of 15 December that read ‘... or utilise resources acquired from the Communications Expenditure...’ My reading had been that we couldn’t acquire resources or use the allowance from 1st January 2010.”*

46. Lord Knight said that his constituency office consisted of two rented rooms at a cost of £565 per calendar month, the combined area of which amounted to 370 square feet. The Party rented the adjacent room, the area of which was 120 square feet, for £217 per calendar month. He added that May (2010) had been *“an unusual month”* as it had included a part of the election period when he had reduced the amount of office space that he had rented *“because the Labour Party used a substantial part of the office space.”* Lord Knight said that the Party now occupied a different room. He paid a fee to the Party for office space and administrative support. He said that he understood the risograph to be his property as he had *“paid a considerable amount of tax on it”*. It was stored in the Party office.

47. Lord Knight said that the election material supplied by the complainant was, as far as he knew, produced on the risograph. He commented, *“Different candidates fought different campaigns in terms of the amount of literature produced and I cannot be more precise I am afraid.”* He also said that the nature of the agreement between himself and the South Dorset Labour Party had allowed for them to use it for the 2008 local authority elections.

48. I replied to Lord Knight on 2 August.⁴⁰ As regards the sharing agreement, I asked him whether what he had sent me was the file copy of a formal written sharing agreement drawn up (but not signed by him) in January 2008, or whether it had been drafted by him

⁴⁰ WE 15

earlier in 2010 to reflect, as he had said in his letter of 29 July,⁴¹ his own understanding of the agreement as it was supposed to operate between the two parties. I also asked him who else had signed the agreement, and when they had done so.

49. As regards the survey letter which he had sent out to constituents in the Park District, I asked Lord Knight broadly how many copies of this letter had been printed using the risograph, and whether the costs of the paper and Freepost had come from his Communications Expenditure. As regards the arrangements for accommodating the risograph, I pointed out that Lord Knight had said in his letter of 4 June⁴² that the South Dorset Labour Party had accommodated the printer and saved rent costs that he would have otherwise had to have met, and that the risograph took up one third of the floor space in the Labour Party's office. I asked him to clarify, in the light of his statement that the Party's office had a floor area of 120 square feet, how the risograph could have extended for 40 square feet.

50. Lord Knight replied on 9 August.⁴³ As to the sharing agreement, Lord Knight said that he had "*signed a file copy of the written sharing agreement drawn up in January 2008 and signed by the Chair of South Dorset Constituency Labour Party at the time.*" As to the survey letter, Lord Knight said that around 200 copies had been printed on the risograph and he reiterated that they had been distributed by his parliamentary staff in their lunch break. Lord Knight said that the costs of paper and Freepost had not been met from the Communications Allowance, and that no claim had been made by him from that allowance in this calendar year. He added, "*It is worth pointing out that using the risograph for reproduction was cheaper than using other computer printers supplied by Parliament that need expensive toner.*" As to the space occupied by the risograph in the Party office, Lord Knight said that he had made a calculation based on the published specification for the machine and reasonable working space around the machine. Based on its dimensions when in use, which Lord Knight said were a width of 1605mm, a depth of 725mm, and a height of 730mm, he calculated that the area used by the machine alone amounted to 12.72 square feet. Lord Knight said that adding 18 inches at each end and three feet in front for moving around, maintaining and feeding the machine "*the total is 40.92 square feet.*"

51. Having reviewed Lord Knight's evidence, I decided I needed to seek advice from the Department of Resources. Accordingly, I wrote on 10 August to the Director of Strategic Projects.⁴⁴ I asked whether the Department had had any contact with Lord Knight in relation to the purchase and deployment of his risograph. I asked the Director for unredacted copies of Lord Knight's claims in relation to the purchase of the risograph, the purchase of the paper and ink for the machine, and the claim of 24 September 2009 for its maintenance. I asked whether the Department had received a copy of the sharing agreement made in January 2008, and for a copy if it had done so. I invited the Department's comments on the maintenance claim which Lord Knight had accepted should not have been made, and on the use of the risograph to produce 200 copies of Lord

⁴¹ WE 14

⁴² WE 9

⁴³ WE 16

⁴⁴ WE 17

Knight's survey letter sent to constituents in the Park District which had invited constituents to a public meeting in January 2010. I invited the Department's comments on the evidence as to the frequency of purchases by the Labour party of ink, paper and masters for the party political use of the risograph before 2009–10, and asked for the invoices provided by Lord Knight showing purchases of ink and masters from the suppliers of the risograph to be checked against Lord Knight's parliamentary claims for these items. Finally, I asked the Director if the Department was aware of any precedent for the sort of sharing agreement between the Member and his party whereby Parliament met the full purchase cost of the risograph and allowed use by the Party in return for it being located in the party offices and the Party carrying the responsibility for maintenance.

52. The Director of Strategic Projects replied on 6 September.⁴⁵ He said that Lord Knight had submitted an invoice dated 22 January 2008, for £7,279.11 in respect of the purchase of a two colour system risograph. The payment schedule showed that £5,000 was to be paid immediately, with the remainder due on 1 April 2008. The initial sum had been paid to the supplier on 6 February 2008 from Lord Knight's 2007-2008 Communications Allowance, and the balance on 30 April 2008 from his 2008-2009 Communications Allowance. The Director said that the supplier had subsequently provided ink cartridges and repair services that had been paid for either from Lord Knight's Administrative and Office Expenditure/Incidental Expenditure Provision (AOE/IEP) or from his Communications Expenditure/Communications Allowance (CE/CA). The Department provided details of these payments, supported in each case by an unredacted copy of the relevant claim,⁴⁶ as summarised in the following table:

<i>Date of claim</i>	<i>Date of invoice</i>	<i>Description</i>	<i>Amount paid (£)</i>	<i>Allowance charged</i>
25 January 2008	22 January 2008	Initial payment	5,000	Communications Allowance 2007–08
25 January 2008	22 January 2008	Ink cartridges	157	Incidental Expenses Provision 2007–08
3 March 2008	3 March 2008	Ink cartridges	318	Incidental Expenses Provision 2007–08
14 April 2008	9 April 2008	Final payment	2,284	Communications Allowance 2008–09
12 December 2008	5 December 2008	Ink cartridges	301	Incidental Expenses Provision 2008–09
24 September 2009	17 September 2009	Maintenance	341	Administrative and Office Expenditure 2009–10
26 October 2009	23 October 2009	Ink cartridges	107	Communications Expenditure 2009–10
18 November 2009	30 October 2009	Paper ⁴⁷	107	Communications Expenditure 2009–10
18 November 2009	6 November 2009	Ink cartridges	216	Communications Expenditure 2009–10
27 November 2009	20 November 2009	Ink cartridges	118	Communications Expenditure 2009–10

⁴⁵ WE 18

⁴⁶ Not included in the written evidence

⁴⁷ A manuscript annotation on the invoice describes the purchase as 'paper'. The printed invoice itself refers to 'masters'.

53. The Director said that there was no correspondence on file to indicate that the Department had had any contact with Lord Knight in relation to the purchase or deployment of the risograph, nor in particular that it or its cost was to be shared with a third party. The Department had no record of having received a copy of the sharing agreement for the risograph made in January 2008, nor did it have any records of any credits or refunds to the Allowances which would show that charges were being made by Lord Knight to the Party for its use.

54. In relation to Lord Knight's acceptance that the maintenance claim of September 2009 should not have been made, the Director commented, *"I would have thought that in principle a proportion of the maintenance bill, proportionate to the extent to which the machine had been used for parliamentary purposes, would have been an allowable charge against the allowances. The agreement dated 22nd January 2008 provides that the Labour Party would meet maintenance costs in respect of the Party's use of the machine."* In relation to Lord Knight's acceptance that the risograph should not have been used, in the light of the Department's letter of 15 December 2009 about Communications Expenditure, to produce the survey letter sent to constituents in the Park District inviting them to a public meeting in January 2010, the Director commented, *"I agree that the machine should not have been so used, though I can understand why Lord Knight may have misread the Department's letter."*

55. The Director said that the Department had no information as to how frequently the Labour Party had purchased ink, paper and masters for the party political use of the risograph before 2009-10. The Director commented that the invoices to the Labour Party that Lord Knight had provided with his letters of 20 May⁴⁸ and 4 June⁴⁹ showing purchases of ink and masters from the suppliers of the risograph *"do not appear to bear any relation to his parliamentary claims for these items."*

56. On the issue of a precedent for Lord Knight's arrangement, the Director said that it was not unusual for items of equipment to be shared with third parties, such as other elected representatives, or constituency associations. He commented, *"However, the Department would have expected to see either a formal agreement showing how the costs were to be split together with an estimate of usage; or, if the arrangement was to be of an ad hoc nature, to see periodic refunds based on actual usage"*. The Director said that it was also acceptable for equipment to be owned by local associations and/or landlords who charged the Member for a share of the cost or actual costs based on usage. However, he said that the Department was not aware of any other example of an arrangement under which the Member met one element of the cost and a third party met another. The Director commented, *"Such an arrangement would probably have been regarded as acceptable, provided that the Member had been able to demonstrate that the charges to be borne by parliamentary expenses properly represented the share of the total annual charge incurred for that use."*

⁴⁸ WE 4

⁴⁹ WE 7

57. Having received the advice of the Department of Resources, I wrote again to Lord Knight on 9 September.⁵⁰ I said that it seemed from the claims forwarded by the Department that during 2008 and 2009 Lord Knight had drawn on his parliamentary allowances to meet all the invoices for the purchase and repair of the risograph, and for ink and masters, with one exception. This was contrary to the annotation of the list from the suppliers which he had sent me on 9 July.⁵¹ I also said that, since the beginning of 2010, Lord Knight appeared to have made no claims on parliamentary resources for supplies for the risograph, that the costs for that period appeared therefore to have been met from Party or other sources, and that there was no evidence of how much paper had been used for the printing at any period, how much it had cost, or who had paid. I invited him to comment on any of these matters, and asked why the payments for the risograph had been divided between January 2008 and April 2008.

58. Lord Knight replied on 22 September.⁵² He said that when he made the decision to purchase the risograph, it had been on the basis that it would save money from the public purse over time as he reduced the need to pay for commercial printing. This, he said, had begun in 2009 when he produced localised versions of his Annual Report which had previously been generic for the whole constituency and cost considerably more. Lord Knight said that in the previous year this had cost £2,550, compared to a cost of less than £1,000 the following year.⁵³ He had also paid tax on the purchase of the risograph at the time. He continued, *“However siting the machine meant either renting more space or coming to some other arrangement. At this stage I would agree that it would have been preferable to seek advice from the Department for Resources over an arrangement whereby a third party were permitted to use it in lieu of rent. However I believe that I have demonstrated to you that the machine takes up 40 square feet of space, for it to be operated effectively, and this cost of £800 per annum was borne by the Labour Party.”*⁵⁴ Lord Knight noted the comment in the letter from the Director of Strategic Projects⁵⁵ that *“such an arrangement would probably have been regarded as acceptable”*.

59. Lord Knight also noted the Director’s comment that *“if the arrangement was to be of an ad-hoc nature, [the Department would have expected] to see periodic refunds based on actual usage.”* Lord Knight said that the arrangement had been relatively ad-hoc given the uneven pattern of usage, making an estimate for an agreement difficult. He said that it might have been better for him to have paid South Dorset Labour Party £800 per year in rent and then to have charged for all usage and materials that would have been paid to the Department in form of refunds. However, he was unclear whether such refunds would have appeared as credits on the allowance limit or how the usage would have been effectively audited, but he agreed that he should have discussed this with the Department

⁵⁰ WE 19

⁵¹ WE 12

⁵² WE 20

⁵³ The previous year referred to was 2007. The following year referred to was 2009. See WE 7.

⁵⁴ Lord Knight had previously said that the cost to the Party of accommodating the risograph, based on a cost to the Party for the office of £2,921 per annum and the machine occupying 33% of the office, was £974 - see paragraph 30 above. On 29 July, Lord Knight said that the rent paid by the Party was £217 per calendar month - see paragraph 46 above. On the basis that the machine when in use occupies 40 square feet of the 120 square foot Party office, the cost on a *pro rata* basis would be £868 *per annum*. Lord Knight rounded this figure to £800.

⁵⁵ WE 18

of Resources. Lord Knight commented, *“Nevertheless I do not believe that the basis of the arrangement was wrong or contrary to parliamentary rules. Indeed I remain of the view that it was good value for money for the public purse whilst allowing me to communicate more effectively with constituents. I have already apologised to you that I didn’t sign the agreement at the time, an error that would have been avoided if it had been cleared with the Department for Resources.”*

60. As to how the agreement had worked in practice, Lord Knight commented, *“It is now clear that I needed to be more assiduous in monitoring this. The reality was that I signed for claims submitted to me by staff for submission to the Department. What I failed to do was check that South Dorset Labour Party was also purchasing supplies and paying for maintenance according to the agreement. I knew that some supplies were purchased in April 2009 and could see their stock of paper and trusted that they were fulfilling their part of the agreement.”* Lord Knight said that the use of paper was *“particularly difficult”*. He continued, *“I may be able to persuade the new Treasurer of the constituency party to try to find records of invoices for paper. I then wouldn’t be able to separate off what paper was used in the risograph from that used in their printers, much as I have no way of showing how much of the paper I ordered using allowances was used on the risograph or my computer printers. I remain personally satisfied that paper was separately purchased and stored.”*

61. Lord Knight said that he was now concerned to ensure that any financial gain by the Labour Party, and consequent loss to the Department, was rectified. He said that he calculated the cost of supplies purchased by either party from the risograph supplier as just under £1,500, and that he was very happy to be guided by me as to what level of refund was appropriate to the Department from the Labour Party to satisfy me that there was no benefit to the Labour Party from the arrangement. Lord Knight said that he had noted the comments of the Director of Strategic Resources regarding the survey letter he had distributed in the Park District in January 2010.⁵⁶ He commented, *“We are all agreed that the machine should not have been used, even though in doing so I saved money.”*

62. Turning to the outstanding points from my letter, Lord Knight said that until he had received the statements from the risograph supplier it had been very difficult to be clear who had ordered what from them. He continued, *“Having checked through my allowances claims I then assumed that all claims that I couldn’t trace were paid by South Dorset Labour Party. Unfortunately when I originally did this I missed the claim on the IEP on 3 March 2008 for which I apologise. I have now re-checked and confirm that the costs up to 2010 were met from my allowances, with the exception of the invoice of 30 March 2009 for £106.15 which was paid by South Dorset Labour Party.”* Lord Knight also confirmed that he had not made any claim for 2010 for supplies to the machine. In response to my request for clarification on why the payment for the capital cost of the machine had been split across two financial years, Lord Knight said that this was simply to avoid exceeding the allowance limit.

63. In conclusion, Lord Knight commented, *“I hope that this answers all the outstanding questions and I look forward to the resolution of this matter. I would stress that whilst I have*

⁵⁶ WE 18

made some administrative errors, for which I have apologised, at no point have [I] sought to be anything but honest and open with you and that no aspect of this matter has led to any personal gain.”

64. I replied to Lord Knight on 27 September.⁵⁷ I sought to confirm the basis on which he had estimated the cost of accommodating the risograph in the Party’s office at £800 per annum, and asked Lord Knight how he had arrived at the figure of £1,500 for the total costs of supplies for the machine from the supply company. Lord Knight replied on 12 October.⁵⁸ He confirmed that he had calculated the cost of accommodating the risograph on the basis that a third of the rental cost of the room was appropriate as it occupied a third of the space. He said that he had calculated the cost of supplies based on the print outs from the supplier which he had previously sent me, and included a summary of costs which included the itemised costs of all ink, masters (including those purchased by the Party) and maintenance.⁵⁹ Lord Knight commented that, from the summary, *“it can be seen that up to the end of 2009 the cost of ink and masters, i.e. supplies, is £1,434.94”*.⁶⁰ As some of the information Lord Knight had given in his letter differed from what he had previously given, I wrote to him again on 14 October to resolve the discrepancies.⁶¹ I also asked Lord Knight, having checked his calculations of the cost of ink and masters up to the end of 2009 against the information he had already provided, if he accepted that these costs, with the exception of the duplicator masters purchased on 30 March 2009, had been met through his claims on parliamentary resources and that, apart from this one purchase, the costs of all the supplies (ink and masters) which had been used up to the end of 2009 both by himself as a Member of Parliament and by the South Dorset Labour Party had been met from his parliamentary allowances. Lord Knight replied on 19 October.⁶² He resolved the outstanding discrepancies, and reiterated that the assumption was correct that up until the end of 2009 the one invoice paid by the Labour Party would appear to be that dated 30 March 2009.

Findings of Fact

65. Lord Knight purchased a risograph in January 2008, at a cost of £7,279 in his then capacity as the Member for South Dorset. He funded the purchase entirely from his Communications Allowance. He paid £5,000 of the cost in January 2008 from his 2007–08 Allowance, and the balance in April 2008 from his 2008–09 Allowance. Payment was made in two instalments to avoid exceeding Lord Knight’s allowance limit in the year of purchase. Lord Knight’s evidence is that his purpose in purchasing the risograph was to save money by reducing the need to pay for commercial printing of communications with his constituents.

⁵⁷ WE 21

⁵⁸ WE 22

⁵⁹ See paragraph 36 above and WE 12

⁶⁰ Lord Knight subsequently accepted that he had overstated one component of this figure by £4.95. This reduces the total to £1,430.

⁶¹ WE 23 and 24

⁶² WE 25

66. Lord Knight's evidence is that the risograph was too large to fit into the constituency office space he rented. This amounted to 370 square feet. The South Dorset Labour Party rented an adjacent 120 square foot office in the same building. Rather than incur the additional cost of renting more space, Lord Knight reached agreement with the South Dorset Labour Party to locate the machine in their office. A written agreement between himself and the Party was drawn up at the time.

67. Under the terms of the agreement, Lord Knight paid no rent to the Party for siting the machine in the Party office, but in exchange allowed them to have full use of the risograph. The agreement provided for Lord Knight to have access to the machine as and when required by him. It also provided for the Party to cover all maintenance costs, and all liabilities in relation to their use of the printer, including ink and paper. Lord Knight's evidence is that the arrangement had been relatively *ad hoc*, and the pattern of usage by the party uneven.

68. Lord Knight's evidence is that although the agreement had been drawn up and signed by the Party Chair in January 2008, he did not himself sign it at the time. He had in fact signed it and backdated his signature when he found the file copy in June 2010. His evidence is that he had signed it before sending it to me not with any intention to mislead, but merely for the sake of completeness. Lord Knight has apologised unreservedly for what he accepts was a serious error of judgement.

69. Lord Knight's evidence is that the risograph physically occupied nearly 13 square feet of floorspace in the Party office, and when in use required about 41 square feet of space overall, when allowance was made for reasonable working space around the machine. On the basis that the space required by the risograph when in use amounted to about one third of the overall area of the Party office, Lord Knight believed that it was reasonable to attribute the corresponding proportion of the rent paid by the Party for that office to the cost of accommodating his machine. On this basis, Lord Knight initially estimated the cost to the Party of providing the space necessary for accommodating the machine while in use as £974 per annum. He later reduced this to £800 per annum.

70. Lord Knight has neither at the time of drawing up the agreement nor subsequently discussed the arrangement with the Department of Resources.

71. Lord Knight used the risograph to produce his 2009 Annual Report, for localised newsletters or information sheets, including fact sheets on areas of policy of interest to his constituents, and for notices of public meetings. He experienced some difficulty in providing all the information I required as regards copies of his own communications because he had lost his seat in the May 2010 General Election, and the records on his parliamentary computers had been wiped, thus destroying his records of such documents.

72. One of the documents produced by Lord Knight on the risograph was a newsletter he sent out to all residents in the Park District in January 2010. Lord Knight's evidence is that around 200 copies were printed, but the paper and distribution costs, and the cost of the Freepost response, were not met from his Communications Expenditure. Lord Knight accepts, however, that it was an oversight on his part to have produced the newsletter on the risograph, even though he believes that in doing so he saved money, as this had involved utilising, after 1 January 2010, resources acquired from the Communications

Expenditure, contrary to the new restrictions on the use of this Expenditure which applied from that date. Lord Knight had done so believing that these restrictions applied only to the acquisition of new resources or the use of the Communications Expenditure allowance after that date.

73. Lord Knight's evidence is that, as far he knows, all the election material supplied by the complainant had been produced on the risograph, but he could not be more precise about the overall amount of such literature that had been produced. The nature of the agreement had allowed the Party to use the risograph for the 2008 local authority elections.

74. The risograph does not have a meter that counts the documents produced, so it is not possible to determine on this basis the respective number of pages printed by Lord Knight for parliamentary purposes, and by the Party. Lord Knight's estimates, based on discussions with staff who used the machine, and computer records available at the time, are set out in the table below.

Year	Percentage use	
	Parliamentary	Party
2008	40	60
2009	70	30
2010 (to date of election)	50	50

75. Account print-outs from the risograph supplier covering the period from its purchase in January 2008 to June 2010 show ten separate purchases of ink and duplicator masters, and one payment for repairs. The nine transactions made before 31 December 2009, after which the risograph could not be used for parliamentary purposes, are summarised in the following table.

Date of purchase	Nature of purchase			Paid from allowances (£)	Paid by Party (£)
	Ink	Duplicator masters (£)	Repairs (£)		
22 January 2008	157			157	
3 March 2008	318			318	
5 December 2008	301			301	
30 March 2009		106			106
17 September 2009			341	341	
23 October 2009	107			107	
30 October 2009		107		107	
6 November 2009	216			216	
20 November 2009	118			118	
TOTAL TO 31 DECEMBER 2009	1217	213	341	1,665	106

76. Both Lord Knight's attributions and the figures provided by the Department of Resources show that up to the end of 2009, with the exception of one purchase of duplicator masters made on 30 March 2009, the cost of all purchases of ink and masters for the risograph, and of repairs, had been met from Lord Knight's parliamentary allowances. Lord Knight has acknowledged that the claim he made in September 2009 for repair costs of £341 was made in error, as under the terms of his agreement with the Party it should have met these. He has apologised for this. He has also apologised for initially attributing to the Party the ink purchase made on 3 March 2008 and paid for from his allowances. Overall, therefore, up to 31 December 2009, the total cost of the ink, masters and copies for

the machine was £1,771, of which the Labour Party paid £106. The rest (£1,665) was met from Lord Knight's parliamentary allowances.

77. The evidence of the Department of Resources is that it is not unusual for equipment to be shared with third parties, but it would have expected to have seen either a formal agreement showing how the costs were to be split together with an estimate of usage or, for *ad hoc* arrangements, periodic refunds based on usage. It is not aware of any other example of an arrangement under which the Member met one element of the cost and a third party met another, but the Department advises that such an arrangement would probably have been regarded as acceptable by them, provided the Member was able to demonstrate that the charges to be borne by parliamentary expenses properly represented the share of the total annual charge incurred for parliamentary use. The Department has no record of having received a copy of the sharing agreement between Lord Knight and the South Dorset Labour Party or of any credits or refunds to the allowances which would show that charges were being made by Lord Knight for the use of the risograph. It considers that in principle, a proportion of the maintenance bill, proportionate to the extent to which the risograph was used for parliamentary purposes, would have been an allowable charge against parliamentary allowances. It agrees that the risograph should not have been used to produce Lord Knight's Park District newsletter in January 2010.

78. Lord Knight's view is that, at all times, his intentions regarding the purchase and use of the risograph were to communicate effectively as a Member with his constituents and to minimise expense for the taxpayer. Its use enabled him to reduce his use of commercial printers for parliamentary purposes, and thus the cost of such printing. He believes that the purchase was, on these grounds, a reasonable investment. By locating the risograph in the adjacent party office because his own constituency offices were too small to accommodate it, he had avoided additional rent costs. He considers that, as long as the Party use was proportionate, the agreement represented good value for money. Lord Knight's initial evidence was that all the production costs of Party literature produced on the risograph, including all ink and paper, had been funded entirely by the South Dorset Labour Party, and that the Party had met all maintenance costs for the risograph. However, he now accepts that up to the end of 2009 all repair costs, and all costs for ink and duplicator masters, with the exception of the duplicator masters purchased on 30 March 2009, had in fact been met by him through his claims on parliamentary resources. He is satisfied that South Dorset Labour Party provided the paper it used in the risograph from its own resources.

79. Lord Knight has undertaken to repay any of his claims in order to give confidence that allowances have not been used inappropriately. Lord Knight accepts that it would have been preferable to have sought advice from the Department over the arrangement. He recognises that he should have been more assiduous in monitoring how the agreement between himself and the Party was working in practice, and accepts that he had failed to check that South Dorset Labour Party was also purchasing supplies and paying for maintenance according to the agreement. Lord Knight accepts that he has made some administrative errors, for which he has apologised, but believes that he has at no point sought to be anything but honest and open with me, and that no aspect of the matter has led to any personal gain. Lord Knight does not believe that the basis of the arrangement was wrong or contrary to Parliamentary rules, and remains of the view that the

arrangement was good value for money for the public purse while allowing him to communicate more effectively with his constituents.

Conclusions

80. The matter I am to resolve is whether Lord Knight's claims against parliamentary allowances for the purchase and use of a risograph when he was the Member for South Dorset subsidised the costs of the South Dorset Labour Party in the arrangements made with them for the use of that machine. If there were such a subsidy, Lord Knight would at the time have been in breach of the rules of the House of Commons for having funded from parliamentary allowances expenditure which was not wholly, exclusively and necessarily incurred on his parliamentary duties, namely expenditure on party political activities.

81. In resolving this matter, I have considered two questions:

- i) Was there a subsidy to the Labour Party from the arrangements for the purchase and room rent of the machine?
- ii) Was there a subsidy to the Labour Party from the use of the supplies for the machine?

82. Before addressing these questions, there was an ancillary issue which arose in the course of this inquiry. This was Lord Knight's use of the risograph (but, on his evidence, not parliamentary funded paper) to produce a letter to some 200 constituents after the prohibition on such use of the Communications Expenditure had come into force on 1 January 2010. Lord Knight has accepted that he was in breach of the rules in using the risograph for this purpose. I agree.

Was there a subsidy to the Labour Party from the arrangements for the purchase and room rent of the machine?

83. The Labour Party met none of the costs of buying the machine, which were £7,279. But the machine was located in the Labour Party office and Lord Knight's argument is that the notional rental cost, which he put at £800 a year, offset the purchase cost of the machine.

84. This was an unusual arrangement. As such, as Lord Knight has fairly accepted, it would have been wise of him to have checked the arrangement with the Department of Resources. The Department's evidence suggests that, while it might have been acceptable, they would have wanted a good deal more formality around the way it operated.

85. There is no substantive evidence about the extent to which the machine was used by Lord Knight as part of his parliamentary duties, and by the Labour Party for its party political activities. Lord Knight has given proportionate estimates for each of three years, varying from a 60:40 split in the Party's favour to a 70:30 split with the Party in the minority. But these are no more than judgements made by Lord Knight after what he told me were discussions with staff and checking computer records which are no longer available. And, since he should not have been using the risograph to communicate with his constituents after 1 January 2010 (and his evidence is that he did so only to send out the

200 letters referred to in paragraph 82) the accuracy of the 50:50 split which he estimated for 2010 up to the Dissolution of Parliament seems doubtful.

86. Nevertheless, in the light of the evidence I have received, I think that it would be reasonable to conclude that, at the time of purchase, the use of the risograph might have been expected over time to have evened out at about 50:50. So half the purchase price of the machine could reasonably have been assigned to the Labour Party. And, if there were assumed rental costs, half of the notional rent should have been assigned to Lord Knight. This should then have been checked against actual use. But on this basis, the Labour Party would, in effect, have owed Lord Knight and his parliamentary account £3,640 for the cost of purchasing the machine. Accepting Lord Knight's calculation of a notional rent of £400 (a half share of the full notional rent), that would have meant that the rental cost would have paid off the Labour Party's share of the purchase cost in nine years. That makes no allowance, of course, for rental increases, just as it makes no assumption for interest on the outstanding balance of the purchase price attributable to the Labour Party.

87. I consider this a bad deal. Even were the Labour Party to have paid off the price in half the time, it would still have been a questionable deal. When the risograph was purchased, Lord Knight would have known that the General Election was, at best, just over two years away. There was no assurance that he would be returned to Parliament (as, in the event, he was not). And, of course, by the risograph being in their office and not in his, the Labour Party had the benefit of direct access to it.

88. I have made no assessment of whether the purchase and use of the risograph represented good value for money in Lord Knight's parliamentary communications, as this was not the subject of the complaint. I note that Lord Knight believes that it was, but his comparison between the cost of producing his Annual Report on the risograph in 2009 and using a commercial printer in 2007 takes no account, of course, of the capital cost of the machine.

89. I conclude that the arrangements for the purchase and location of the risograph provided bad value for money for the public purse. And they had the effect of providing a benefit arising from parliamentary resources to a political party. The use of those resources was not, therefore, wholly, necessarily and exclusively incurred for parliamentary purposes, since this subsidised the South Dorset Labour Party's political activities. I conclude, therefore, that Lord Knight, while a Member of the House of Commons, was in breach of the rules of the House in the arrangements he made with the South Dorset Labour Party for the purchase and location of this machine.

Was there a subsidy to the Labour Party from the use of the supplies for the machine?

90. The machine had one maintenance session costing £341 and used supplies of ink cartridges, duplicate masters and unspecified amounts of paper. The total cost of supplies and maintenance from January 2008, when the machine was purchased, to the end of December 2009, after which the Communications Expenditure could no longer be used for Members' communications, was £1,771, of which the South Dorset Labour Party met £106.

91. There are no reliable records of how much paper was used in the risograph either by Lord Knight or by the Labour Party. I accept Lord Knight's evidence that the risograph had

no meter, and, even if the cost of paper used by the party and himself could be fully identified, it is not at this remove possible to identify which pieces of paper were used in the risograph and which elsewhere. On this basis, I think it is reasonable for me to accept Lord Knight's assurances that each user had its own supplies of paper and used them as required in the risograph.

92. There is better evidence, however, about who paid for the ink, the duplicator masters, and for maintenance. With the exception of £106 spent by the Labour Party on duplicator masters in March 2009, the evidence suggests that the remaining duplicator masters, all the ink and (contrary to the terms of the sharing agreement) the maintenance bill were met in full from parliamentary resources. The total cost thus met from parliamentary resources from January 2008 to November 2009 was £1,665.

93. The evidence suggests, therefore, that there was not an equitable split between Lord Knight and the South Dorset Labour Party in funding the ink and associated costs, including maintenance, for the machine. A 50/50 split might have been more reasonable (including the maintenance cost, which, since it was met from parliamentary allowances, I have not taken into account in assessing the share of the costs of the purchase and storage of the machine). I conclude, therefore, that Lord Knight, while a Member of the House of Commons, was in breach of the rules of the House because his claims for ink, maintenance and duplicator masters for his risograph met some of the supply costs of the Labour Party for their use of the machine. Parliamentary resources were therefore used for costs which were not wholly, exclusively and necessarily incurred on parliamentary duties, namely in support of the South Dorset Labour Party's political activities.

Overall conclusion

94. This inquiry has unavoidably been hampered by the paucity of evidence on both the use of the machine and on the source of its supplies, in particular the paper it used. I am satisfied that Lord Knight has made every effort to identify relevant evidence and to help me with this inquiry, and I am grateful for his efforts. Nevertheless, the lack of reliable evidence is, I believe, symptomatic of an arrangement which allowed the South Dorset Labour Party to have free access to a risograph purchased solely from parliamentary resources without much more careful arrangements, both to justify the allocation of the purchase and storage costs, and to account for its use. Where facilities are shared between a Member and his or her political party, very great care needs to be taken that the way these shared resources are used can be fully accounted for. That is not the position in this case.

95. I agree with Lord Knight that it was also a serious misjudgement on his part to have signed in June 2010 the January 2008 sharing agreement before sending it to me. I have accepted his evidence that the agreement I saw was the original agreement drawn up in January 2008 and it is difficult to see what benefit there was to him in adding his signature to it before he sent it to me. He has unreservedly apologized for this misjudgement.

96. I consider that it would have been a serious matter if Lord Knight had intended to provide a significant benefit to the South Dorset Labour Party through the use of this risograph. While I have found that there was such a benefit, I have no evidence to suggest that this was a calculated action on Lord Knight's part. All the evidence points to it being acts of carelessness. Lord Knight appears not to have recognised the importance of

delineating more clearly parliamentary and political duties. And, perhaps as a result, he did not ensure that he could account for and fully justify the way that those shared resources were used. It is, I believe, to Lord Knight's credit that he had apologised for the laxness of the arrangements and has offered to repay in full any sums which are deemed as a result of this inquiry to have been for costs claimed from parliamentary resources which should more properly have fallen to the Labour Party.

97. My conclusion, therefore, is that Lord Knight was in breach of the rules of the House in the arrangements he made with the South Dorset Labour Party, when he was the Member for South Dorset, for the purchase and storage of a risograph machine, and he was in breach of the rules of the House in that some of the supplies used by the Labour Party for that machine were funded from parliamentary resources. He was also in breach of the rules in sending out the invitation to 200 of his constituents in January 2010 using equipment funded from his Communications Expenditure. In considering this conclusion, the Committee will wish to take account of Lord Knight's offer to repay any sums which this inquiry has found were wrongly claimed.

8 November 2010

John Lyon CB

Written evidence received by the Parliamentary Commissioner for Standards

1. Letter to the Commissioner from Mr Ian Bruce, 4 March 2010

I wrote to you on 2nd December about Jim Knight MP for South Dorset.⁶³

[Material not relevant to the complaint]

Communications Allowance

Two colour printer purchased 21/12/07 (CA07/08 Page 4)⁶⁴ £7,279.11 was not used to print the MP's report either in 2007 nor 2008 when the reports were printed by commercial printers and charged separately. This printer and a large quantity of printing consumables were however used to print newsletters and literature for South Dorset Labour Party Candidates in the 2008 Weymouth and Portland Borough Council Elections, 2008 Purbeck District Council Elections and 2009 Dorset County Council Elections. I sent you earlier as evidence of expenditure (which effectively came from Mr Knight's parliamentary expenses) a copy of one of the County Council Candidates expenses returns.⁶⁵ I send you now the latest by-election return from Cllr [name].⁶⁶ As documented before the South Dorset Labour Party have never purchased any printing equipment, have no computers, no folding machines and no addressing equipment for targeting addressed letters. A similar printer was leased by Mr Knight shortly after he became MP and was located at the Labour Party Offices (even before he co-located his parliamentary office with the Labour Party's office). This cost £367.35 per month was claimed against IEP.

Campaigning equipment in run up to 2005 General Election

In March 2005 just before the 2005 General Election which coincided with the Dorset County Council Election Mr Knight purchased a colour drum unit for the leased printer (£680.33) so that the Labour Party leaflets could have a red colour banner on them. I do not know if this machine had any parliamentary purpose but I have never found any record of any literature properly put out by Mr Knight as an MP that had a second colour on it. He also purchased a folding machine for £1,292.50 which again would have only been used for mass produced literature rather than constituents' correspondence. Expenses included red and black printing ink and printing masters which were exclusively for campaigning purposes are regularly shown in expense claims and in particular in the months before local elections.

[Material not relevant to the complaint]

I sent a copy of my earlier letter to the Electoral Commission and they undertook an investigation into non disclosure of any donation of the equipment used by the South Dorset Labour Party however they concluded that "there is not sufficient evidence that Mr Knight MP purchased the equipment in question for the party and not he and his staff" In other words Mr Knight has told the Electoral Commission the Labour Party is using his equipment paid for out of both the Communications Allowance and the IEP and as he has not donated it no offence has been committed by the South Dorset Labour Party under electoral law.

I sent you earlier copies of the election expenses of one of the South Dorset Labour Party County Council Election candidates.⁶⁷ This showed the amount being claimed as being assistance in kind being given by South Dorset Labour Party. There were 11 candidates who will have received benefits paid from Mr Knight's

⁶³ Not included in the written evidence

⁶⁴ Not included in the written evidence

⁶⁵ Not included in the written evidence

⁶⁶ Not included in the written evidence

⁶⁷ Not included in the written evidence

expenses of around £4,000 during the 2009 county elections and £5,000 would have been spent during the 2008 local elections. Also enclosed was a sample of an addressed letter used to target voters in the key wards⁶⁸ which was produced by Mr Knight's equipment and staff for a current by-election which coincidentally is being fought by the County Council Candidate whose election expenses were shown. I am now enclosing further originals of leaflets produced by for Cllr [name] and a copy of Mr Knight's last annual report which as you will see has at last been produced by the machine purchased in 2007.⁶⁹ By supplying you with these originals you have better evidence that all the documents are produced on the same machine by the same employee but supposedly by two different organisations. The accounts I sent you for 2008 for the South Dorset Labour Party⁷⁰ show both the lack of expenditure on equipment and staff as the South Dorset Labour Party pays only a part time salary to a former Councillor to undertake some administration for the South Dorset Labour Party and is clearly not paying for a full time campaign co-ordinator nor election agent.

[Material not relevant to the complaint]

4 March 2010

2. Letter to Rt Hon Jim Knight MP from the Commissioner, 25 March 2010

I would welcome your help on a complaint I have received from Mr Ian Bruce about your apparent use of parliamentary equipment for party political purposes.

I enclose copies of the relevant parts of the complainant's letters of 2 December⁷¹ and 4 March,⁷² together with the relevant enclosures and the letter from my office of 7 December.

In essence, therefore, the complaint which I have accepted for inquiry is that you have used a risograph whose purchase was funded by parliamentary resources to produce party political material.

[Material not relevant to the complaint].

Paragraph 14 of the Code of Conduct for Members provides as follows:

"Members shall at all times ensure that their use of expenses, allowances, facilities and services provided from the public purse is strictly in accordance with the rules laid down on these matters, and that they observe any limits placed by the House on the use of such expenses, allowances, facilities and services."

The overarching rules in relation to this complaint are set out in the Green Book. In Mr Speaker Martin's introduction to the 2006 edition of the Green Book, he wrote as follows:

"Members themselves are responsible for ensuring that their use of allowances is above reproach. They should seek advice in cases of doubt and read the Green Book with care. In cases of doubt or difficulty about any aspect of the allowances or how they can be used, please contact the Department of Finance and Administration. The Members Estimate Committee, which I chair, has recently restated the Department's authority to interpret and enforce these rules."

The rules most likely to be relevant to the purchase of this printing equipment appear to be those set out in the booklet published in April 2007 entitled *"The Communications Allowance and the use of House stationery"*. The scope and purpose of the Communications Allowance is set out in paragraph 6.1.1 of Appendix One to this booklet as follows:

⁶⁸ Not included in the written evidence

⁶⁹ Not included in the written evidence

⁷⁰ Not included in the written evidence

⁷¹ Not included in the written evidence

⁷² Not included in the written evidence

“6.1.1. Scope and purpose of the allowance

The Communications Allowance (CA) is available to meet the cost of Members engaging proactively with their constituents through a variety of media. It can be used for the production of unsolicited communications within the parameters set out in this Section.

*The CA may only be used to help Members inform their constituents about what they have been doing and to consult them on issues of importance to them locally. It cannot be used to meet personal costs or the costs of party political activities or campaigning. The main areas of expenditure available from the CA are outlined below. **It is each Member’s responsibility to ensure that all expenditure funded by the CA is wholly, exclusively and necessarily incurred on their Parliamentary duties.***

6.3.1. Spend which may be met from the Communications Allowance

Sections 6.14.1 and 6.15.1 give detailed examples of expenditure which is allowable, provided that it is incurred wholly, exclusively and necessarily on Parliamentary duties. The allowable expenditure includes:

...

Some capital purchases.”

Paragraph 6.11.1 provides as follows:

“6.11.1 Capital purchases

You may purchase or lease capital equipment from the CA if it is to be used for the purpose of proactive communications such as producing newsletters/annual reports and designing or maintaining websites. Equipment that mostly has other office purposes should be purchased or leased using the IEP. So, for example, a photocopier may not be purchased out of this allowance as it may be used for other purposes, but a risograph may as its purpose is the mass production of published material.”

Paragraph 6.14.1 provides as follows:

“6.14.1. Examples of expenditure allowable under the Communications Allowance

- *Regular Reports or Newsletters*
- *Targeted correspondence relating to issues of importance locally, including*
 - *Contact with local groupings*
 - *Circulars*
 - *Questionnaires or surveys — Petitions*
- *Contact and surgery details, including advertisements*
- *Set up and maintenance of websites*
- *Costs associated with the publishing, printing or distribution of the above, including bought-in contractor time*
- *Purchase (or leasing) of equipment for the specific purpose of producing the above items.”*

Paragraph 6.15.1 gives examples of expenditure not allowable under the Communications Allowance, including “party political activities.”

I would welcome your comments on this complaint, taking account of this summary of the relevant rules. In particular, it would be helpful if you could confirm the cost of the risograph and if you could let me know:

1. why you decided to purchase a risograph and to claim the purchase cost from the Communications Allowance in December 2007;
2. what use you have made of the risograph since its purchase; whether it has been used exclusively for parliamentary purposes, or if not, the nature and extent of its use for other purposes, including party political purposes;
3. whether this equipment was used to print the three campaigning letters, the "eve of polling day" card and the polling day letter for [name of candidate] and the Spring edition of the Rose newsletter which the complainant forwarded, or to print any item listed in the Candidate Election Expenditure returns which he also forwarded;
4. if the equipment has been so used, how the production of these documents was funded, and how the staff time involved in their production was funded, bearing in mind that each of these documents forwarded bears an imprint giving the name of someone who is allegedly one of your employees;
5. what reimbursement you have received (if any) towards the costs of purchasing and maintaining the risograph and its paper and ink;
6. if the equipment was not so used and assuming you have this information, details of the printing arrangements for the documents listed at point 3 above and why they have the appearance of being printed on the same equipment as your 2009 Annual Report;
7. the conclusions of the Electoral Commission's inquiry into the use made of your printing equipment. If you had a copy of the letter quoted by the complainant on the penultimate page of his letter of 4 March, I should be grateful to see it;
8. whether you had any discussions with the Department of Resources about the purchase and use of this equipment, and if so the substance of those discussions.

Any other points you would wish to make to help me with my inquiry would, of course, be very welcome.

I enclose a note which sets out the procedure I follow. I have written to the complainant to let him know that I have accepted this part of his complaint and am writing to you about it.

It would be very helpful if you could let me have a response to this letter within the next three weeks, although I appreciate that we are now very close to Dissolution and it is therefore unlikely that I will be able to resolve this before then. If that is the case, I will need to return to it once Parliament resumes. If you would like a word about any of this, please contact me at the House.

I would be very grateful for your help with this matter.

25 March 2010

3. Letter to the Commissioner from Rt Hon Jim Knight, received on 20 May 2010

I welcome the opportunity to respond to your enquires with regard to the complaint made by Mr Bruce. In response to the specific points you raised:

The cost of the risograph printer was £7279.11 and was funded from the Communications Allowance.

I decided to purchase the risograph printer from the Communications Allowance to print communications with my constituents. This is primarily through the production of Annual Reports, localised newsletters or information sheets and notice of public meetings. The use of the risograph has enabled me to reduce my use of commercial printers and seemed a reasonable investment.

I have used the risograph for parliamentary purposes. For example, I produced the 2009 Annual Report using the risograph (please see copies included⁷³). I have also produced updates for my constituents concerning my work in their area. I recently produced a newsletter to all residents in the Park District, Weymouth announcing a public meeting to deal with an increase in anti-social behaviour (please see copy included⁷⁴).

I have however, allowed the use of the risograph by the South Dorset Labour Party under the following arrangement. The risograph is too large to fit in the constituency office. Rather than incur additional cost to the public purse of renting more space I have located it in the adjacent Labour Party office. In exchange, I have allowed the Labour Party to use the risograph in lieu of rent. The additional production costs of any Labour Party literature produced on the risograph is funded entirely by the South Dorset Labour Party. This includes all ink and paper. (Please see invoices included⁷⁵).

This seems a reasonable exchange. I have not discussed it with the Department for Resources. The equipment was used to print the three campaign letters in question.

The member of staff who produced this literature did so in their capacity as a part-time employee of the South Dorset Labour Party, for whom he works for part of the week.

I have also enclosed a copy of an e-mail exchange between the Compliance Manager of the Labour Party and the Electoral Commission with regard to a very similar complaint made by the same complainant on the same issue. In this case the Electoral Commission ruled that there was no case to answer.

Received on 20 May 2010

4. E-mail to the Electoral Commission from the Compliance Manager, the Labour Party, 8 February 2010

In response to your e-mail of 26 January 2010⁷⁶ I provide the following information as requested.

...

Jim Knight, Member of Parliament for South Dorset, employs 4 staff in his constituency office:

[Details withheld]

[Material not relevant to the complaint]

Mr Knight also decided to replace a leased printing machine with a purchased device, using the Communications Allowance, for bulk printing of material for constituents. These communications were from Mr Knight in his capacity as a Member of Parliament, responding to issues raised by constituents. Supplies for this machine were purchased out of the Communications Allowance.

The folding machine was used for folding letters and filling envelopes. Again, these were communications from Mr Knight to his constituents.

These IT purchases are therefore entirely consistent with his requirements as an MP.

I hope this is sufficient information to allow you to close this case.

8 February 2010

⁷³ Not included in the written evidence

⁷⁴ Not included in the written evidence

⁷⁵ Not included in the written evidence

⁷⁶ Not supplied by Mr Knight.

5. Undated E-mail to the Compliance Manager, the Labour Party, from the Electoral Commission

As you are aware, the Electoral Commission received an allegation of a breach of the Party Political Elections and Referendums Act (PPERA). The allegation was that the South Dorset Labour Party failed to declare donations from Mr Jim Knight MP.

We considered the allegation in line with our allegation assessment procedures and concluded that there was sufficient reason to believe a breach of PERA may have taken place and that the allegation should be considered as a Case Under Review.

However, following the enquiries made during this stage, we have concluded that further enquiries would be neither proportionate nor in the public interest. The Commission therefore considers the matter now closed. Thank you for your cooperation during these enquiries.

If you have any further queries about the contents of this letter, please contact me.

6. Letter to Rt Hon Jim Knight from the Commissioner, 20 May 2010

Thank you for your recent letter which I received on 20 May responding to this complaint about the use of your House of Commons funded risograph which I sent you on 25 March. I recognise that you were not in a position to reply before the Dissolution of Parliament.

I was most grateful for this response. There are some points which I need to raise with you arising from your letter. They are:

1. Can you give me an estimate of the proportionate use of the risograph by you for parliamentary purposes, and by the South Dorset Labour party from the date of its purchase in December 2007 to the end of April 2010? If you had such information by financial year that would be particularly helpful.
2. Did you have any formal sharing agreement for the risograph between yourself and the South Dorset Labour Party and, if so, could I see a copy?
3. Does the South Dorset Labour Party have any further invoices for ink and paper used since December 2007, or other financial records showing these payments, which you could send me?
4. How much space, approximately, did the risograph take up? For example, was it located in its own small room?
5. How in practice did you ensure that the production costs were separated out? Did you have a stationery cupboard for the paper used for your parliamentary productions which was separate from that used for party political purposes? And did you change the ink cartridges for the separate production runs?

It would be most helpful if you could let me have a response to this within the next two weeks. Subject to that response, I am likely to seek advice and comments from the Department of Resources.

I am most grateful for your help on this.

20 May 2010

7. Letter to the Commissioner from Rt Hon Jim Knight, 4 June 2010

Thank you for your recent letter with regard to the complaint made by Mr Ian Bruce. In response to the specific points you raised:

1. To clarify, the date of purchase of the risograph was in fact 22/01/08. Based on our recollection of the work produced using the risograph printer the following estimates have been formulated. In 2008, 40% of the

risograph's use was for parliamentary purposes with 60% being used by the South Dorset Labour Party. In 2009, 70% of the risograph's use was for parliamentary purposes. Leading up to the election in 2010 the share of printing was approximately 50/50 split between parliamentary and Labour Party. However, during the election period, rent is being paid by South Dorset Labour Party to the Fees Office to cover the cost of its use during this period as it was used solely for party political purposes.

To illustrate the savings made by printing parliamentary communications in-house on the risograph printer I have produced the example of the 2009 Annual Report (printed in-house) compared to the 2007 Annual Report which was printed externally.

Cost of Annual Report when printed in 2007	£2,550.00
Cost in 2009	
Paper	£1,200.00
Ink	£96.00
Total	£1,296.00
Saving	£1,254.00

2. A formal sharing agreement does exist between the South Dorset Labour Party and me. Please see the copy included⁷⁷. By the Labour Party accommodating the printer it has saved rent costs that I would have otherwise have had to meet. As long as the usage by the Labour Party is proportionate, I am confident that this is good value for money. I am also mindful that all maintenance was also carried out by the Labour Party. Therefore the public purse did not suffer for the wear and tear of the machine.

3. The South Dorset Labour Party has invoices for ink and paper since January 2009. Please see the copies included.⁷⁸ All variable costs and maintenance were also paid for by Labour Party as evidenced. Upon reviewing the invoices it appears that there are no receipts for ink cartridges from the South Dorset Labour Party for 2008. For avoidance of doubt I will therefore ensure that the Department of Resources is reimbursed for 60% of the value of ink purchased by me during that year.

4. The risograph printer takes up 33% of the Labour Party office. The cost of the office is £2,921 per annum. The cost to the Labour Party of accommodating the machine is therefore £973.67. The measurements are as follows: 180cm x 125cm. Please see photograph included.⁷⁹

5. The stationery for use in the risograph were clearly separated. All stationery, ink and paper for parliamentary purposes were kept in the separate constituency office. All stationery for the Labour Party were kept in the Labour Party office. Ink cartridges were removed from the risograph for separate print jobs.

Thank you for giving me the opportunity to respond to your questions. Please do not hesitate to contact me with any further enquiries.

4 June 2010

⁷⁷ WE 8

⁷⁸ Not included in the written evidence

⁷⁹ Not included in the written evidence

8. Agreement between Rt Hon Jim Knight MP and the South Dorset Labour Party, 22 January 2008

1. South Dorset Constituency Labour Party agrees to accommodate in its offices the risograph printer that belongs to Jim Knight (“*the printer*”).
2. South Dorset CLP will have use of the printer for as long as it is situated in their offices.
3. South Dorset CLP will permit Jim Knight to use the printer in its offices as and when required by him.
4. South Dorset CLP will cover all maintenance costs and all liabilities in relation to their use of the printer, including ink and paper.

22 January 2008

9. Summary of invoices enclosed with Rt Hon Jim Knight’s letter of 4 June 2010

<i>Date</i>	<i>Type of document</i>	<i>Supplier</i>	<i>Product</i>	<i>Value (£)</i>
6 May 2010	Invoice	[Supplier 1]	Paper	118.94
5 May 2010	Invoice	[Supplier 1]	Paper	132.15
2 May 2010	Till receipt	[Shop]	Paper	34.96
29 April 2010	Invoice	[Supplier 1]	Paper	79.31
15 April 2010	Invoice	[Office landlord]	Office rental; telephone charges; use of meeting room	697.59
9 March 2010	Invoice	[Supplier 1]	Paper; envelopes	95.71
25 January 2010	Delivery note	[Supplier 1]	Paper; envelopes	-
11 December 2009	Invoice	[Supplier 1]	Card	44.78
26 November 2007	Invoice	[Supplier 2]	Black ink	32.03
16 October 2007	Invoice	[Supplier 2]	Paper	34.66

9 June 2010

10. Letter to Rt Hon Jim Knight from the Commissioner, 23 June 2010

Thank you for your letter of 4 June responding to this complaint about the use made of the risograph which you bought from parliamentary funds.

I was most grateful for this information. In the light of what you say, I would be very grateful if you could help me on the following further points:

1. Could you give me an estimate, ideally for each financial year, of the maintenance costs for the risograph which were borne by the South Dorset Labour Party?
2. Could you let me know the basis on which you provided the proportionate estimates for your use of the risograph for parliamentary purposes and Labour Party use? Did you, for instance, obtain these from a meter on the risograph?
3. Could you give me an estimate of the total actual usage by you and also by the party, preferably in each financial year—for example, the number of pages printed by the machine? If you can obtain this information from a meter on the risograph, that would be helpful.
4. I was grateful for the two examples of the communications which you produced—your Annual report for 2009 in four versions, and the letter and survey you sent to constituents in the Park District area of Weymouth. The letter bears no House of Commons imprint and I assume that, in the light of the

restriction on the use of the Communications Expenditure from 1 January 2010, it was not in fact funded from parliamentary resources. If this is wrong, please let me know.

5. It would be helpful if you could give me a fuller list, with other examples, of the use which you made of the risograph for parliamentary purposes in each of the relevant financial years, since you bought the risograph;
6. You said in your letter of 4 June at paragraph 3 that the South Dorset Labour Party had invoices for ink and paper since January 2009. Only one of the invoices you forwarded, however, belongs to the years between your purchase of the risograph and 2010. That was the December 2009 invoice for two types of card. And only one invoice, which predates the purchase of the risograph, is for ink. You have accepted that there is no evidence that the Party bought printer ink in 2008 and said that you *“will therefore ensure that the Department of Resources is reimbursed for 60% of the volume of ink purchased by me during that year.”* I am not clear, however, what evidence there is of the Party having bought the cartridges or paper for use in the risograph in any of the relevant years, except in the first months of 2010. Could you identify any such evidence or let me know the basis on which you or the Party consider that it had indeed made such purchases?
7. I have noted that the risograph took up a third of the office space of the South Dorset Labour Party. The literature you have sent suggests that you used the same address as your local party. Could you help me, therefore, on how the premises were split, on the approximate size of your constituency office, and on what occupied the remaining 2/3 of the Party office where the risograph was located? And could you also help me to reconcile the annual rent for the party office of £2921 with the monthly rent of £456 for suites [...] and [...] as set out in the invoice for May 2010 which you sent me?
8. You have identified three election communications from a local authority candidate which you confirm were printed on the risograph. The complainant, however, had forwarded five examples, and he has alleged that 11 local authority candidates had benefited from the material printed on this risograph. Can you confirm if this? If so, how many communications were printed, and what was the print run for each?
9. Could you let me know whether, when you made your sharing agreement with the Labour Party, you took into account the likely date of the General Election—less than two and a half years after the purchase—and the possibility that you would not be successful in your campaign?
10. I was grateful to receive a copy of your signed sharing agreement with the South Dorset Labour Party. I notice that your signature and date (22/1/2008) are imprinted on the handwritten sheet below the agreement which you sent me, which covers the invoices from the Labour Party relating to 2009 and 2010. Could you explain how this sharing agreement, which appears to be signed and dated January 2008, could have had at least one of these signatures imprinted on a sheet submitted to me in June 2010 covering invoices from 2009 and 2010?
11. Finally, could you let me know where the risograph is now?

I am sorry to be asking you so many detailed questions, but I hope, once I have the full picture, it will be possible for me to consult the Department of Resources and bring the matter to a conclusion. If you could let me have a response within the next two weeks, I would be most grateful.

23 June 2010

11. Letter to the Commissioner from Rt Hon Lord Knight of Weymouth, 9 July 2010

Thank you for your letter of 23rd June 2010 with regards to the above complaint.

Let me start with an apology. Point 10 of your letter refers to the sharing agreement with South Dorset Labour Party. When I found the file copy last month I discovered that I had not signed it. I unwisely chose to sign it and back date it, hence the imprint on the invoices. Clearly this could be misleading and I apologise

unreservedly. I hope this doesn't detract from the fact that both South Dorset Labour Party and I were conscious of the potential complications of storing parliamentary equipment on party property. It was for this reason the agreement was made and it is the principles in this agreement that have guided the use of the risograph by my office and the South Dorset Labour Party.

In attempting to provide the most comprehensive evidence possible for your investigations I have now been through my records again and have been trying to acquire what records I can from South Dorset Labour Party. This has been difficult since the local Party has no audit requirement until this last year and records are not always retained.

In seeking copies of my own communications I have also come against the problem of my parliamentary computers having now been taken away by PICT and wiped—destroying copies of my publications. It is therefore not possible to provide you with the detail that you need in some cases.

I understand that this makes it difficult for you to satisfactorily complete your investigations, but I am afraid I may need to ask you to reach a judgement on some partial knowledge. Again, as far I can be held responsible, I apologise.

I have today been able to secure from ..., the supplier, print outs of all orders from them since the machine was purchased.⁸⁰ I have discovered that there was one claim made for maintenance on 24/9/09 for £341.33 from the Communications Allowance. This was an oversight for which I again apologise. I am happy to repay this and any other claim you feel appropriate in order to give confidence that allowances have not been used inappropriately.

The total of ink and masters purchased and claimed for by me is £665.29. Other purchases total £1124.19, which would have been paid by South Dorset Labour Party. It is also clear that few supplies were needed through most of the period for any use, reflecting the good value of the machine. There was intense use for the Annual Report in 2009 and then by the Labour Party in the first quarter of this year.

Let me address your other points as best I can.

1. My estimate for the maintenance costs borne by the South Dorset Labour Party is based on the removal and upkeep of the risograph based on receipts supplied previously and the maintenance work shown on the [supplier's] print out.
2. The basis for the estimates for the use of the risograph for parliamentary purposes was done on the basis of discussions with staff who used the machine and our computer records available at the time. The machine is not metered.
3. It is not possible to produce an estimate of the number of pages printed, given the lack of a meter.
4. The letter and survey in the Park District did not promote any political party. It did not seek any opinion which could be used for party political purposes and was a vital piece of communications to engage constituents in the debate I was leading as their MP. I conducted surgeries and public meetings in the area as MP and used this leaflet as a means to communicate the on-going issue to constituents.
5. As well as the Annual Report the risograph was used by me to communicate on neighbourhood matters in a similar way to the Park District example. I also produced fact sheets on areas of policy interest to constituents such as climate change legislation, housing policy and schools reorganisation processes affecting the constituency. Unfortunately the records of this activity have been destroyed as my office has now been closed down.
6. When the sharing agreement was made it was done on the basis that I would continue to serve the people of South Dorset as their MP. I never felt it reasonable to constrain my activity or change my use of resources because of the marginality of my seat.

⁸⁰ For a summary see WE 12.

7. I am now a member of the House of Lords and share an office with South Dorset Labour Party. The risograph is currently in our shared office.

To conclude, the agreement between South Dorset Labour Party and myself is one that seeks to minimise cost to the taxpayer. By allowing South Dorset Labour Party use of the risograph I was removing the need for the taxpayer to foot a rent bill for housing the machine. I was clear that South Dorset Labour Party should pay for ink and paper to stock the machine and have produced evidence where possible to show this. I understand that there are gaps in evidence and regret that this doesn't reflect well, but I would like to restate my intentions at all times were to communicate effectively as MP with my constituents and to minimise expense for the taxpayer.

I would be very happy to discuss these matters with you in person.

9 July 2010

12. Summary of purchases from the risograph supplier

<i>Date of purchase</i>	<i>Nature of purchase</i>	<i>Cost (£)</i>	<i>Date payment received by supplier</i>	<i>Attribution by Lord Knight (9 July)+</i>
22 January 2008	Ink	156.68	8 February 2008	Lord Knight (CA)
3 March 2008	Ink	318.33	20 March 2008	Party
5 December 2008	Ink	301.19	16 January 2009	Lord Knight (IEP)
30 March 2009	Duplicator masters	106.15	14 April 2009	Party
17 September 2009	Repair	341.33	9 October 2009	Lord Knight (CA) "in error"
23 October 2009	Ink	107.19	17 November 2009	Lord Knight (CA)
30 October 2009	Duplicator masters	106.89	2 December 2009	Lord Knight (CA)
6 November 2009	Ink	215.91	2 December 2009	Lord Knight (CA)
20 November 2009	Ink	117.65	11 December 2009	Lord Knight (IEP)
28 February 2010	Ink; duplicator masters	600.99*	22 March 2010	Party
31 May 2010	Ink	98.72	6 July 2010	Party

Source: Supplier's print outs of account transactions.

Note: Excludes details of original purchase of risograph.

+ As annotated by Lord Knight on the print-out.

* Net of subsequent credit for returned goods.

13. Letter to Rt Hon Lord Knight of Weymouth from the Commissioner, 14 July 2010

Thank you for your letter of 9 July responding to mine of 23 June about this complaint. I was most grateful for the additional information you have provided and I recognise the difficulties of providing evidence now that you are no longer a Member of the House of Commons and some of your relevant records have been destroyed.

I was grateful for you providing the information you had secured from your suppliers

While I recognise the difficulties, there are some points arising from your letter which I hope you can clarify for me:

1. In relation to the sharing agreement, could you confirm that the document which you sent me was the sharing agreement which you concluded with the South Dorset Labour Party on 22 January 2008? You have sent me what looks like a top copy with original signatures by both you and the representative of the party. Could you let me know who signed this copy on behalf of the South Dorset Labour Party? Could you confirm that this signature was made on 22 January 2008 and not more recently? And do you still have on your files the original which is not signed by you? If so, could I have a photocopy of that document, either from your files or from those of the Labour Party? You will appreciate that I do need to know that I am looking at a photocopy of the original agreement made in January 2008.

2. It appears that you recently signed the sharing agreement with the intention of allowing me to believe that you had signed it at the time. I will need to record this in my conclusions to this inquiry. If you wished to give any further explanation of the reasons for your actions on this, please do so.

3. I am grateful for the account summary from the supply company. It would appear from this that there were no maintenance charges made other than for the call out in September 2009 which you wrongly claimed for from the Communications Allowance. Could you confirm that is the position? Once I have clarified the information you have given me, I will need to consult the Department of Resources about the claims you have made in respect of this machine.

4. In relation to the survey letter inviting some of your constituents to attend a meeting in January 2010, I take it from your response that the costs of printing this letter on the risograph were met from your Communications Expenditure. I referred in my letter of 23 June to the restrictions on the use of the Communications Expenditure from 1 January 2010. These restrictions were set out in the Department of Resources' letter of 15 December 2009 to all Members. I enclose a copy of the full letter. You will see that it says:

"You cannot therefore use the Communications Expenditure or utilise resources acquired from the Communications Expenditure from 1 January 2010 for:

- the production and distribution of newsletters, parliamentary reports, targeted letters, petitions and surveys:*
- the production and distribution of surgery leaflets and flyers (in other words a ban on anything that can be put through the letterbox)."*

In the light of this, could you let me know when your survey letter was distributed to your constituents and, if it was after 1 January 2010, whether you met any of the costs, including the costs of dispatch, from your Communications Expenditure? Could you also let me know about any other material (which you refer to in your letter) which was printed on the risograph and sent out in the same way after 1 January 2010?

5. I asked in my letter of 23 June about what the rest of the Labour Party office was used for, and for an indication of the size of your constituency office. I asked also if you could explain why an annual rent of £2,921 appeared to be charged, while, according to the invoice which you forwarded, there was a monthly rent of £456 for suites [...] and [...] together. Since you are still using offices in [location], I would hope you could let me have a response to these points.

6. I asked in my letter of 23 June whether all eleven local authority candidates mentioned by the complainant produced material using the risograph. I appreciate that that material may no longer be available, but I would hope it would be possible for you to let me know how many (if any) of the Labour Party candidates in the 2009 elections, benefited from material printed using the shared risograph. It would be helpful if you could confirm whether, to the best of your knowledge, the five examples forwarded by the complainant were all printed on the risograph.

7. May I also confirm that I may assume that the proportionate use of the risograph in 2008–09 which you give me in your letter of 4 June enabled all the South Dorset Labour Party candidates for the 2008 local authority elections to have their election material printed on this shared risograph?

8. Finally, I note that the risograph is currently in your shared office. Could you confirm that it remains in what was the Labour party's part of the office suite? And are you now making any claims from parliamentary resources for the office or the risograph?

If you could let me have a response to this letter within the next two weeks, that would be helpful. I propose then to consult the Department of Resources. The key issues I will need to resolve are whether the South Dorset Labour Party were likely to have benefited from the sharing arrangement you had with them for the use of the risograph, under which they had full use of the risograph in return for accommodating it in their office. I will also need to resolve ancillary points in relation to the maintenance claim on your Communications Allowance and the apparent use of the Communications Expenditure for your survey invitation letter.

Thank you for your help.

14 July 2010

14. Letter to the Commissioner from Rt Hon Lord Knight of Weymouth, 29 July 2010

Thank you for your most recent letter on this matter dated 14th July 2010. Let me try to deal with each point in your letter in turn.

1. In my last letter, I apologised for my serious error of judgement in relation to the sharing agreement. This is a true record of the agreement between myself and South Dorset Labour Party regarding the use of the risograph, but since I did not sign it at the time I think it is fair for you to disregard it as a document. Naturally I am not suggesting you disregard my actions in then signing it subsequently, but all it can now remain is a description of the agreement as it was supposed to operate between the two parties.

2. I can only add to my apology by way of explanation of my intention. It was not my intention to mislead. I signed it merely for the sake of completeness. It was an embarrassing error of judgement.

3. I have checked again with South Dorset Labour Party and it appears that this is the only maintenance cost paid, and it should not have been paid from parliamentary funds.

4. With regards to the survey to constituents in January. In so far as it was printed on the risograph, and the risograph had been paid for out of Communications Allowance expenditure, I was in breach of the letter sent on December 15th. I incurred no additional cost as it was distributed by hand by my parliamentary staff in their lunch hour. It also did not make any political point and was simply finishing off a piece of work for constituents in that part of Weymouth. I am not aware of any other similar communication this year using the printing machine. This use of the machine was an oversight by me and my team in not appreciating the significance of the phrase in the letter of 15 December that read "*..or utilise resources acquired from the Communications Expenditure..*". My reading had been that we couldn't acquire resources or use the allowance from 1st January 2010.

5. The office arrangements at [location of office] were that I rented rooms ... and ... for £565 pcm, space totalling 370 square feet. The Labour Party rented the adjacent room ..., that was 120 square feet, for £217 pcm. I am happy to acquire a statement of account from [the office landlord] to show what was invoiced to whom over the last year for those three rooms. May was an unusual month as it included a part of the election period when I reduced the amount of office that I rented because the Labour Party used a substantial part of the office space.

6. The election material supplied by Mr Bruce was, as far as I know, produced on the risograph. Different candidates fought different campaigns in terms of the amount of literature produced and I cannot be more precise I am afraid.

7. The nature of the agreement between myself and the Labour Party allowed for them to use it for the 2008 local authority elections.

8. The Labour Party was asked to move offices by the landlords so that they could rent out [rooms] together to a single client who has now moved in. They are therefore now in a different room. I pay a fee to the Labour Party for the office space and admin support. Until October I am entitled to claim for administrative support as a Lord and have claimed £375 to date. My understanding is that the risograph is my property, as I have paid a considerable amount of tax on it. I currently choose to store it in the office I pay for.

I hope that this adequately answers the questions you have raised. Please let me know if I can be of further assistance.

29 July 2010

15. Letter to Rt Hon Lord Knight of Weymouth from the Commissioner, 2 August 2010

Thank you for your letter of 29 July responding to mine of 14 July asking for some further help with this complaint about your risograph.

I was most grateful for this further information. There are three remaining points which I do need to clarify with you before consulting the Department of Resources. They are:

1. I took it from your letter of 9 July that in June this year you found a file copy of the sharing agreement which you then signed, backdated to January 2008 and forwarded to me. But I confess that I am not clear from your response whether what you sent me was the file copy of a formal written sharing agreement drawn up (but not signed by you) in January 2008, or whether it was drafted by you earlier this year to reflect, as you say in your letter of 29 July, your understanding of the agreement as it was supposed to operate between the two parties. I am also unclear about the identity of the other signatory to the agreement and whether the second signature too was made this year and backdated to January 2008. Could you, therefore, confirm when the written agreement which you sent to me was drawn up, who (apart from yourself) signed it and when they did so?
2. The survey letter. Thank you for your response on this. Would it be possible for you to let me know broadly how many copies of this letter were printed using the risograph, and whether the costs of the paper and Freepost came from your Communications Expenditure?
3. The arrangements for accommodating the risograph. You told me in your letter of 17 June that the South Dorset Labour Party had accommodated the printer and saved rent costs that you would have otherwise had to meet. You also said that the risograph takes up one third of the floor space in the Labour Party's office. In your letter of 29 July you say that the South Dorset Labour Party's office provides 120 square feet of floor space. I am having some difficulty in understanding how the risograph could have extended for 40 square feet, and I would be very grateful if you could clarify this for me.

It would be very helpful if you could let me have a response to this letter within the next week. I will then consult the Department of Resources before coming back to you. Thank you for your help.

2 August 2010

16. Letter to the Commissioner from Rt Hon Lord Knight of Weymouth, 9 August 2010

Thank you for your most recent letter on this matter dated 2nd August 2010. Let me try to deal with each point in your letter in turn.

1. To clarify I signed a file copy of the written sharing agreement drawn up in January 2008 and signed by the Chair of South Dorset Constituency Labour Party at the time.

2. Around 200 copies of the survey letter were printed on the risograph and distributed by my parliamentary staff in their lunch break. The costs of paper and Freepost were not from the Communications Allowance and no claim has been made from that allowance this calendar year. It is worth pointing out that using the risograph for reproduction was cheaper than using other computer printers supplied by Parliament that need expensive toner.

3. I have made the following calculation based on the published specification for the machine and reasonable working space around the machine:

Dimensions when in use: 1605mm (W) x 725mm(D) x 730mm(H). Area used by the machine alone 12.72 square feet. Add 18 inches at each end for moving around, maintaining and feeding the machine, and three feet in front and the total is 40.92 square feet.

I hope that this adequately answers the questions you have raised. Please let me know if I can be of further assistance. Please note I will be away on holiday now until the end of August.

9 August 2010

17. Letter to the Director of Strategic Projects, Department of Resources, from the Commissioner, 10 August 2010

I would welcome your help on a complaint which I received against Rt Hon Lord Knight of Weymouth when he was the Member of Parliament for South Dorset.

I attach a copy of the relevant parts of the complainant's letters of 2 December and 4 March, together with the relevant enclosures and the letter from my office of 7 December. I enclose also a copy of my letter to the then Mr Knight of 25 March; his letter to me which I received on 20 May; my response to him of the same date; his response to me of 4 June with its enclosures; my letter to the then Mr Knight of 23 June; Lord Knight's response of 9 July; my letter to him of 14 July; his response of 29 July; my letter to him of 2 August; and his response of 9 August.

In essence, the complaint which I have accepted for inquiry is that, when he was the Member for South Dorset, Lord Knight used a risograph whose purchase was funded by parliamentary resources to produce party political material.

I would welcome any information you can give me to assist my consideration of this complaint. In particular, it would be helpful to know whether the Department had any contact with Lord Knight in relation to the purchase and deployment of this risograph. I would be grateful if I could have unredacted copies of Lord Knight's claims in relation to the purchase of this risograph, the purchase of the paper and ink for the machine, and the claim of 24 September 2009 for its maintenance. It would be helpful to know whether the Department received a copy of the sharing agreement for this risograph made in January 2008 and, if so, if I could have a copy. You will note that Lord Knight has accepted that the maintenance claim should not have been made and that the risograph should not have been used to produce 200 copies of his survey letter, which invited constituents to a public meeting in January 2010, in the light of the Department's letter of 15 December 2009 about the Communications Expenditure. Any comments you may wish to make on either of these two points would be welcome. It is not clear from the evidence I have received how frequently the Labour Party did indeed purchase ink, paper and masters for the party political use of the risograph before 2009–10, and any comments which you may wish to make on this would be welcome. You will see that Lord Knight has provided invoices showing purchases of ink and masters from the suppliers of the risograph, and it would be helpful if this could be checked against Lord Knight's parliamentary claims for these items.

Finally, it would be helpful to know whether there is any precedent of which the Department is aware for the sort of sharing agreement between the Member and his party whereby Parliament met the full purchase cost of the risograph and allowed use to the Party in return for it being located in the Party offices and the Party carrying the responsibility for maintenance.

Any other comments you may wish to make to help me in resolving this matter would, of course, be most welcome.

It would be very helpful if you could let me have a response to this letter by 7 September. Thank you for your help.

10 August 2010

18. Letter to the Commissioner from the Director of Strategic Projects, Department of Resources, 6 September 2010

Thank you for your letter of 10th August.

Lord Knight submitted an invoice, dated 22nd January 2008, for £7279.11 in respect of a two colour system risograph. The payment schedule showed that £5000 was to be paid immediately, with the remainder due on 1st April 2008. The initial sum was paid to the supplier, [name], on 6th February 2008 from the 2007-2008 Communications Allowance. The remaining sum was paid on 30th April 2008 from the 2008-2009 Communications Allowance.

[The supplier] subsequently provided ink cartridges and repair services that were paid for either from Lord Knight's Administrative and Office Expenditure/Incidental Expenditure Provision (AOE/IEP) or his Communications Expenditure/Communications Allowance (CE/CA).

The following schedule sets out the details of the payments:

<i>Description</i>	<i>Amount</i>	<i>Invoice Date</i>	<i>Claim Date</i>	<i>Allowance</i>	<i>Year</i>
Initial payment	£5000	22/1/08	25/1/08	CA	07/08
Ink cartridges	£156.68	22/1/08	25/1/08	IEP	07/08
Ink cartridges	£318.33	3/3/08	3/3/08	IEP	07/08
Final payment	£2284.06	9/4/08	14/4/08	CA	08/09
Ink cartridges	£301.19	5/12/08	12/12/08	IEP	08/09
Maintenance	£341.33	17/9/09	24/9/09	AOE	09/10
Ink cartridge	£107.19	23/10/09	26/10/09	CE	09/10
Paper	£106.89	30/10/09	18/11/09	CE	09/10
Ink cartridge	£215.91	6/11/09	18/11/09	CE	09/10
Ink cartridge	£117.65	20/11/09	27/11/09	CE	09/10

I enclose unredacted copies of each of these claims.⁸¹

There is no correspondence on file to indicate that the Department had any contact with Lord Knight in relation to the purchase or deployment of the risograph, nor in particular that it or its cost was to be shared with a third party. We have no record of having received a copy of the sharing agreement for the risograph made in January 2008. Nor are there any credits or refunds to the allowances which would show that charges were being made by Lord Knight for its use.

You invite me to comment on Lord Knight's acceptance that the maintenance claim of September 2009 should not have been made. I would have thought that in principle a proportion of the maintenance bill, proportionate to the extent to which the machine had been used for parliamentary purposes, would have been an allowable charge against the allowances. The agreement dated 22nd January 2008 provides that the Labour Party would meet maintenance costs in respect of the party's use of the machine.

You also invite me to comment on Lord Knight's acceptance that the risograph should not have been used to produce 200 copies of his survey letter, which invited constituents to a public meeting in January 2010, in the light of the Department's letter of 15 December 2009 about the Communications Expenditure. I agree that the

⁸¹ Not included in the written evidence

machine should not have been so used, though I can understand why Lord Knight may have misread the Department's letter.

I am afraid that we have no information as to how frequently the Labour Party purchased ink, paper and masters for the party political use of the risograph before 2009-10. The invoices to the Labour Party that Lord Knight has provided with his letters of 20th May and 4th June showing purchases of ink and masters from the suppliers of the risograph do not appear to bear any relation to his parliamentary claims for these items.

On the issue of precedent, it was not unusual for items of equipment to be shared with third parties (other elected representatives, constituency associations etc). However, the Department would have expected to see either a formal agreement showing how the costs were to be split together with an estimate of usage; or, if the arrangement was to be of an ad-hoc nature, to see periodic refunds based on actual usage.

It was also acceptable for equipment to be owned by local associations and/or landlords who charged the Member for a share of the cost or actual costs based on usage. However, we are not aware of any other example of an arrangement under which the Member met one element of the cost and a third party met another. Such an arrangement would probably have been regarded as acceptable, provided that the Member had been able to demonstrate that the charges to be borne by parliamentary expenses properly represented the share of the total annual charge incurred for that use.

Please let me know if I can help further.

6 September 2010

19. Letter to Rt Hon Lord Knight of Weymouth from the Commissioner, 9 September 2010

When I wrote to you on 10 August, I said that I was writing to the Department of Resources to seek their help in resolving this complaint. I have now heard back from the Department.

I enclose a copy of my letter to the Department of 10 August, and their response, with enclosures, of 6 September.

As you will see, the Department has confirmed the cost of the risograph. It has provided a summary as well of all the claims which you made for the risograph, and supplies and maintenance for it. The Department has noted that there is no evidence on its papers that you had contacted it about the risograph, or that you sent it a copy of the sharing agreement. The Department has said that it would have expected to have seen either a formal agreement showing how the costs were to be split, together with an estimate of usage; or if the arrangement was to be ad hoc, it would have expected to have seen periodic refunds based on actual usage. The Department has pointed out that the sharing agreement would have allowed you to have claimed for maintenance for your use of the risograph, but not for that of the Labour Party. The Department is not aware of any example of an arrangement under which the Member met one element of the cost and a third party the other, but it considers that such arrangements would "*probably have been regarded as acceptable*" provided that the Member had been able to demonstrate that the charges to be borne by parliamentary expenses properly represented the share of the annual charge incurred for that use. The Department notes that the risograph should not have been used to produce the invitation to the public meeting in January 2010.

It seems from the claims forwarded by the Department that you drew on your parliamentary allowances (CA, CE or IEP) to meet all the invoices for the purchase and repair of the risograph, and for ink and masters, during both 2008 and 2009 (except for the sales receipt for £106.15 of 14 April 2009). This is contrary to the annotation on the list from the suppliers which you sent me on 9 July. Since the beginning of 2010, you would appear to have made no claims on parliamentary resources for supplies for the risograph. The costs for that period would appear therefore to have been met from Party or other sources. There is no evidence on how much paper was used for the printing at any period, how much it cost, or on who paid. If you wish to comment on any of these matters you would be welcome to do so.

There is one point of clarification on which I would welcome your comments. It seems the payments for the risograph were divided between January 2008 and April 2008, with the first falling in the financial year 2007-

08 and the second in the financial year 2008-09. Could you let me know why this payment arrangement was made?

Subject to your responses, I will now need to come to my own conclusion on the issues which this complaint has raised. In particular, I will need to consider:

1. Whether the sharing agreement did fairly reflect the use which the Labour Party made of this machine, or whether the arrangement provided, in effect, a financial benefit to the Labour Party. In coming to a view, I will need to take account of the length of time which the machine was sure to be available to both parties before the coming General Election; and the proportionate extent of the use of the machine, in as much as the evidence allows me to do so;
2. Whether there was a benefit to the Labour Party from the claims which you made for the running costs and maintenance of the machine, namely the ink cartridges, paper and the maintenance charge of September 2009;
3. Whether it was within the rules for you to have used the risograph to have produced the invitation letter which you sent to some of your constituents in January 2010.

I will also need to reflect on the evidence which you gave me about the circumstances in which the sharing agreement was signed and dated.

I would welcome any comments you may wish to make on these matters.

[Procedural matters]

It would be very helpful if you could let me have a response to this letter within the next two weeks. I am most grateful for your help.

9 September 2010

20. Letter to the Commissioner from Rt Hon Lord Knight of Weymouth, 22 September 2010

Thank you for your most recent letter on this matter dated 9th September 2010.

I will make some general comments before addressing the questions you raise.

When I made the decision to purchase the risograph printer it was on the basis that it would save money from the public purse over time as I reduced the need to pay for commercial printing. This was begun in 2009 when I produced localised versions of my Annual Report which had previously been generic for the whole constituency and cost considerably more. In the previous year this had cost £2,550, compared to a cost of less than £1,000 the following year.⁸² I also paid tax on the purchase at the time.

However siting the machine meant either renting more space or coming to some other arrangement. At this stage I would agree that it would have been preferable to seek advice from the Department for Resources over an arrangement whereby a third party were permitted to use it in lieu of rent. However I believe that I have demonstrated to you that the machine takes up 40 square feet of space, for it to be operated effectively, and this cost of £800 per annum was borne by the Labour Party.

I note in [the Director of Strategic Resources'] letter that he says "*such an arrangement would probably have been regarded as acceptable*".

[The Director] also says that "*if the arrangement was to be of an ad-hoc nature, [the Department would have expected] to see periodic refunds based on actual usage.*" It was relatively ad-hoc given the uneven pattern of

⁸² The previous year was presumably 2007: see WE 7.

usage, making an estimate for an agreement difficult. It may have been better to pay South Dorset Labour Party £800 per year in rent and then charge for all usage and materials that would have been paid to the Department in form of refunds. I am unclear whether such refunds would have appeared as credits on the allowance limit or how the usage would have been effectively audited, but I agree that I should have discussed this with the Department for Resources.

Nevertheless I do not believe that the basis of the arrangement was wrong or contrary to parliamentary rules. Indeed I remain of the view that it was good value for money for the public purse whilst allowing me to communicate more effectively with constituents.

I have already apologised to you that I didn't sign the agreement at the time, an error that would have been avoided if it had been cleared with the Department for Resources.

There are then the questions as to how the agreement worked in practice.

It is now clear that I needed to be more assiduous in monitoring this. The reality was that I signed for claims submitted to me by staff for submission to the Department. What I failed to do was check that South Dorset Labour Party was also purchasing supplies and paying for maintenance according to the agreement. I knew that some supplies were purchased in April 2009 and could see their stock of paper and trusted that they were fulfilling their part of the agreement.

The use of paper is particularly difficult. I may be able to persuade the new Treasurer of the constituency party to try to find records of invoices for paper. I then wouldn't be able to separate off what paper was used in the risograph from that used in their printers, much as I have no way of showing how much of the paper I ordered using allowances was used on the risograph or my computer printers. I remain personally satisfied that paper was separately purchased and stored.

What I am now concerned to do is ensure that any financial gain by the Labour Party, and consequent loss to the Department, is rectified. The cost of supplies purchased by either party from [the supplier] is by my calculation just under £1500. I am very happy to be guided by you what level of refund is appropriate to the Department from the Labour Party to satisfy you that there was no benefit to the Labour Party from the arrangement.

I note [the Director's] comments regarding the survey letter in January 2010. We are all agreed that the machine should not have been used, even though in doing so I saved money, and I note [the Director's] comment that "*I can understand why Lord Knight may have misrepresented the Department's letter.*"⁸³

Let me now seek to answer any outstanding points in your letter.

Until I received the statements from [the supplier] it has been very difficult to be clear who has ordered what from them. Having checked through my allowances claims I then assumed that all claims that I couldn't trace were paid by South Dorset Labour Party. Unfortunately when I originally did this I missed the claim on the IEP on 3/3/08 for which I apologise. I have now re-checked and confirm that the costs up to 2010 were met from my allowances, with the exception of the invoice of 30/03/2009 for £106.15 which was paid by South Dorset Labour Party.

I can also confirm that I have not made any claim for 2010 for supplies to the machine.

You have asked for clarification on why the payment for the capital cost of the machine was split across two financial years. This was simply to avoid exceeding the allowance limit.

I hope that this answers all the outstanding questions and I look forward to the resolution of this matter. I would stress that whilst I have made some administrative errors, for which I have apologised, at no point have [I] sought to be anything but honest and open with you and that no aspect of this matter has led to any personal gain.

⁸³ The word was 'misread'. See WE 18.

22 September 2010

21. Letter to Rt Hon Lord Knight of Weymouth from the Commissioner, 27 September 2010

Thank you for your letter of 22 September responding to mine of 9 September about this complaint.

I was most grateful for this helpful response. I think I need only at this stage to confirm with you the basis of the figures which you have given me in your letter. They are:

1. the cost of accommodating the machine is estimated by you at £800 a year. I assume that is calculated from the cost of the Labour Party's rented room which, in your letter of 29 June, you said was £217pcm. Since the size of the room was 120 sq ft and, according to your letter of 9 August, the area used by the machine was 41 sq ft, a figure of £800 a year represents just under a third of the rental costs of the Labour Party's rented room.
2. the total costs of supplies for the machine from the supply company was £1500. I would be grateful if you could explain how you arrived at that figure.

I should perhaps correct one mis-type in your letter. At paragraph 13, you quote the Director of Strategic Projects as saying, "*I can understand why Lord Knight may have misrepresented the Department's letter.*"⁸⁴The word was, of course, "*misread*".

You asked about an appropriate level of refund to the Department for office supplies. Since, as you know, I will be preparing a memorandum for the Committee on Standards and Privileges, I think that had better await the Committee's consideration of that memorandum. I will, of course, note that you have offered to reimburse the Department for the full sum of any overpayment.

Subject to your helping me on the costs of supplies, and confirming the accommodation costs workings, I think I have concluded my inquiries.

[Procedural matters]

I look forward to hearing from you about the figures. I am most grateful for all your help on this matter.

27 September 2010

22. Letter to the Commissioner from Rt Hon Lord Knight of Weymouth, 12 October 2010

Thank you for your most recent letter on this matter dated 27th September 2010.

You asked me to confirm two matters:

1. Your assumption on how I calculated the cost of accommodating the machine is correct. It occupied a third of the space and I therefore based the cost on a third of the rental cost of the room.
2. I calculated the cost of supplies based on the list supplied by the ink and cartridge supply company. Whilst the list is not straight forward to interpret these are my calculations:

⁸⁴ WE 18

<i>Date</i>	<i>Description</i>	<i>Capital</i>	<i>Ink</i>	<i>Masters</i>	<i>Maintenance</i>
22/01/2008	Capital Cost of Machine	7953.19			
	Ink		161.63		
03/03/2008	Ink		318.43		
05/12/2008	Ink		301.19		
17/09/2008	Maintenance				341.33
23/10/2009	Ink		107.19		
30/10/2009	Masters			106.89	
06/11/2009	Ink		215.91		
02/12/2009	Ink		117.65		
30/03/2009	Masters			106.15	

From this it can be seen that up to the end of 2009 the cost of ink and masters, i.e. supplies, is £1,434.94.

I hope that this is sufficient.

12 October 2010

23. Letter to Rt Hon Lord of Weymouth from the Commissioner, 14 October 2010

Thank you for your letter of 12 October responding to mine of 27 September about the costs of your risograph.

I am grateful to you for confirming the basis of the accommodation costs of the machine. Thank you too for identifying for me the costs of the supplies for the machine from the supply company which you estimate to be £1,434.94, which you rounded up to £1,500.

There are differences in some cases between the figures in your letter and figures you have given me previously, which were provided by your supplier. I attach a table which shows all the relevant figures and notes the differences. It would be very helpful if you could check over these and let me know which is correct. Subject to your views, I would be inclined to accept the supplier's figures.

I take it from checking your calculations against the information you have already kindly provided, that these costs, with the exception of the masters purchased on 30 March 2009, were met through your claims on parliamentary resources and that, apart from these, all the supplies (ink and masters) which were used by yourself as a Member of Parliament and by the Labour party up to the end of 2009 were met from parliamentary allowances.

I would be grateful therefore if you could confirm the supplier's figures in the attached table (or otherwise amend them) and if you could confirm my assumptions in the preceding paragraph. It would be very helpful in preparing my memorandum if you could let me have a response within the next week.

I look forward to hearing from you.

14 October 2010

24. Rt Hon Jim Knight MP: Risograph costs and claims from date of purchase to 31 December 2009

Description	Supplier's statements provided by Lord Knight on 9 July		Summary in Lord Knight's letter of 12 October 2010		Point to clarify
	Date	Sum (£)	Date	Sum (£)	
Purchase of machine	22 January 2008	7279.11	22 January 2008	7953.19	Which sum is correct?
Ink 1	22 January 2008	156.68	22 January 2008	161.63	Which sum is correct?
Ink 2	3 March 2008	318.33	3 March 2008	318.33	No issues
Ink 3	5 December 2008	301.19	5 December 2008	301.19	No issues
Masters 1	30 March 2009	106.15	30 March 2009	106.15	No issues
Maintenance	17 September 2009	341.33	17 September 2008	341.33	Which is correct year?
Ink 4	23 October 2009	107.19	23 October 2009	107.19	No issues
Masters 2	30 October 2009	106.89	30 October 2009	106.89	No issues
Ink 5	6 November 2009	215.91	6 November 2009	215.91	No issues
Ink 6	20 November 2009	117.65	2 December 2009	117.65	Which is correct date?

*Office of the Parliamentary Commissioner for Standards
14 October 2010*

25. Letter to the Commissioner from Rt Hon Lord Knight of Weymouth, 19 October 2010

Thank you for your most recent letter on this matter dated 14th October 2010.

I have studied your table carefully and tried to reconcile it with the breakdown from the supplier. These are my conclusions in relation to your list:

1. The sum paid out for purchase of the machine was £7,284.06
2. The correct amount for ink on the same day was £156.68
3. The maintenance was in 2009.
4. The ink invoice for £117.65 was dated 20/11/2009 and paid on 11/12/2009.

I have checked and re-checked and hope that this now reconciles things. The assumptions are correct that up until the end of 2009 the one invoice paid by the Labour Party would appear to be that dated 30th March 2009 for £106.15.

I hope that this is sufficient.

19 October 2010

Appendix 2: Response to the Parliamentary Commissioner for Standards' Memorandum from Rt hon Lord Knight of Weymouth, 14 November 2010

I am grateful to the Clerk to the Committee for supplying a copy of the memorandum on a confidential basis, and for giving me the opportunity to submit evidence to the committee.

I am also grateful to the Commissioner for Standards for sharing with me a copy of the factual elements of his report before submitting his memorandum. That allowed me to agree the vast majority of the content of the report. My comments are therefore on the Conclusions (p34-39).

First, with reference to para 82, I unreservedly repeat my apology for the breach of the rules in respect of the use of Communications Expenditure at the turn of the year. This was inadvertent and, as the Director of Resources comments in his letter to the Commissioner, was due to an understandable misreading of the Department's letter. I am also confident that it did not result in any political advantage.

The more substantive questions addressed by the Commissioner are whether there was a subsidy to the Labour Party.

In respect of supplies for the machine, it is clear that I should have required a more careful monitoring of the Labour Party's purchase of supplies so that as I approved claims for my use that I knew they were being matched by Labour Party expenditure. I have to take responsibility for that and apologise for the carelessness in not securing agreement from the Department for Resources and then not monitoring the agreement I had reached.

The total of supplies met from Parliamentary resources from January 2008 to the end of 2009 was £1,665. The Labour Party paid for £106 worth of supplies. The total cost of supplies used is therefore £1,771.

I maintain my view that Parliamentary use of the machine was greater than Labour Party use since I started producing Annual Reports using the printer. This is reflected in the surge of use of consumables in the autumn of 2009. Nevertheless I remain committed to ensuring that Parliament is reimbursed with whatever proportion of this total the committee sees fit. If they agree with the Commissioner that 50:50 is a fair split then the repayment would be £779 (£1771 x 50% less the £106 already paid).

Let me then address the questions as to whether a subsidy was gained by the Labour Party from the arrangements for the purchase and room rent of the machine.

I disagree with the Commissioner that this was a bad deal (para 87). The arrangement that the Director of Resources says "would probably have been regarded as acceptable" is the deal that should be judged.

The machine was purchased for £7279 for my communication with constituents. I personally paid around £1500 tax on the purchase but viewed it as a good investment because of the savings I could make in the use of commercial printers and the ability for me to communicate more regularly with constituents. I gave the example of the saving of £1,254 in using the machine for my annual report in 2009 over the 2008 cost. My estimate is an annual saving of £1500-£2000 per year, with the cost being recouped over four years.

However this saving would have been reduced if I had to incur the extra cost of renting space to house the machine. This would have been at least £800 on a square footage basis, but would in reality be more because the offices available did not include an office of exactly the right size. The annual saving would then have reduced to £700-£1200 per year, resulting in a payback period of around 8 years and my deciding not to proceed.

The deal with the Labour Party meant the machine was affordable and then reduced pressure on my communications allowance, as demonstrated by the total claimed from that allowance reducing from £10,007 in 2008/9 to £3,340.43 in 2009/10.

By incurring £800 worth of additional cost the Labour Party would have effectively paid for 50% of the cost, ignoring any depreciation, after four and a half years. Again, I remain of the view that this was reasonable and a good attempt to provide value for money to the taxpayer for the use of the Communications Allowance.

I am grateful for the Commissioner's conclusion in para 96 that "all the evidence points to it being acts of carelessness". I repeat my apology for this carelessness in respect of these arrangements and my offer to ensure that Parliament is reimbursed as appropriate.

Formal minutes

Tuesday 16 November 2010

Members present:

Mr Kevin Barron, in the Chair

Sir Paul Beresford

Matthew Hancock

Annette Brooke

Mr Oliver Heald

Mr Tom Clarke

Heather Wheeler

Mr Geoffrey Cox

Dr Alan Whitehead

Draft Report (Lord Knight of Weymouth), proposed by the Chair, brought up and read.

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

Paragraphs 1 to 25 read and agreed to.

Two Papers were appended to the Report.

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

Ordered, That the Chair make the Report to the House.

[Adjourned till Tuesday 23 November at 9.30 am