

Committee on Standards

Oral evidence: Outside employment and interests, HC 620

Tuesday 14 January 2025

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Watch the meeting

Members present: Alberto Costa (Chair); Paula Barker; Mark Ferguson; Sir Francis Habgood; Professor Michael Maguire; Mehmuda Mian; Melanie Onn; Dr Rose Marie Parr; Anna Sabine; Dr Neil Shastri-Hurst; Gareth Snell; Dr David Stirling; Carys Williams.

Questions 1-30

Witness

[I](#): Rt Hon Lucy Powell MP, Chair, Modernisation Committee.



Examination of witness

Witness: Rt Hon Lucy Powell MP.

Q1 **Chair:** Good afternoon, Leader of the House and Chair of the Modernisation Committee. Thank you very much for coming before the Committee on Standards. It is your first appearance before us. You are, as I mentioned, Chair of the Modernisation Committee, which is a new Committee. Do you want to just give a quick introduction on what the Modernisation Committee is?

Lucy Powell: Absolutely. Thank you very much for having me today—thank you, Alberto, and all members of the Committee. I know that all the lay members, and you, Alberto, have served on the Committee for a long time, and I welcome all the new members of the Committee. The Committee often does work that is not necessarily appreciated by everybody, but it is really important. I just want to thank everybody for their continued commitment to the Committee.

You will be aware that we were elected as a new Government on a manifesto of change and of restoring politics and public life to a politics of service. Part of that was about improving standards, working practices and how we governed, and we had a manifesto commitment to set up the Modernisation Committee to begin to make some of those changes. That is really where the Modernisation Committee idea came from.

You may remember a predecessor version of that in the 1997-2010 Labour Government, which was more focused on the sort of procedural aspect, because the Commons really needed to reform some of its procedures. We wanted to establish a broader Modernisation Committee for this era. Yes, we can look at procedures and how we can work more effectively, and at the role of Back Benchers and how that has changed, but after that era of the last few years blighted by sleaze, scandal and disrepute, we wanted to focus on how we could help to raise standards and begin to restore some trust in politics. That was the idea behind the Modernisation Committee.

We set it up almost immediately after the election as a Government-chaired Committee of the House, as the predecessor Committee was, which is a unique model in this context. I have been clear that I do not want the Modernisation Committee to duplicate the work of other Committees of the House—particularly this Committee, given its important and unique role, with lay members and everything else, but also the Procedure Committee, the Women and Equalities Committee and so on. We felt that we needed a Committee that could take a more strategic and holistic view about how all these different things interrelate and maybe look at things in the round.

Having been a Member for 12 years, I have seen on many occasions—I know your Committee has seen this too—very good recommendations and reports of Committees go nowhere fast. The House of Commons has



sometimes a tendency to work at glacial pace. If the Government of the day do not want to take the recommendations forward, they do not proceed to the Floor of the House or beyond, so this is about making me as Leader of the House more accountable to the House for recommendations that come from Committees like this, chivvying them along and making sure that they do get taken forward. I see it more as a task and finish group, if you like, or a strategic body that will look at the work of all the Committees of the House and how we can take those things forward, hopefully together and more quickly than has hitherto been the case.

Q2 Gareth Snell: The Modernisation Committee has had several discussions about interests and employment, and what that might look like in further tightening. I want to start this session by asking: why do the Government feel that further tightening of rules is necessary? What is the in-principle objection to MPs having outside interests? What is the problem you are actually hoping to solve by seeking to limit and reduce outside interests and—I almost said second jobs—other earnings for Members of Parliament?

Lucy Powell: Like you, I always try not to use the phrase “second jobs”. It is not my preferred phrase. We are all aware, as Members of Parliament, that the reputation of MPs is very low. It has been getting lower over time and has not improved. That has certainly not been helped by a number of very high-profile cases over the last few years of misbehaviour, scandal, sleaze and so on. This Committee and others have looked into those issues. That work has been iterative over time; I am not coming along with a brand new idea. This Committee has made recommendations and has been part of the process over the last few years to tighten the rules—for example, in the wake of a previous incident, outside lobbying was explicitly prohibited.

We were all elected on a manifesto in which we were clear about the fact that we need to turn the page on that era and, as a collective, begin to restore the reputation of MPs and politicians. Outside earnings, for example, have caused part of that reduction in trust. As I say, there has been progress made on that over recent years, but often that progress is made only because of one particular case or some incident that takes that activity forward, and we wanted to take a bigger look. I would emphasise that the Modernisation Committee has discussed some of these issues in its two or three meetings—Alberto has been present at those. That is how I would like to proceed.

I hope that as a result of our conversations today, this Committee will continue to take the lead on those issues; the Modernisation Committee will wait for you to consider them further. You will know that the Standards Commissioner, who is here today, produced for me, both as Leader and as Chair of the Modernisation Committee, a very helpful note of advice about the options available to us.

Q3 Gareth Snell: My question was slightly different. I understand the manifesto commitment on which the Government were elected, and I



HOUSE OF COMMONS

understand the high-profile cases. I am not entirely sure of the rules about who we can and cannot mention from previous cases, but obviously the most famous one was Owen Paterson. Those cases exposed problems that have subsequently changed in the initial work that has happened since the election; lobbying is now clearly prohibited.

What is the remaining problem that you think needs to be addressed? Do the Government have an in-principle, blanket objection to Members of Parliament having external activities and earnings? You talked about the reputation of Members of Parliament and politics being low. I am curious as to whether you think that is a fair representation and a fair public consideration of the work that we do. If you do not believe it to be a fair representation, how does changing the rules address that? Are we not potentially trying to solve a problem that is more of a messaging issue than an ethics and conduct issue?

Lucy Powell: Well, I think you make a really good point. If you canvas the public, they probably all want us to do the job of an MP for no pay, using up all our time and probably living in a dustbin while we are doing it. That would maybe satisfy the public appetite. I totally get your point.

Some people think that we should do an outright ban on Members of Parliament having any outside interests or additional earnings. Others think that MPs should self-govern that completely, and leave it to their constituents once every four or five years to determine whether they had given the job sufficient attention or whether there were any conflicts of interest. I do not take either of those views.

We have been exploring the rules, and, as you say, there has been a tightening of the rules around that middle ground. In the first instance, in 2022, the rules were tightened around lobbying. There were three exemptions—for giving advice on policy, giving advice on how Parliament works or undertaking media or other work. I felt that those exemptions were too broad and allowed potentially a lot of those areas of work to continue within that, which is not what the rules were intended to do. We laid before the House a motion to withdraw two of the exemptions. We have left the third, but I hope that this Committee will consider thinking about the third.

I have been very taken with the advice from the Standards Commissioner on looking at a principles-based approach and how we can be even clearer about the intention and purpose of the rules, and what kind of outside interests are or are not of interest. I share the view that many hold that having Members of Parliament who are also lawyers or doctors or who have businesses that they previously had before coming to Parliament adds to the House as a whole in terms of expertise. That is why I do not think that producing a list of permitted jobs or careers is particularly effective.

Gareth Snell: I think we will get to that later in the session.

Lucy Powell: Right. I think these things are a balance. This is not a year dot thing. That is the point I want to make. This Committee has led the



way over the last few years in refining those rules, but I do think there is a case for doing that further.

- Q4 **Melanie Onn:** I want to follow up on the question about the tightening of the rules. Do you see any potential risks with rules being tightened—perhaps an increase in people falling foul of some of the rules? As more people fall foul of rules, public perception perhaps says, “They’re all at it”, which means the rules would do the complete opposite to what is intended.

Lucy Powell: That is always the balance to be struck. I personally feel that rules are our friend in these situations, as they help to guide our activity. We have seen over time in the past that there was a scandal or an occurrence and then a clamour to tighten the rule after the fact, which catches people out retrospectively, so I think we could have a sober look at that in advance. There were still loads more stories about that this weekend. There are stories all the time about the nature and quantum of outside earnings for Members of Parliament and whether they are appropriate or not.

Looking at some of the principles, which are around conflicts of interest and whether you are specifically monetising your position as a Member of Parliament in order to gain additional income, they are good principles on which we can rest to help Members take decisions. This is not going to go away just because we do not tighten rules. We will still be scrutinised, as we are all the time—rightly I think—about whether the behaviour of a small number of individuals tars us all with the same brush when they are seen to be gaming the system and monetising their role as a Member or are engaged with something that any ordinary member of the public might perceive as being a conflict of interest.

- Q5 **Melanie Onn:** So you see this as getting ahead of the game and setting a framework to last far into the future?

Lucy Powell: I do, and it is building on the very good work that has happened over the last few years in addressing some of the issues and in response to previous incidents.

- Q6 **Paula Barker:** You sent an initial memorandum to the Modernisation Committee and basically asked for it to consider what advantages or benefits, if any, paid engagements such as media appearances, journalism and speeches brought to the public. Have you identified any advantages so far?

Lucy Powell: As I say, we have had some very top-level initial discussions. I am really hoping that the detail of that will be considered by this Committee, and so we would not consider that further. The focus on media appearances, speeches and so on is partly because they remain as one of the exemptions for paid roles. We were stress-testing the appropriateness of that.

In parallel to that is an issue that is of potential reputational concern for the House as a whole: where paid, ongoing employment contracts with



HOUSE OF COMMONS

media organisations, and other organisations, could give rise to a perceived conflict of interest or a perception that a Member of Parliament is monetising their position. That is a more specific area within that. This is about the principles applying to that space.

What I am really not talking about, of course, is how important it is for us as Members of Parliament and politicians to be able to communicate with the public and our constituents via the media. There are obviously considerations there around free speech as well, which of course we should be very alive to.

However, it is the more specific cases in which people have paid contracts of employment, whether they be with media organisations or others—we are responsible as a House for media policy—that could give rise to conflicts of interest or the sense that additional income has been given because you are a Member of Parliament and that you are therefore monetising your position as an MP. It is that area specifically.

Q7 Gareth Snell: You said that conflicts of interest could be perceived to arise if a Member has a media show or a contract of employment for media because Parliament is responsible for media policy. We are also responsible for regulating health policy; we are responsible for the law and for business regulation, so why did you draw the distinction that lawyers, doctors and businesspeople enrich the House but people that may make media appearances should be subject to a different standard?

Lucy Powell: Under the rules around paid advocacy—

Q8 Gareth Snell: This is not about advocacy. You were talking about paid employment.

Lucy Powell: Well, in paid employment where you were giving policy advice, so if you had a contract of employment with a health company where you were giving policy advice, that would no longer be—

Q9 Gareth Snell: No, you didn't say that; you mentioned doctors.

Lucy Powell: No, you are confusing two things I said. You would no longer be able to give health policy advice. If you had a paid contract of employment, you would no longer be able to give advice about the passing of legislation or how Parliament works; that would no longer be permitted, but it was until recently. It is now no longer permitted, but media appearances, book-writing, speeches and so on are still permitted as an exemption from that same rule. That loophole, if you like, remains where it does not remain for the other examples. Your work as a doctor or lawyer is not connected to that paid employment in relation to that rule. That is why it is specifically mentioned on its own. I would like this Committee to drill down on that. If there was a big point of public policy—often, there is—in relation to a competitor media organisation or indeed a media organisation with which a Member of this House had a paid role, would that give a perception of a conflict of interest and prevent them from being able to carry out their job fairly?

Q10 Paula Barker: For clarity, and so the public is aware of the thought



HOUSE OF COMMONS

processes around this, I completely concur that public perception of parliamentarians is not the most positive among the professions.

You spoke about things that could potentially bring the House into disrepute. We spoke about conflicts of interest, and you outlined certain professions where people need to do so many hours to maintain professional registration, such as doctors, nurses. You also spoke about lawyers.

I understand that people may be members of those professions before they come into the House, and sometimes being a parliamentarian can be short-lived, sadly. So that is something to consider as well.

There has been a case in the media recently related to the health service, which I will not go into. Would it be possible that a doctor or a nurse being involved in such a case could potentially generate a conflict of interest or bring the House into disrepute?

Lucy Powell: Obviously you would have to declare when contributing to any debate, or anything else, that you were also a doctor or a nurse or had a family business or whatever.

We are not going to say that we can completely rule out any sort of problems by just doing a complete blanket ban. I really do not think that is in everybody's interests or would be effective in this context for all the reasons that you and others say.

So how do we best go forward? I think it is by tightening the rules in such a way that there would not be a perception that there are still means by which people can get around them, and we still have a myriad of stories where we have some of these issues. I have thought at great length about whether producing a list of professions, putting a cap on monetary value, or considering a cap on hours or something like that is a solution.

The extensive conversations that I have had privately and that the Modernisation Committee has had with the Parliamentary Commissioner for Standards led me to the conclusion that those solutions all have much bigger pitfalls and problems—in terms of policing and oversight, and setting exhaustive amounts or appropriate or reasonable things—than going down a principles-based approach.

Would that mean that someone who was a lawyer as well as being a Member of Parliament could earn a lot of money and spend a lot of time providing legal advice? Well, yes, they could. Under these principles, could somebody who already had a media contract before they were elected then continue that afterwards? Well, probably they could, because they would argue that they have not monetised being an MP, unless you take the view that the conflict of interest is a greater concern in that situation. There are still going to be such situations. I think we need to explore going further because the exemption as it currently exists, and the rules as they currently exist, allow too many incidents where there is a public perception of a conflict of interest and that people are getting extra earnings because they are a Member of Parliament. That, in itself, tars us all with the same brush.



Q11 Melanie Onn: If your principal concern is around the media, is this not something that is better solved by beefing up Ofcom's rules and having exemptions that way?

Lucy Powell: My principal concern is not actually the media. I think is that is just one area. It is partly because we had three exemptions to the previous rules, and two of those exemptions we have now taken out. Whether that is appropriate does need exploring. The perception of the media, in writing up my views, is that I am interested in the media, but I would say that is the media's obsession with itself.

There are other issues there that are for other regulators, as you say, about the appropriateness or otherwise of Members—or senior politicians more than Members of Parliament—being touted as news broadcasters. Senior politicians, by their very nature, have partisan views, which is what makes us politicians and not civil servants, but that is an issue for Ofcom. That is not my interest. My interest here is the reputational risk to the House of people having potential conflicts of interest or being seen to be gaming the system for their own personal gain, and therefore tarring the reputation of us all.

Q12 Dr Stirling: Your comments on monetising your position are quite helpful. I would perhaps counter your description of the public perception of MPs as wanting you to live in poverty in a dustbin. As a lay member of this Committee, I do not believe that is my view. I would personally welcome that we were able to pay for the heating in this room, for instance. That would be great.

Lucy Powell: So would I—it's cold.

Q13 Dr Stirling: You have addressed two issues in your comments. One is around earnings and how they might be seen either as that monetisation or as providing an undue influence on MPs. To some extent, we can address that with the register of interests, declarations and our prohibition of lobbying. The other one around attention or time commitments is a bigger issue.

Lucy Powell: It is.

Dr Stirling: That is where I would suggest there is considerable public interest in how much time is being taken up by these external interests and whether that can be justified. What are your thoughts on that?

Lucy Powell: There were three principles that the Commissioner suggested as a starting point. One was around that conflict of attention, which I think was actually my phrase initially that he has taken and put into that. The second was around a conflict of interest, which we have mentioned. The third is about whether someone can reasonably perceive that you were given that paid employment or earnings because you were a Member of Parliament.

I recognise that the first of those, on the conflict of attention, is probably the most pertinent for the public and the most inherently difficult and complicated for us to design or police. You could argue that policing it



would lead you to a position where there was no amount of anything else you could do that would possibly live up to that principle. I think you are absolutely right to alight on the one that is probably the most challenging, but perhaps the one that people would have the highest expectation of.

- Q14 **Dr Stirling:** It is often not necessarily around employment. Fairly recent cases come to mind of people absenting themselves both from the House and constituency work for prolonged periods of time. We also have situations in Scotland—you presumably picked up on my accent—where people are a Member of both this House and Holyrood. What are your views on that wider piece of effectively multiple full-time employments?

Lucy Powell: They are difficult, and obviously the move is a move away from that. I think somebody not too far from where you are talking about was planning on holding both positions, but the public outcry was such that they then decided not to do that. Look, I am a Minister as well as a Member of Parliament, and you could argue that my constituents are less well served by me being a Minister as well, because I am not spending all my time on raising constituency matters.

These are complex areas, because we are not employees and we do not have a job description, so how we determine the most effective way of representing our constituents or doing our job is something that we all have to work out for ourselves to some degrees. We all put greater or lesser emphasis on some aspects of that. Some colleagues take their role as national parliamentarians or as scrutineers of Government policy incredibly seriously, while others will take constituency casework as their main function.

There obviously are challenges: a number of colleagues are still councillors because they were elected quickly or unexpectedly, so are waiting for the next set of elections to happen. We have to have some slack in the system around that, rather than necessarily encouraging or allowing it. Some people are not MPs for very long either.

- Q15 **Professor Maguire:** I am Michael Maguire, a lay member of the Committee. I want to pick up on a couple of issues you raised in your opening statement around duplication and reports going nowhere. The first related to the Modernisation Committee looking at ICGS. That is also something that this Committee is looking at, and we are asking Thea Walton to give evidence to us. How do we avoid a degree of overlap and duplication in relation to that?

Lucy Powell: I think by keeping in close conversation. The Modernisation Committee is looking at a specific recommendation that came out of the Kernaghan review into the ICGS, which was published just before the election. Many of those recommendations are either for this Committee, for the House Commission or for others to consider. There was one recommendation about the relationship between the ICGS and the party disciplinary systems, because victims have sometimes found that confusing and there has not necessarily been the sharing of information.



HOUSE OF COMMONS

The recommendation was that there would be a memorandum of understanding between the party Whips and the ICGS. That is a very difficult recommendation to consider how it might be taken forward, and there are very strong views on that. With the Modernisation Committee we have a small working group, because we have the benefit of having representatives of the three main parties' Whips. So they are taking that forward with Thea, and Thea was grateful that there was a place to now take that forward. Tell me if I am wrong, but I do not think that would overlap too much with some of the areas that you want to look at.

As Leader of the House, as well as the Chair of the Modernisation Committee, I would strongly welcome a look at any recommendations you might have about the ICGS, which I think has been an important development over recent years in making this place safer for people to work and in rooting out bad behaviour, bullying, harassment and sexual harassment. That still exists in the parliamentary community, I am afraid, but I think it is now a smaller issue than it once was. I am a strong believer in the ICGS and the work that it does. I am happy to work with you on how that can be strengthened.

Professor Maguire: That is very helpful. I can see opportunities where we are both looking at different things in that regard, so that is a helpful response. The second issue relates to the landscape review that we did with the previous Government. You say in your response—

Chair: Could I interrupt? Forgive me Michael, but I suggest that we keep that for the private session. I am mindful of time, so I will move on to Rose Marie.

Q16 **Dr Parr:** I am Rose Marie Parr, a lay member of the Committee as well. In many ways you have already touched on why you think the current rules and contract—and what we have done and how it has recently been tightened—do not go far enough. We have spoken about MPs who are perhaps doctors or nurses and may want to keep their jobs for revalidation purposes. Do you think a further tightening of the rules may lead to a decrease in the diversity of the House? Do you think that could be a negative consequence—that we do not get the diversity that we already have among our MPs?

Lucy Powell: Absolutely, that is part of where the balance needs to be struck. We do not want a House of Commons of—I say this, although I am often categorised as one myself—career politicians, or people who have always been on that sort of route.

We live in a more febrile political context. We have seen a huge change in this election, with over 350 new MPs—the biggest number ever. I think we will see that level of churn, or maybe not quite at that level, over time. It gives us people who did not expect to be Members of Parliament—people who were standing and then suddenly found themselves a Member.

That context also gives us shorter Parliamentary careers. As I said earlier today to the Modernisation Committee, I was one of the last people to



HOUSE OF COMMONS

speak in the last Parliament when responding to the valedictory speeches. I remember thinking to myself that the era of these great parliamentarians with 30, 40 or 50-year careers is behind us, not in front of us. We need to see this issue in the context of people having a shorter career as a Member of Parliament. The world of work is also changing in that way—it is one career of many that people might have.

We do not want to throw the baby out with the bathwater. I have been quite taken with those principles, because I think they help us in that regard, notwithstanding what David raised with me about whether that first principle rules out too many things. I would be grateful for your advice on that.

Q17 Mark Ferguson: You have indicated support for a “qualified prohibition on paid outside interests, following a principles-based approach”. Can we dig into that a bit more, because you have talked about some of what might be outside the scope of that, but can we talk about what might be within the scope?

Lucy Powell: The whole point of it is not to get into the specifics, because in a sense, that is what a principles-based approach gives you. The Commissioner has outlined some very helpful starting points for principles, but I would very much welcome this Committee considering whether those principles are the right ones, how they might translate into being enforced, and whether they would have the desired intention, or indeed the wrong intention, when it comes to specific examples.

I do not want to sit here now and be judge and jury in this particular case or that particular circumstance. As I say, I think that a principles-based approach that sits on top of the rules that already exist would help to clarify that further and help to begin this journey of restoring some trust and faith in MPs and politicians.

Q18 Mark Ferguson: To follow up on that and come back to what you said earlier, you have been clear that you believe that an absolute prohibition on outside employment is not the preferred approach. You have said that those who require professional registration, for example, would be excluded. It seems to me, as a Member of Parliament, that even to call it a full-time job is a pretty stretching definition of what a full-time job is. Why would we not just prohibit all outside employment, except for people who require professional registration?

On professional registration, one of the issues that is been discussed is conflict of interest. Members of Parliament are legislators who write and vote on laws as their job. How can you be a lawyer determining what law means if you are also writing laws? How is that not a conflict of interest?

Lucy Powell: To your first point, it is not a full-time job; it is a way of life. We are office holders. This is a commitment to our constituents, to our country, that there are no boundaries to. We all know that. I am never not a Member of Parliament; I am never not at work, really. I arrived here pregnant and I always remember when, two days after my son was born, I needed to deal with something that only I could deal with as the Member



HOUSE OF COMMONS

of Parliament. There I was with a two-day-old baby in my arms dealing with that in the office. We all know that is the nature of this: we are not employees or workers; we are office holders.

When you drill down into what “exemptions” means—and I think that is where we all are; we recognise that there are some exemptions—do you go down the route of writing up that list? Is that the fair way of doing that? What does that mean in relation to, let’s say, someone who has a business when they arrive here? Do they have to completely divest themselves of that business within a matter of weeks? It is not just about professional qualifications.

There are other examples that I think we could all accept are reasonable for someone to retain through their time as an MP, but when you try to draw up that list, it is impossible to make it exhaustive and appropriate. You will always find things that, with hindsight, you could reasonably suggest should have been on that list in the first place.

That is why I have arrived at the idea of a principles-based approach because I think that does the job without getting you to a difficult place of, “Is this okay?” For example, if somebody is a councillor but they are going to be a councillor for only six months, is that okay? Or what about a person who has a business that they are getting somebody else to run but are going to retain an interest in because they have been elected with a majority of 100 and are not expecting to be here in four years’ time?

That is why I have arrived at this option, because if you look at other options like a cap on earnings, a cap on hours or a list, they all have inherent problems and a lot of unintended consequences. Sorry, what was your second point?

Q19 Mark Ferguson: It was about conflict of interest. For example, I think everyone would agree that lawyers have contributed and continue to contribute a great deal to the work of this place. But if we are talking about trying to avoid perceived conflicts of interests, if you are writing laws and are interpreting laws and using your knowledge of those laws gained perhaps in this place to interpret them, is that not a conflict of interest?

Lucy Powell: Well, this goes back to the question of whether we think the House as a whole benefits from having a range of expertise in it, and people with a range of previous experience—and in some cases, current experience—of the things that we are looking at. I personally think that the House does benefit from that and we do not want to get to a situation where people in other professions or industries are put off from coming here because of some of these restrictions perhaps feeling overbearing or not being for them in the long term. The House then loses that level of expertise.

We all bring expertise from our previous careers and from our current constituencies. I have developed expertise in all sorts of things that are very pertinent to Manchester Central, for example. I am also married to a

doctor, so I am effectively lobbied most days about the state of A&E. We should all bring our collective knowledge and experience.

What we absolutely do not think is appropriate, and what brings with it a reputational risk, is where people are getting additional money for bringing that so-called expertise or those interests to this House. That is something that obviously we have sought to eliminate.

Chair: I am very mindful of time—

Lucy Powell: I am sorry; I will be shorter.

Chair: Not at all. We are going to have Gareth and then Neil followed by Anna.

Q20 **Gareth Snell:** It follows on from Mark's question. In the last code of conduct review, the Committee concluded against introducing restrictions around MPs' second jobs—they used that term, although I do not like it—that would potentially require the Commissioner to make subjective judgments about how MPs should spend their time. Do you have any concerns that a principles-based approach would put the Commissioner into that situation? If you do not, who would you see as being the arbiter of whether a principle had been broken?

In the Labour party manifesto, which you referred to earlier, it says Labour "will establish a...Modernisation Committee...to take forward urgent work on the restrictions that need to be put in place to prevent MPs from"—this is the important bit—"taking up roles that stop them serving their constituents and the country." I would be interested to understand what specific actions you think Members of Parliament need to do to satisfy the clause of "serving their constituents and the country" in relation to activities in this House.

Lucy Powell: To your first point, I think that is a really important question and one that this Committee has considered on a number of occasions—and will, I am sure, continue to do so. The role of the Commissioner and his—but it may at some point in the future be "her"—relationship with this Committee is obviously a matter for this Committee and the House more broadly.

I think that the approach that was previously arrived at is the right one, where the Commissioner investigates alleged breaches of the code, whether that is the code as it currently exists or one that takes into account further principles. In essence, the code has some degree of subjectivity to it, and that is the role of the Commissioner—in relation to bringing that to this Committee—and it is then for this Committee to consider that further and properly.

That is where the "safe harbour" provisions come in, which are really important as well. Any Member can go to the Registrar and seek advice about that, and, where they are acting on that advice, that gives them safe harbour regarding some of those provisions, and that can be considered going forward. I see that very much continuing—with what this



HOUSE OF COMMONS

Committee re-established, if you like, in that previous consideration—in that vein.

To your broader point, those are the sorts of perceptions that people have about the behaviour of MPs and all that kind of thing. As I say, we could go down a route where there were no exemptions at all, and there was just a complete blanket ban on anything like this, but would that enable us to do our job most effectively? Is that the fair and proportionate outcome? I do not think it is. That is why a principles-based approach is the one—

Q21 Gareth Snell: I understand that. The question that I was trying to get at—apologies, Chair, that I wasn't clear in explaining it—is, even with a principles-based system, somebody has to be the arbiter of whether a principle has been breached. If part of the principle is about restoring faith and trust in politics—that is, politicians are not working hard enough; politicians are on the take; politicians are attempting to subvert the system for personal financial gain—then somebody, which may or may not be the Commissioner, has to look at cases.

You said earlier that there are pre-existing examples where lawyers in this place can earn lots of money and spend lots of hours on that work, and that that would not be covered by this principles-based system now. I am trying to get to the bottom of what you foresee as being sufficiently detrimental to the work of a Member of Parliament that it restricts what they do to the point that it would breach a principle and could therefore be damaging to politics. Is it about how many times I am voting or how many times I am speaking? Is it about the volume of casework that I do?

If it is that, who becomes the arbiter of, “This much speaking and this much participation in Divisions means you are serving your constituents, and less than that means you are not, and we would attribute that to being because you have this external activity that is distracting you from the responsibilities that you have in this House”? Where does that all come together? While I understand the principles-based approach, the practicality is that, to enforce it, you have to have some sort of yardstick against which you are judging people's actions to determine whether they are in compliance or not.

Lucy Powell: Look, we are not talking about a principle that is like the one you just described; we are talking about specific principles, as advised by the Commissioner himself, who therefore felt that they would be policeable and enforceable—because, absolutely, they have to be.

Do all members of the Committee have a copy of that note? Yes. I do not know whether you will choose to publish it; perhaps we can discuss that later. I am reading from the note: they have to be logical principles; they have to derive from, relate to, the Nolan principles; they have to be articulated in a clear and simple form that can be easily understood and appreciated by everybody; and they should be capable of being implemented robustly and effectively. I think that is a really good guide.

Based on that is the Commissioner's suggestion of three principles for us to consider as to whether they would give the outcome that we desire. The



HOUSE OF COMMONS

first would be a principle about Members paying full attention to their parliamentary responsibilities. I agree with you: I think that is the most contestable and difficult of the three principles. I hope this Committee will really consider that.

Q22 **Gareth Snell:** I am interested in how you would define that, though, because we will have our own discussions—

Lucy Powell: I think that is probably the hardest of the three to say that we would do—because of those reasons—but the second and third principles are really clear, understandable and what I would hope you would focus on as a Committee. The second of them is about potential conflict of interest, which is a well-understood principle for standards. The third is about whether a reasonable observer would believe that the offers of paid employment or outside interests of Members are primarily because of their membership of this House, so effectively—to the point I was making earlier—about monetising their role as a Member of Parliament.

Yes, of course, there are some bits of subjectivity. I am sure that in every case that you consider as a Standards Committee there is some degree of subjectivity. That is why we have the checks and balances that we have in these things, which are the determination and consideration by the Commissioner and the further determination and consideration by this Committee and, in some cases, in other forums. We have the Independent Expert Panel and so on to do that.

I agree about the first of the possible principles, but they were just examples. I am sure that you have discussed that and will discuss it with the Commissioner. They were examples of the types of principles we could consider. I agree that the first of them is probably the most difficult but, as David said, probably the one that the public would deem the most important. If you are up for it and want to look at these things, I will be incredibly grateful for your advice and recommendations.

Q23 **Chair:** May I make a suggestion? I think Gareth has hit the nail on the head with many of these points. I noticed the Commissioner nodding and I have read his very helpful advice note. Actually, it will all be determined on the other evidence that we obtain. It will be for this Committee to then maybe ask supplementary questions of you to understand what conflict of attention actually means and things like that. Gareth has asked very pertinent questions, which will go to the heart of whatever we determine as a Committee and then make recommendations on.

Lucy Powell: Exactly. I think the conflict of attention potentially does lead to the prohibition of everything and—

Q24 **Chair:** We understand the generalities, but if you would be willing, we will probably come back to you with specific questions as we gain further stakeholder evidence, if that is okay.

Lucy Powell: Of course.

Chair: I am mindful of time. I know that Neil, Anna and Francis have some questions to ask. We are running slightly over, but we are very



grateful for your time.

- Q25 **Dr Shastri-Hurst:** You have been very clear in your preference for a principles-based system, and you set out in your last answer the proposed principles that were provided by the Commissioner. What assessment, if any, has been made as to the breadth and range of paid outside interests that would be captured by a principles-based system?

Lucy Powell: This is in addition to the rules, by the way—not to replace the current code, but to overlay it with further advice. To be clear, I am not talking about throwing away all the current rules and replacing them with principles. As I say, you have to be careful not to design the rules around particular cases or around trying to catch particular behaviour. They have to stand the test of time and be reasonable in that sense.

Because the expectation was that the Labour party—the Opposition at the time—was likely to win the last election, and we had policies around tightening these rules, we have seen MPs changing their behaviour over that time. In fact, I think some MPs stood down from Parliament because of that, and then what we have done has perhaps not been as widespread as some feared.

We took away the exemptions in July, and I wanted to make sure that MPs had time to readjust their affairs. They became operational at the end of October, which gave everybody three months to adjust. I do not look at this in detail, but I have noticed that some MPs have reduced some of their outside earnings over that time.

- Q26 **Gareth Snell:** Do you have any evidence that that relates to the changes that were made, not just economic circumstances or personal lifestyle changes? Is there anything that can link that reduction in activity to the rule changes?

Lucy Powell: I think probably there were a couple.

- Q27 **Gareth Snell:** Do you have any evidence? That is what I am asking.

Lucy Powell: I do not want to talk about specific cases.

Chair: We can come back to this, because, Gareth, I think you would be very helpful in drafting some questions to drill down on that. Has your question more or less been answered, Neil?

- Q28 **Dr Shastri-Hurst:** Yes; I just have one follow-up. These principles are, of course, based on paid outside interests, but there can be unpaid outside interests that could also detract from work in this place. What consideration has been made of those?

Lucy Powell: You make a good point. Obviously, there is work that people might do as volunteers or for charity or other things, but I have focused what I am proposing on the conflict of interest and on monetising your role as an MP as the things that I think are most problematic. Things that we do in a voluntary capacity can add to people's expertise and are not seen as personal gain in the same way as where there is a conflict of



HOUSE OF COMMONS

interest or where you are taking monetary payment for what you are doing.

Chair: I will call Anna, but again, these are questions about the principles-based approach, so we have covered some of them. If we could have short answers, that would be good.

Q29 **Anna Sabine:** The Commissioner's suggested principles include an expectation that Members do not accept offers of paid outside interests that might "detract or appear to detract" from their ability to pay full attention to their parliamentary responsibilities. I am wondering what kind of external role would not detract from that. I am particularly interested in the role of doctors. Doctors are always used as an example of a good thing to have in Parliament, and them going out to work is helpful, but actually, being a doctor might significantly detract from your role as an MP.

Lucy Powell: As I said, that is why that one is challenging. As Gareth was saying, does me having three children detract from me being an effective MP? I would argue obviously not, but we all have things in our life—caring responsibilities or other challenges—that we have to juggle. This is not quite related to your point, but we are not paid employees who are doing 39 or 40 hours a week, clocking on and clocking off, and then going to sing in a choir or work in a bar in the evening to supplement our income.

We are office holders. We are Members of Parliament, and I think most of us would agree that we are never not Members of Parliament. The distinction between one aspect of our lives, another aspect of our lives and being an MP is incredibly blurred. There is no point at which we are not juggling all those things at once. So we need to think about that in the round.

Chair: Thank you. Francis, again, I think your question has been covered.

Sir Francis Habgood: Can I ask a point of clarification, actually?

Chair: Yes, of course.

Q30 **Sir Francis Habgood:** Earlier on, you mentioned that there might be occasions when an individual had been in some sort of paid interest beforehand and did not fall foul of the rules because they were already doing that job—maybe in the media or as a lawyer. But later you talked about somebody who has a business and maybe has to divest themselves of that business over a period, and said that that would be reasonable within the principles.

When somebody becomes an MP, do you think that the time starts afresh, and that they should review all their paid interests as to whether they fit with the principles? Is the fact that they have done it before largely irrelevant, because it is more about them reassessing whether the paid interest fits with the principles than about the fact they happen to have done it before? There is both a reality and a perception of this.

Lucy Powell: Of course. There are obviously already clear rules about the nature of paid work, declaring it and being fully transparent about it.



HOUSE OF COMMONS

Overlaying that, there are some further principles, of which these three are examples. I was giving an example under the third principle: whether a reasonable observer might think that you were given the paid employment because you were a Member of Parliament. You could therefore argue that somebody who was doing something beforehand could continue doing it.

Now, is that the judgment that somebody should make at that time? At the heart of the whole standards landscape is a certain degree of self-governance and self-judgment about that, even in this context. Whether to continue doing it because they think they can get away with it, or whether to judge that they now have another job to do, is obviously a matter for them. We need to explore how we can ensure that that has sufficient guardrails around it—around the key principles that we think people should be subjecting those decisions to, such as conflict of interest, monetising their position and, potentially, the conflict of attention, which I accept is a much more challenging one to consider and might be for a future date.

I know that people make those decisions all the time, whether they are a councillor or another officer holder, or have a business. Sometimes people make the decision to stop doing something in a few months' time, because it is more complicated to stop being a councillor immediately, or there are other reasons. For example, if they have a business, they might be unable to quickly get someone else to come in and run it for them—they were not expecting to be a Member of Parliament, but over time they realise they cannot do it. You would not want people to fall foul of the rules for those sorts of reasons. That is why that is a good principle to consider, because it gives that flexibility, but of course there is quite a large element of self-judgment about that.

Chair: Okay. That concludes the public session.