



House of Commons
Committee on Standards

**All-Party Parliamentary
Groups: final proposals:
Government Response
to the Committee's
Eighth Report**

**Second Special Report of Session
2022–23**

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Committee on Standards

The Committee on Standards is appointed by the House of Commons to oversee the work of the Parliamentary Commissioner for Standards, except in relation to the conduct of individual cases under the Independent Complaints and Grievance Scheme; to examine the arrangements proposed by the Commissioner for the compilation, maintenance and accessibility of the Register of Members' Financial 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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Committee staff

The current staff of the Committee are Dr Robin James (Head of staff team), Su Panchanathan (Committee Operations Officer), Stuart Ramsay (Acting Clerk), Silas Scott (Senior Media Relations Officer), and Wafia Zia (Second Clerk).

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Second Special Report

The Committee on Standards published its Eighth Report of Session 2022–23, [All-Party Parliamentary Groups: final proposals](#) (HC 228) on 5 April 2023. The Government response was received on 29 June 2023 and is appended to this report.

Appendix: Government Response

Letter from the Rt Hon Penny Mordaunt MP, Lord President of the Council and Leader of the House of Commons

Thank you to your Committee for your work on this important issue. I am happy to enclose the Government's response to your report with final proposals on All-Party Parliamentary Groups (APPGs).

The Government welcomes that the Committee has put forward proposals for a proportionate scheme of regulation which recognises the positive contributions that APPGs can make and the need for robust rules to restrict direct foreign influence and secure access to the parliamentary estate.

The Government accepts the majority of the recommendations although we also think that the rules on foreign funded secretariats could go further and ban not only foreign governments but all foreign organisations from providing APPG funding and secretariat support. A more robust set of rules would also prevent indirect foreign influence and funding. This would be done by restricting APPG funding to 'permissible donors'. The provisions on permissible donations are well-established in electoral law and the House of Commons Code of Conduct, and will be understood by all MPs as regulated donees. This would ensure greater regulatory alignment. Moreover, this would also be in keeping with the Government's broader commitment to addressing foreign influence through measures such as the Foreign Influence Registration Scheme and other measures in the National Security Bill.

These changes are designed to increase transparency and scrutiny of the role of foreign funding and influence in relation to APPGs but would not preclude Members from engaging with international organisations or taking an interest in international matters. In the longer term, further steps should be taken to improve support for Members wishing to engage with international issues.

We therefore invite the Standards Committee to revisit the relevant recommendation in light of the Government's observations set out below and in our September 2022 response to the Committee's consultation. Concurrently, the Government is committed to putting the suggested range of recommendations to the House, as and when parliamentary time allows.

Through improved governance arrangements, increased transparency and a clear focus on securing the Estate by limiting opportunities for improper influence, these measures will enable APPGs to continue as valuable informal forums. The Government shares the Committee's commitment to safeguarding Parliament and its reputation and I look forward to engaging further with you on these proposals.

Government Response

The Government is grateful to the Standards Committee for its report All-Party Parliamentary Groups: final proposals. The response to your conclusions and recommendations is set out below.

Our initial report also identified risks related to APPGs. We concluded that:

There has been a dramatic increase in the number of APPGs in recent years. This has made it more difficult to monitor groups' adherence to the House's rules, and created the conditions for inappropriate influence and access. There appears to be the real possibility of APPGs having been set up at the suggestion of, and as a result of lobbying by, a commercial interest. We are concerned that if left unchecked, APPGs could represent the next great parliamentary scandal, with commercial entities effectively buying access to and influence of parliamentarians and decision-makers.

And that:

The expert evidence we have received to our inquiry shows that the risk of improper access and influence by hostile foreign actors through APPGs is real, though difficult to measure. There is also evidence that this risk has already materialised. (Paragraph 8)

We stand by these conclusions from our initial report: APPGs are a valuable part of how Parliament does its work; but there remains a significant risk of improper access and influence by commercial entities or by hostile foreign actors, through APPGs. (Paragraph 9)

The risks we identified in our initial report primarily arise where APPGs receive external benefits in cash or in kind. We have concluded that there is little risk attached to APPGs who do not accept external financial benefits (or benefits in kind), and we agree that to impose significant additional requirements on such Groups would be disproportionate. (Paragraph 12)

We therefore propose a two-tier approach: APPGs which do not receive external financial benefits would continue to have relatively light-touch requirements; but APPGs which receive external financial benefits or benefits in kind over a set threshold would have additional requirements to enhance transparency and ensure that such Groups, and their finances, are subject to appropriate governance and oversight. (Paragraph 13)

The Government agrees that whilst APPGs play a valuable role, there is a need for stronger rules which will address in particular the security risk presented by improper access and influence by hostile foreign powers. The Government also supports the introduction of greater transparency requirements and efforts to mitigate the potential reputational damage caused by unchecked commercial lobbying.

The Government agrees with the proposed two-tier approach to regulation which distinguishes between APPGs which do and do not receive external financial benefits and a targeted and proportionate approach to enhanced governance and oversight.

This is in line with the Government's previous response to the Committee's report in 2022 where we exercised caution and wanted to avoid a disproportionate regulatory regime being implemented. There needs to be a balance between the need for increased transparency and the ability for a diverse range of APPGs to exist.

Furthermore, we also agree with the specific proposed changes (paragraphs 15 – 16) which will apply to APPGs that receive registrable financial benefits. In addition to this, the Government thinks that the proposed £1,500 threshold for financial benefits in a calendar year is appropriate as it is sufficiently low to require the majority of APPGs to adhere to additional reporting requirements. The new rules for AGMs, as proposed by Mr Speaker and the Lord Speaker, rightly seek to incentivise all APPGs officers to ensure compliance with the rules and contribute to good governance of their group.

A number of those who submitted written evidence following our initial consultation said that external secretariats can play an important function in assisting with the running of an APPG, and provide invaluable support to APPG Chairs and officers. We acknowledge that, in light of this, there is little support across both Houses for barring or significantly restricting external secretariats, and we do not propose to do so. However, by the same token, we consider it would be inappropriate for a foreign government to provide—or fund—these roles. We note that the Government's response to our initial report welcomed proposed restrictions for foreign government secretariats. We therefore propose:

- a) **That Groups would not be permitted to have a secretariat either provided or funded by a foreign government.**
- b) **A Group's officers must undertake due diligence as to whether a foreign government is the eventual funder of a secretariat or other benefit. If a Group receives a benefit (other than a secretariat) from a foreign government, this is permissible but must be registered. (Paragraph 17)**

The Government agrees that there is no place for foreign funded activity and direct influence in our parliamentary democracy, including in the running of APPGs. We therefore support that the Committee has put forward a targeted recommendation so that rather than banning all external secretariats outright, the rules are strengthened to restrict points of access for foreign governments.

However, we also think that consideration should be given to the rules going further in order that the ban on foreign provision of secretariat support or funding is extended to all foreign organisations. As we set out in our response to the Committee's consultation, it would be appropriate to bring the rules on APPG funding in line with those which apply to party political donations. Under the Political Parties, Elections and Referendums Act 2000, party political donations can only be made by those who are on the UK electoral register in the case of individuals, or carrying on business in the UK in the case of companies. Applying the "permissible donor" criteria to the provision of APPG would prevent foreign government funding being provided indirectly via a non-Government foreign organisation. The "permissible donor" criteria already forms part of the rules contained in the MPs Code of Conduct and this change would ensure that the parliamentary rules on funding are consistent.

Whilst it is right that Members should conduct any appropriate checks on any offered benefits or support to establish its ultimate source, the proposed rules on foreign governments¹ do leave open a potential vulnerability. Without being able to source information about non-UK based organisations, the Government has concerns that foreign Governments could seek to exploit a loophole by providing funds through another organisation without revealing that relationship. Whilst the proposed rules on ‘registering financial benefits’ do require third party funding sources to be declared, it is not guaranteed that “impermissible donors” would adhere to this. Were the rules adhered to, this would prevent foreign government funds being provided but if this relationship were concealed, the transparency intended would not be achieved. An explicit ban therefore on foreign organisations providing secretariat or funding could serve to more effectively prevent undue influence activity.

This is a complex matter which the Government thinks would benefit from further assessment by the Committee with a view to the House potentially considering further measures in this regard.

To assist Members in discharging their responsibility to undertake due diligence, if the House agrees to our proposals in this area, we recommend that a simple, straightforward, and readily understandable due diligence “toolkit” is developed by the Director of Security for Parliament and the Office of the Parliamentary Commissioner for Standards. (Paragraph 18)

The Government agrees, Members should be properly advised and informed on how to conduct appropriate checks so that they are able to identify potential security risks and ensure that they conduct their public roles in accordance with the Principles on Public Life. A “toolkit” developed by the Director of Security and the Commissioner for Standards would be a useful resource to enable Members to conduct their own assessment of the support or benefits being offered. As the Committee noted in its interim report, there can be no substitute for Members assessing the source of a benefit and whether they should accept it.

Although, in expecting Members to perform this work, it is also vital that the rules are tightened so that indirect foreign influence or funding is prohibited as such influence activity by hostile state actors could be hard to detect. We therefore support this initiative, noting the interdependency with any further consideration by the Committee of our comments on the rules related to foreign government funding.

Passes

We are aware that some APPGs may effectively grant a pass to their external secretariat via one of their officers. This is inappropriate. We note that the issuing of parliamentary passes is a matter for the Administration Committee. We therefore recommend to the Administration Committee that it should be made explicit that nobody registered as an external secretariat to a Group should be granted a parliamentary pass. We also recommend that this should be more strictly enforced, with a review of existing passes issued. (Paragraph 19)

1 i) A Group must not accept the provision of a secretariat by a foreign government, nor may they accept the services of a secretariat funded by a foreign government. ii) A Group’s officers must undertake due diligence as to whether a foreign government is the eventual funder of a secretariat or other benefit.

The Government agrees with the principle that access to the parliamentary estate ought to be properly regulated and APPGs should not be a vehicle for external groups to obtain unlimited access. We would welcome the Administration Committee conducting a review of the rules on parliamentary passes (and their enforcement) to assess their compatibility with the proposed new rules for APPGs. Here, the Government would support an assessment of the rules from a safeguarding perspective to better ensure the security of the Estate.

Conclusion

Proposed new rules for APPGs, to implement our proposed framework, are annexed to this Report. When the House is asked to agree to these proposals, we will publish a draft new Guide to the Rules for APPGs which will provide detailed guidance. The new Guide would also aim to consolidate existing advice into a single document, minimise duplication, and enhance clarity. We now look to the Government to bring forward relevant motions on these proposals, and for the House to consider them.
(Paragraph 20)

The Government is committed to working with the Standards Committee to develop a package of measures which will ensure that APPGs are subject to a set of clear and robust regulations. The recommendations in the Committee's report are a welcome first step which we will seek to put to the House for consideration when parliamentary time allows, and we support the development of a new guide to the Rules for APPGs as a source of informed guidance for Members. We also hope that the Committee will give further consideration to some of the additional issues raised so that the House may be able to consider further reforms in the future.