



## Modernisation Committee

HOUSE OF COMMONS LONDON SW1A 0AA  
Tel: 020 7219 5776 Email: [ModCom@Parliament.uk](mailto:ModCom@Parliament.uk)

### From the Chair, Rt Hon Lucy Powell MP

Alberto Costa MP  
Chair, Committee on Standards

6 November 2024

Dear Alberto

Thank you for attending the private briefings with the Modernisation Committee on 15 and 22 October, as we discussed the issue of outside interests and employment. We appreciated your feedback and expertise in this area. We are also very conscious of the previous work done by the Committee on Standards, including the report on *The House of Commons standards landscape*, which has been essential in informing our consideration.

As we discussed, the Modernisation Committee's initial work will be guided three strategic aims:

- driving up standards;
- improving culture and working practices; and
- reforming working procedures to make the House of Commons more effective.

As part of driving up standards, the Modernisation Committee is keen to focus on the practicability of further changes to the rules governing Members' outside interests, following the amendments to paragraph 2 of Chapter 4 of the Guide to the Rules, agreed by the House on 25 July, which tightened the rules on paid advice.

At the Committee's request, the Parliamentary Commissioner for Standards provided a memorandum to us setting out his thoughts on possible approaches to the issue of outside interests and employment. I have enclosed a copy of that memorandum for the benefit of the wider Standards Committee. As you will be aware, we discussed the issues raised in the memorandum at some length during our meetings. There was consensus among Members that the House should implement a qualified prohibition on paid outside interests, following a principles-based approach.

In paragraph 16 of the memorandum, the Commissioner set out some principles that could be applied if the Committee were recommending a qualified prohibition on outside interests and employment:

*For example, the Committee might choose to recommend that the following principles should be reflected in any list or set of exceptions:—*

*(1) That Members are expected not to accept offers of paid outside interests that might detract, or appear to detract, from their ability to pay full attention to their parliamentary responsibilities.*

*(2) That Members are expected not to accept offers of paid outside interests that might create, or appear to create, actual or potential conflicts of interest of the kind mentioned in Rule 2 of the Code, or that are for any other reason generally incompatible with the Code.*

*(3) That Members are expected not to accept offers of paid outside interests that are made, or that a reasonable observer might think are being made, primarily because of their membership of the House (whether because the offeror was attempting to buy influence, to make lucrative connections, to take advantage of inside knowledge, or for any other reason not connected with a particular Member's professional or commercial qualifications or experience).*

We are minded to support a further tightening of the rules on outside interests in line with the principles set out by the Commissioner, particularly that set out in sub-paragraph (3).

To build on the substantive work of the previous Committee on Standards in this area, and after discussing this at length with you during our meeting, the Modernisation Committee would like to invite the newly appointed Committee on Standards to conduct further work into how changes to the rules on outside interests and employment might be implemented in line with these principles.

We would also like to invite the Committee to consider how these principles could be applied to contracts of employment for media appearances.

We would be most grateful if you could let us know whether this is something the Committee on Standards might be interested in pursuing, and if so what the expected timeframe for such work would be.

**RT HON LUCY POWELL MP**



## Committee on Standards

Website <http://www.parliament.uk/standards>

From Alberto Costa MP, Chair of the Committee

To: Rt Hon Lucy Powell MP, Chair, Modernisation Committee

6 November 2024

Dear Lucy

Thank you for your letter today asking the newly appointed Standards Committee to conduct further work into outside interests and employment. Thank you, and your Committee, too, for enabling me to attend your recent meetings on that topic and to engage in discussion with you on that matter.

The Committee on Standards will next meet on Tuesday 19 November and your letter will be on our agenda for that meeting. I shall report back more substantively on the Committee's response to the request after that meeting. I'm grateful for your acknowledgement that previous Standards Committees have already conducted some work in this area, and we acknowledge that change has already been made by the House to Chapter 4 of the Guide to the Rules, effective from 25 October this year.

When we met on 22 October, I emphasized my desire that our two Committees should work together on this and on other matters arising from the important and wide-ranging agenda that the Modernisation Committee has been given by the House.

I also suggested it would be useful to set out the terms on which we might do so.

I much appreciated the breadth and detail of your Committee's discussion on the matter of second incomes, including your private briefing from the Parliamentary Commissioner for Standards. I appreciate, too, the clear strategic direction provided by the Modernisation Committee and note your consensus that the House should implement a qualified prohibition on paid outside interests, following a principles-based approach.

I am grateful that you have asked the Standards Committee to conduct further granular work on detailed proposals, which I believe is the proper approach, not least since the Standards Committee includes the external perspectives of seven Lay Members as well as seven elected Members.

It would, of course, be the case, should the Committee agree to conduct such work, that it would set its own terms of reference and path of investigation. You will be aware that the Committee makes its reports to the House, and that, unusually, its reports may also include

additional material setting out the views of Lay Members. None the less, and subject to the Committee's being content with this proposal, I would intend so far as is possible to enable input by Modernisation Committee members into any work we undertook and to share and discuss, so far as is possible, potential lines of inquiry and conclusion in advance of our agreeing a final report.

I should also hope that we may remain engaged in other work your Committee does within the Standards landscape, and, not least, that we may find suitable ways in which the Lay Members will be able to contribute to your fascinating agenda.

With best wishes,

A handwritten signature in black ink that reads "Alberto Costa". The signature is written in a cursive, flowing style with a long horizontal stroke at the end.

**Alberto Costa MP**

**Chair, Committee on Standards**



## Committee on Standards

Website <http://www.parliament.uk/standards>

From Alberto Costa MP, Chair of the Committee

Rt Hon. Lucy Powell MP  
Chair  
Modernisation Committee  
House of Commons

25 November 2024

Dear Lucy

I replied on 6 November to your letter of the same day asking whether the Committee on Standards would be willing to conduct further work on how changes to the rules on outside interests and employment might be implemented in line with principles suggested by the Parliamentary Commissioner on Standards. I can now confirm that the Committee considered that suggestion yesterday and agreed to undertake such work.

The Committee will at its next meeting, on 3 December, consider options for how best to do so and what evidence it may wish to take early in the new year, with the intention of reporting to the House thereafter. I shall, of course, keep you up to date as work proceeds.

It may be that the Committee would appreciate a meeting with you in due course to explore the developing thinking both of your Committee and of the Government, and I shall ask our team to liaise with yours on that. I should also be glad to take back to my Committee any suggestion on any particular evidence or witnesses you might think it worth our consulting.

I am once again glad that our two Committees will seek to work together on developing proposals in this area, and perhaps in any other that may arise over the course of this Session and the Parliament beyond.

With best wishes,

**Alberto Costa MP**

**Chair, Committee on Standards**