



House of Commons Committee on Standards

Stephen Pound

Second Report of Session 2019–21

*Report, together with formal minutes relating
to the report*

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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; 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.

Current membership

[Kate Green MP](#) (*Labour, Stretford and Urmston*) (Chair)

[Mrs Tammy Banks](#) (*Lay member*)

[Mrs Jane Burgess](#) (*Lay member*)

[Miss Charmaine Burton](#) (*Lay member*)

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Powers

The constitution and powers of the Committee are set out in Standing Order No.149. In particular, the Committee has power to order the attendance of any Member of Parliament before the Committee and to require that specific documents or records in the possession of a Member relating to its inquiries, or to the inquiries of the Commissioner, be laid before the Committee. The Committee has power to refuse to allow its public proceedings to be broadcast. The Law Officers, if they are Members of Parliament, may attend and take part in the Committee's proceedings, but may not vote.

Publications

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Committee reports are published on the Committee's website at www.parliament.uk/standards and in print by Order of the House. Evidence relating to this report is published on the [publications page](#) of the Committee's website.

Committee staff

The current staff of the Committee are James Camp (Committee Assistant), Dr Robin James (Clerk), Maev Mac Coille (Media Officer), Stuart Ramsay (Second Clerk), Laura-Jane Tiley (Second Clerk).

Contacts

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Report

1. This Report arises from an inquiry conducted by the Parliamentary Commissioner for Standards at her own initiative after she became aware that Stephen Pound MP¹ had breached the rules of the House by accepting payment in return for arranging events in Parliament between 2012 and 2019. The sums paid to Mr Pound were donated by him to charity.
2. The facts of the matter, which are not in dispute, are set out in a memorandum from the Commissioner which is appended to this Report.² We will summarise them briefly.
3. At various times between January 2012 and July 2019 Mr Pound arranged events (tours, talks or seminars) within the parliamentary estate for two universities in the United States (Drew University in Madison, New Jersey, and Missouri University in Columbia, Missouri) and for DODS Training. He received payments from these organisations and donated corresponding sums, after tax, to charities of his choice. The total remuneration Mr Pound received appears to have been between £10,000 and £14,000.³
4. Mr Pound registered the payments in a timely way in the Register of Members' Financial Interests. He did not (and was not required to) record in the Register in respect of payments prior to June 2019 that the activities for which remuneration was made took place within the parliamentary estate.
5. In June 2019 Mr Pound's office manager sought to register a payment from the University of Missouri for hosting a visit and seminar at the Palace of Westminster. The Registrar of Members' Financial Interests pointed out that private business activities are not permitted on the parliamentary estate; Mr Pound subsequently returned the money. Following further inquiries from the Registrar, it became apparent that Mr Pound had received similar remuneration on other occasions going back to 2012, all of which had been entered in the Register, without the fact that the events had taken place on the parliamentary estate having been recorded.⁴ As a result of this information, the Commissioner on her own initiative launched an inquiry.
6. The Commissioner reports that Mr Pound co-operated fully with the inquiry. She accepts his statement that he did not receive any personal financial gain or political advantage as a result of the events under investigation and that all payments had been donated to local charities.⁵
7. The Commissioner's memorandum sets out the various provisions in the Code of Conduct for Members of Parliament and the banqueting regulations which were in force during the period in which Mr Pound was receiving payments. These make clear that no part of the estate "may be used for direct or indirect financial or material gain", that Members should ensure that their use of public resources is always in support of their parliamentary duties, and that it "should not confer any undue personal or financial benefit on themselves".⁶

1 Mr Pound ceased to be a Member of the House at the Dissolution in November 2019.

2 Written evidence accompanying the Commissioner's memorandum is published on the Committee's website.

3 PCS memorandum, paras 15–18, 20–25 and 36

4 PCS memorandum, paras 15–18

5 PCS memorandum, paras 20, 38–39

6 PCS memorandum, paras 3–13

8. The Commissioner concludes that:

Mr Pound has acted in breach of the House's rule on use of parliamentary facilities. Although he has not personally gained financially, payments have been made which would not otherwise have been made but for the work he carried out on the parliamentary estate.⁷

9. The Commissioner notes that she could not resolve this matter through the rectification procedure "because of the length of time over which these payments were made and the number and total value of these payments".⁸ She therefore referred the matter to the Committee on Standards.

10. Mr Pound submitted written evidence in the form of an email in which he apologised "wholeheartedly and without reservation for what was an inadvertent but undeniable breach".⁹

11. Mr Pound confirmed that "I ceased the activities immediately on being made formally aware of the breach". He told us that:

In hindsight I realise that I should have been more diligent when a former colleague, now deceased, asked me to take over the arrangements that he had established and I accept my culpability.¹⁰

12. Mr Pound added:

Although I made no personal gains from any of the colloquiums or tours and was able to financially assist many local Scout and Guide groups in my former constituency, as well as many faith and community groups, I do not resile from the full and frank admission of the breach. The concept of an approachable and experienced Member discussing aspects of the Parliamentary and legislative process is one which I would defend and I very much hope that a mechanism may be found which will allow for the dialogue to continue but strictly within the terms of the Code of Conduct.¹¹

13. We accept the Commissioner's finding that Mr Pound was in breach of the rules. In accordance with our usual practice where we have found that the Code of Conduct or other parliamentary rules have been breached, we have taken into account any aggravating or mitigating factors.

14. We do not consider that there are any aggravating factors. Although the breaches took place over a lengthy period of time and on a number of occasions, we recognise that this did not amount to a deliberate and wilful breach of the rules, since Mr Pound was unaware that he was in breach.

15. We consider the following to be mitigating factors:

- The Commissioner accepts, as do we, that until June 2019 Mr Pound was genuinely unaware that he was in breach of the rules.

7 PCS memorandum, para 38

8 PCS memorandum, para 40

9 Printed as Appendix 2

10 Appendix 2

11 Appendix 2

- Mr Pound did not seek or receive any personal benefit from the events he organised at Westminster, and donated all remuneration he received to charity.
- In setting up these various events on the parliamentary estate, Mr Pound was acting in a public-spirited manner, using his own time to disseminate information about Parliament and to confer educational benefits.
- Mr Pound has been entirely open, transparent and co-operative with the Commissioner's inquiry. He has apologised to the Committee "wholeheartedly and without reservation".

16. We conclude that these are strong mitigating factors. We consider that no further action is required in respect of Mr Pound.

Appendix: Memorandum from the Parliamentary Commissioner for Standards—Mr Stephen Pound

Executive summary

I began this inquiry on my own initiative on 10 July 2019 after the Registrar drew my attention to a series of paid engagements Mr Pound had undertaken on the parliamentary estate. He had registered the remuneration in the Register of Members' Financial Interests, recording that he had made corresponding donations to charity.

Mr Pound has received payment for events he facilitated on the Parliamentary estate for Drew University since 2011, a one-off event for the University of Missouri and, since 2015, for Dods training. This was against the rules prohibiting the use of publicly funded resources for undue financial benefit.

Mr Pound had routinely provided all the information required of him about these events. The rules did not require him to register details about where the events took place, and this information emerged only when the Registrar happened to speak with one of Mr Pound's staff. He cooperated fully with this investigation and I am satisfied that Mr Pound was not aware, at the time, that he was acting in breach of the rules.

This memorandum is submitted to the Committee because the criteria for rectification are not met.

Introduction

1. This memorandum reports on the inquiry that I began on my own initiative on 10 July 2019. The Registrar told me that on 13 June 2019 Mr Stephen Pound's office manager had sought to register a payment from the University of Missouri for hosting a visit and seminar at the Palace of Westminster. The Registrar pointed out that Members should not receive payments for events they hosted in the Palace of Westminster and asked for clarification. Mr Pound subsequently returned the payment to the University of Missouri. The Registrar also drew my attention to other engagements undertaken by Mr Pound in the Palace of Westminster for which he had received payment, which he had donated to charity.

2. Mr Pound has cooperated with my inquiry and has not personally benefitted financially from the payments, but I have had to bring this matter to the attention of the Committee on Standards because of the number of payments and the length of time over which they have been made.

Relevant rules of the House

Use of parliamentary facilities

3. The Code of Conduct for Members of Parliament approved by the House on 13 July 2005 said in paragraph 14:

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.

4. The Code of Conduct for Members of Parliament approved by the House on 12 March 2012 and 17 March 2015 said in paragraph 15:

Members are personally responsible and accountable for ensuring that their use of any expenses, allowances, facilities and services provided from the public purse is in accordance with the rules laid down on these matters. Members shall ensure that their use of public resources is always in support of their parliamentary duties. It should not confer any undue personal or financial benefit on themselves or anyone else, or confer undue advantage on a political organisation.

5. The Code of Conduct was again revised on 19 July 2018. The same provision appears in the revised Code at paragraph 16.

6. The banqueting regulations of July 2015 provide, in paragraph 9, details about the acceptable use of dining facilities:

9.3 Except as permitted in Clause 9.4, no part of the Venue, building, outhouses, grounds or ancillary areas may be used for direct or indirect financial or material gain (including political fundraising), by the Hirer or any other person or organisation [...].

9.4 A UK registered charity may seek financial or other kinds of support at the Event in connection with its charitable purposes [...].

7. There is a similar provision at paragraph 6 of the February 2011 banqueting regulations.

Disclosure of interests: registration and declaration

8. Paragraph 14 of the current Code of Conduct says:

Members shall fulfil conscientiously the requirements of the House in respect of the registration of interests in the Register of Members' Financial Interests. They shall always be open and frank in drawing attention to any relevant interest in any proceeding of the House or its Committees, and in any communications with Ministers, Members, public officials or public office holders.

9. This appeared at paragraph 13 in previous versions of the Code of Conduct.

Registration of remuneration donated to charity

10. The 2009 and 2012 editions of the Code of Conduct were silent on the question of the registration of remuneration donated to charity. However, in December 2012 in his consultation on the review of the Guide to the Rules, the then Commissioner said:

Some Members follow the practice of asking their employers to make over employment payments direct to their local party organisation or to charitable or community organisations. Others will donate such payments after receipt. Some members have argued that if the payment did not reach his or her bank account, or passed through it only briefly, it should not be registrable. The established advice in both cases is that such sums should be registered, on the grounds that if the Member had not performed the service, the payment would not have been made. Had the Member not chosen to redirect the payment it would have added to his or her earnings. It is for consideration whether the Guide should explicitly advise registration of such payments in future.

11. The long-standing expectation that such payments should be registered by the Member concerned was subsequently codified in paragraphs 11 of the 2015 Guide to the Rules, which says:

A Member who receives payment for his or her work and then donates it to another person, or to a charitable or community organisation, must make their registration in the usual way but may note the donation in their Register entry.

12. This rule also appears at paragraph 11 of chapter 1 of the current Guide to the Rules.

13. The threshold for registration of earnings is individual payments of more than £100 or individual payments of less than £100 where a Member receives a total of over £300 from the same source in a calendar year (Chapter 1 of Guide to the Rules). This threshold was introduced in the 2015 Guide to the Rules approved by the House on 17 March 2015. From 2011 individual payments which exceeded 1/10 of 1% of the then Parliamentary salary, or where the total value of the payments from the same organisation in a calendar year exceeded 1% of the Parliamentary salary should be registered. This would have made the thresholds approximately £65–£74 for individual payments and £650–£740 for several payments from the same organisation in a calendar year.

My Inquiry

14. In the course of my inquiry I have considered evidence from Mr Pound, from the Registrar of Members' Financial Interests, from the Director of Customer Experience and Service Delivery and from the Head of the Parliamentary Unit at Dods Training. Mr Pound has seen a draft of the Memorandum and had the opportunity to comment on its factual accuracy.

Evidence

Evidence from the Registrar of Members' Financial Interests

15. On 13 June 2019 the Office Manager to Mr Pound wrote to the Registrar to enter the following in the Register of Members' Financial Interests:

Payment from University of Missouri, Kansas City, Missouri 64110 for hosting a visit and seminar at the Palace of Westminster on Tuesday 28th May 2019 for an honorarium of £120.00. Hours: 2 hours.

16. The Registrar replied pointing out that private business activities are not permitted on the parliamentary estate and asked for confirmation that the seminar did take place on the estate. Mr Pound replied that he had returned the payment. He subsequently attended a meeting with the Registrar on 24 June 2019 where he provided a summary of roles he had held which involved events on the parliamentary estate.

17. The Registrar told me that Mr Pound explained that in recent years he had had the following roles which involved events on the parliamentary estate:

London facilitator for Drew University, meeting exchange students in Westminster Hall and giving them a brief talk in a room such as the Shadow Cabinet room or elsewhere followed up by email exchanges about government policy. For this he received £1,000 to £1,500 a year, which he donated (after tax) to a charity of his choice. He also arranged for other MPs to speak to the students, in return for which smaller donations are made, from the sum paid to him, to those MPs' chosen charities. Mr Pound has had a contractual arrangement with this university since 2006, and before that undertook the work on an ad hoc basis.

Ad hoc tours for Dods Training. This connection began in February 2015. He received £150 each for these tours and these sums were donated to charity. Mr Pound has now told Dods Training that he will no longer receive money for these tours.

A one-off event for Missouri University in May 2019, for which he received £120 for hosting a visit and seminar. Some of this money was used to buy light refreshments for the students.

18. On 1 July the Registrar received a letter from the Head of Parliamentary Unit at Dods Training, in which he said that Mr Pound had told him about his meeting with the Registrar. The Head of the Parliamentary Unit said that they paid £150 for 1–1/2 hours of a Member's time and this was paid to a charity of the Member's choice. He said that the payment was for the time the Member spent with civil servants and not for the tour of the parliamentary estate as they fully understand that tours of the Palace of Westminster are available without charge. He added that Mr Pound sometimes offered a free short tour lasting 20–30 minutes before talking to the civil servants about his role and that Mr Pound had spoken to groups of civil servants from the UK and abroad as well as IPSA staff and they had really appreciated the time Mr Pound had spent with them. He hoped to come to an agreement on how to continue with these without breaking parliamentary rules.

Evidence from the Registers of Members' Financial Interests

19. Mr Pound's entries in the Registers of Members' Financial Interests¹² between 13 January 2012 and 1 July 2019 included 10 payments from Drew University for lectures and seminars in his role as political co-ordinator with the university's post-graduate studies programme with amounts varying between £400 and £1,360. There were 3 payments from the University of Missouri for lectures with amounts varying between £105 and £238 and 31 payments from Dods Training for speaking at Westminster Explained events with amounts varying between £150 and £300. These payments totalled £13,831.

Evidence from Stephen Pound

20. Mr Pound wrote to me on 24 July 2019¹³ saying he would cooperate fully with my inquiry. He reiterated that he had not received personal financial or political advantage as a result of the events leading to my inquiry and all payments had been donated to local charities.

21. He explained that he first become involved with Drew University in 2005 when the then co-ordinator asked him to take part in meetings with their students for which he received no payment. In 2010 Mr Pound was asked to take over the programme, again using off-site facilities and receiving no payment. In 2011/12 the University asked him to facilitate four meetings for which he would be paid £1,100. He said he had donated the balance of this, after the deduction of tax, to local charities.

22. After the initial £1,100 in 2012, this appointment was renewed annually and Mr Pound was paid £1,200 in 2013, £1,250 in 2014, £1,300 in 2015, £1,350 in 2016, £1,400 in 2017 and £1,450 in 2018. He paid tax on these sums and donated the balance to charity. He booked rooms on the parliamentary estate for the talks and made payments to other Members of up to £75 to the charities of their choice.

23. In addition, Mr Pound gave various talks and question and answer sessions for Dods Training for which he was paid £150 each. He also conducted tours of the parliamentary estate for several government departments and agencies and for parliamentarians from Bosnia and Herzegovina. Again, the tours and talks were registered, and the money paid to charity.

24. Mr Pound also explained that he had an informal arrangement with the University of Missouri and any payments for this were made to local charities, and a proportion used to buy the students refreshments. He told me he had ceased this arrangement following his interview with the Registrar.

25. Mr Pound provided documentary evidence of the following payments,

Drew University: 2012–2018 net pay £5,250

Dods Training: 2015 £150

12 Extracts from the Register of Members' Financial Interests, page 16

13 Letter from Mr Stephen Pound, MP, page 14

Evidence from the Director of Customer Experience and Service Delivery

26. I wrote to the Director of Customer Experience and Service Delivery, on 8 August 2019¹⁴ enclosing a copy of my correspondence with Mr Pound. I asked the Director what his advice would have been if Mr Pound had sought his advice before entering into these arrangements with Drew University, Dods and the University of Missouri.

27. The Director replied¹⁵ that rooms on the parliamentary estate can be booked by Members but only for purposes connected with their parliamentary duties. He told me that since 2013 Mr Pound has sponsored 102 events where rooms on the parliamentary estate had been used, but this does not include the Old Shadow Cabinet Room or Mr Pound's office.

28. The Director said that, if Mr Pound had approached him for advice, he would have said that the rooms could be used for the purposes of the meetings described in Mr Pound's letter of 24 July, but they could not be used to host events of a commercial nature. If Mr Pound had indicated that he was charging for his services, the Director would have told him that this was not a permissible use of the rooms.

Analysis

29. Mr Pound registered payments from Drew University, Dods Training and the University of Missouri over a period of years. He has explained that he did not receive any financial benefit from these payments which were donated to charity. There is no requirement when registering payments on the Register of Members' Financial Interests to record where the event took place, which is why these breaches of the rules took so long to come to light.

30. Rule 16 (and previous versions of this rule) make it clear that facilities are provided from the public purse and should be used in accordance with the relevant rules. Members should ensure that their use of parliamentary facilities is in support of their parliamentary duties and does not confer undue personal or financial benefit on themselves or anyone else. As Mr Pound booked the rooms for lectures and other events for which he was paid, he is in breach of the rules, even though he paid the balance of the monies, after tax, to charity.

31. Mr Pound has been fully co-operative with my inquiry and has furnished additional information concerning his use of parliamentary rooms for events for which he received payments from Drew University, Dods Training and the University of Missouri.

32. Mr Pound has provided documentary evidence of payments in totalling £5,250 from Drew University and £150 from Dods Training. In addition, Mr Pound explained that he has received £9,050 from Drew University, given several talks for Dods Training for which he was paid £150 each and received £120 from the University of Missouri, and that after tax these sums were donated to charity.

33. The Register of Members' Financial Interests shows a total of £7,650 received from Drew University from 2011–2019; £5,700 from Dods Training from January 2016 to

14 Letter from the Commissioner's Office to the Director of Customer Experience and Service Delivery, p21

15 Email from the Director of Customer Experience and Service Delivery, page 21

July 2019 and £481 from the University of Missouri from January 2014 to January 2017, however it is not clear from the entries whether all of these payments concerned events on the parliamentary estate.

34. The Director of Customer Experience and Service Delivery says that since 2013 Mr Pound has booked rooms for “Drew University” 18 times; “Dods” (or “Westminster Explained”) 11 times; and “University of Missouri” three times. In addition, Mr Pound has conducted meetings and seminars in the Old Shadow Cabinet Room and his office. These rooms are also on the Parliamentary estate and although they are not booked in the same way, they are still provided from the public purse and should not be used to confer financial benefit on an MP or anyone else.

35. It is clear from the letter from the Head of the Parliamentary Unit at Dods Training that Mr Pound’s work explaining the workings of Parliament to civil servants and others has been valuable and well-received, and that it is only the receipt of payments for activities taking place on the Parliamentary estate using facilities provided from the public purse that takes it outside the rules.

36. It is not clear exactly how much Mr Pound has been paid for events that took place on the Parliamentary Estate, but the total Mr Pound has received for these events appears to be somewhere between £10,000 and £14,000. Mr Pound says he has donated all of these sums, after tax, to charity.

Mr Pound’s comments

37. Mr Pound has seen a draft of this memorandum and is satisfied that it is factually accurate.

Conclusion

38. Mr Pound has acted in breach of the House’s rule on use of parliamentary facilities. Although he has not personally gained financially, payments have been made which would not otherwise have been made but for the work he carried out on the parliamentary estate.

39. Mr Pound has co-operated fully and promptly with my enquiries.

40. I am sending this Memorandum to the Committee on Standards for the Committee to consider what, if any, action is appropriate, because I cannot resolve this matter by way of the rectification procedure, because of the length of time over which these payments were made and the number and total value of these payments.

Kathryn Stone OBE

Parliamentary Commissioner for Standards

26 February 2020

Formal minutes

Tuesday 21 April 2020

Members present:

Kate Green, in the Chair

Tammy Banks	Mark Fletcher
Jane Burgess	Sir Bernard Jenkin
Charmaine Burton	Dr Arun Midha
Andy Carter	Sir Peter Rubin
Alberto Costa	Paul Thorogood
Rita Dexter	

Draft Report (*Stephen Pound*), proposed by the Chair, brought up and read.

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

Paragraphs 1 to 16 read and agreed to.

Two papers were appended to the Report.

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

None of the lay members present wished to submit an opinion on the Report (Standing Order No. 149 (8)).

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

Written evidence was ordered to be reported to the House for publishing with the Report.

[The Committee adjourned.]

Published written evidence

The evidence listed below will be published on the Committee's website: www.parliament.uk/standards

- 1 Letter from the Parliamentary Commissioner for Standards to Mr Stephen Pound MP, 10 July 2019
- 2 Letter from Mr Stephen Pound MP to the Commissioner, 24 July 2019
- 3 Extracts from Register of Members' Financial Interests
- 4 Letter from the Commissioner's office to the Director of Customer Experience and Service Delivery, 8 August 2019
- 5 Email from the Director to the Commissioner's office, 30 August 2019
- 6 Letter from the Head of the Parliamentary Unit at Dods Training
- 7 Letter from the Commissioner to Mr Stephen Pound MP, 26 September 2019
- 8 Letter from Mr Stephen Pound MP to the Commissioner, 30 September 2019

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Session 2019–21

First Report Kate Osamor

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