

## Written evidence submitted by Policy Exchange

The Leader of the House's memorandum to the committee<sup>1</sup> sets out three strategic aims.

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

While all of these are important, the latter two are very much a matter for those working day to day in the Houses of Parliament to comment on. This Policy Exchange submission will accordingly concentrate on the first aim. We argue that Parliament should not build in further regulation, but rather reflect on the proportionality of the current regime.

Policy Exchange has a keen interest in government reform and standards. Reports like [Upholding Standards, Unsettling Conventions: The Constitution and the Regulation of Political Standards](#) (Jan 2024) argued that introducing a statutory role for the Independent Adviser on Ministers' Interests and putting the Ministerial Code on a legal footing would give rise to serious constitutional questions and carry substantial risks of undermining effective political accountability. Another Policy Exchange paper [Getting a Grip on the System: Restoring Ministerial Authority over the Machine](#) (July 2024), exposes how power has slipped away from Ministers in recent decades – and why this needs to be reversed if difficult reforms are to be undertaken.

This is driven by our commitment to the practice of politics. We do not believe the political process or public confidence are improved by greater codification of rules, enhanced roles for independent oversight bodies, or layers of external scrutiny by unaccountable experts or panels. To the extent that these make it harder for politicians to implement radical change, they can even be counterproductive. The electorate is fully capable of giving a devastating rebuke to politicians in whom they have lost confidence.

We believe there are two 'red lines' that need to be maintained at all costs in agreeing procedures for the House of Commons. The first is that MPs must control both the processes and the final decision making on areas like conduct. The second is that nothing should disturb the primacy of the relationship between the Member and his or her voters. It should ultimately be for the electorate to decide whether a member's conduct justifies their removal from the House, or whether they are otherwise satisfied with the support they are getting. Underlying this is a principle of transparency – constituents should have the information needed to make these decisions.

Policy Exchange is sceptical about the claim in the Leader of the House's memorandum that "the events of recent years and the misconduct of individual members has eroded public

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<sup>1</sup> <https://committees.parliament.uk/publications/45321/documents/224440/default/>

trust and confidence in this institution. It is incumbent on all of us to embody the high standards that the public expect of us and we must all act to change and improve the reputation of this place”.

There is actually little evidence that low confidence in politics is linked with recent issues with MPs conduct. There is no doubt that overall confidence in politics has trended down over a long period. But a forthcoming Policy Exchange analysis suggests that the main driver of confidence in politics in politicians is not individual conduct, but the extent to which politicians are seen to fulfil their promises to the electorate.

When public confidence in politics is looked at in historical context and compared internationally, some patterns begin to emerge. Confidence tends to decline towards the end of a long spell one party has been in power, as disillusion with that government’s performance gradually grows. Confidence then tends temporarily to increase with the arrival of a new government. Public views on the question ‘what do you think of the present system of governing Britain’ spiked by 42 percentage points in 1997 and 39 points in 2010, for example.

But some of the most striking increases in confidence in the UK were seen in 2020 once the Brexit impasse was finally resolved. The same British Social Attitudes Survey question on the ‘present system of governing Britain’ saw a similar 37 percentage point spike. The Survey also came up with separate data for Leave and Remain voters. While these increases were mostly among Leave voters, there was some evidence of enhanced confidence even among Remain voters. This suggests that the basic failure to deliver on a clear instruction of the voters caused a major drop in confidence, especially among Leave voters, followed by a significant, though temporary, improvement once the 2019 election returned a government determined to make Brexit happen. The fact that this improvement in confidence was even weakly mirrored on the opposing side suggests the importance the public place on effective government and the implementation of democratic mandates.

The new Policy Exchange analysis casts doubt on the suggestion that declining confidence is linked to episodes of bad behaviour, whether the expenses scandal in 2009 or more recent episodes.

This, turn, calls into question the priority of additional standards safeguards at this time.

In general, Policy Exchange welcomes the new Government’s measured and relatively modest proposals for reform at this time. Before the election, for example, some groups were lobbying for the Ministerial code to be put on a statutory basis, and we welcome the fact that this does not now seem to be on the agenda.

As the *‘Upholding Standards, Unsettling Conventions’* paper argues

“In particular, the push toward greater formalisation of disciplinary procedures that currently form part of the political process risks turning what has hitherto been a flexible and efficient system into a bureaucratic and litigious one. The greater involvement of courts, which some of the reforms necessarily invite, may in fact protect wrongdoers in a way that a mainly political process does not”

As soon as anything is put in legislation, by definition it becomes justiciable before the courts. And this then introduces the courts as an additional actor in what has hitherto been a relationship between MPs, the House authorities and the House as a whole, and the electorate.

There is no guarantee that the rulings a court makes on the basis of their reading of the law will represent what fellow MPs or the electorate think is appropriate or fair. The courts could rule somebody in breach of regulations on what the general public might think is a trivial issue, or, conversely, find people not to have breached the rules on what the public might consider a technicality, increasing the sense of injustice.

We would, therefore, strongly advise against proposing additional legislation in this area.

As the Leader of the House makes clear, this area has seen major changes over the last 15 years. As the last Standards Committee commented in its May report

The UK House of Commons' standards system, compared to those in other parliamentary institutions in the UK and elsewhere, has high levels of independence. The ICGS, the Independent Expert Panel and the presence of lay members on the Standards Committee appear to be almost unparalleled in the other jurisdictions we studied<sup>2</sup>.

Rather than prioritising new rules and powers, there is a case for taking the time to review the workings of the standards regime to assess how proportionate it is.

The Independent Parliamentary Standards Authority (IPSA), for example, was established following the expenses scandal. The original scandal saw a total of £500k of inappropriate payments reimbursed to the taxpayer.

IPSA cost £10.824m to run in 22/23 compared with just over £200m in total disbursements for MPs, including a 'compliance office' with a budget of £112,000 in the most recent financial year. While the previous system had administrative costs too, this does suggest the taxpayer has paid a very high price for the additional safeguards established. Costs of several thousand pounds per member per annum seem a very high price for administering a payroll and expenses regime.

It is striking that bearing down on these 'overhead' costs does not seem to be the top priority for those running IPSA. Richard Lloyd chair of IPSA commented in the last annual report

"In 2024-25 we know there is more that needs to be done, particularly concerning our responsibility to make sure that MPs' spending is better understood by the public"<sup>3</sup>.

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<sup>2</sup> <https://committees.parliament.uk/publications/45177/documents/224139/default/>

<sup>3</sup> [https://assets.ctfassets.net/nc7h1cs4q6ic/2hjLw1hEVbALV7xokLr3wa/dfb818a09b30e124f55058e2392683cf/Annual\\_reports\\_and\\_accounts\\_2023-24\\_accessible\\_version\\_.pdf](https://assets.ctfassets.net/nc7h1cs4q6ic/2hjLw1hEVbALV7xokLr3wa/dfb818a09b30e124f55058e2392683cf/Annual_reports_and_accounts_2023-24_accessible_version_.pdf)

The Independent Complaints and Grievance Service (ICGS) was established in 2018 following a series of complaints about bullying on the Parliamentary Estate.

Stephen Kernaghan, a former senior police chief recently conducted a review of ICGS<sup>4</sup>. This provides useful assurance about how the system worked and could be improved. Nothing in the terms of the review asked Mr Kernaghan to review the value for money of this function, however.

The ICGS currently employs 13 staff. Its budget for 23/24 is £1.87m (£1.32m for the Commons and £0.54m for the Lords). These figures include external services (the helpline, independent investigators and training) and staffing costs. ICGS runs an external helpline, which received in the most recent years 479 contacts, including 167 calls. The ICGS ran 20 investigations in the most recent year (conducted by freelance investigators not included in the headcount). ICSG findings can be appealed to the Independent Expert Panel (IEP).

Overall the Kernaghan report praises the effort of the team, while alluding to one of the potential problems.

“During my consultations, it became apparent that, whilst Members of both Houses are often perceived to hold all the power in terms of parliamentary working relationships, they see themselves as uniquely vulnerable to vexatious complaints”<sup>5</sup>

This risk is one that the committee should take seriously. There are already precedents for standards regimes having this sort of chilling effect.

The Standards Board for England (later abolished by the Coalition Government) provides an example. Set up to monitor the ethics of elected councillors in England, in practice referral was used as a political tactic against opponents. The *Upholding Standards, Unsettling Conventions*’ report notes the case against Ken Livingstone which took up significant bureaucratic effort for an accusation essentially of bad manners, on which the public might have been expected to come to their own conclusions.

The Board and its related adjudicatory body, the Adjudication Panel for England was accused of being used to target whistleblowers and to censor legitimate political speech by councillors. Lord Rees-Mogg suggested the regime was used to “inflate trivial disputes of the late evening into matters of state”. There have already been ICGS cases of MPs making complaints against other members for comments on Twitter.

The total spend on IPSA, ICGC and the IEP is not enormous in the context of public spending as a whole. But Parliament clearly needs to set an example. The total spend of around £12m is equivalent to the annual income tax take from about 2400 people, or equivalent to total income tax proceeds from a town of 4000 or so – the size of Masham in Yorkshire or Welshpool in Powys<sup>6</sup>, for example.

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<sup>4</sup><https://www.parliament.uk/globalassets/icgs-review-2024---final-copy.pdf>

<sup>5</sup> Ibid p15

<sup>6</sup>[https://assets.publishing.service.gov.uk/media/66798296921ddc8344a00f45/Table\\_2.5\\_Income\\_Tax\\_liabilities\\_by\\_income\\_range.ods](https://assets.publishing.service.gov.uk/media/66798296921ddc8344a00f45/Table_2.5_Income_Tax_liabilities_by_income_range.ods)

## **Second Jobs**

The Leader of the House's memorandum proposes further steps to restrict or regulate Members' alternative sources of income.

“The tightening of the rules on second jobs for members of the Commons... which will take effect on 25 October, was a first step towards meaningful change of the system. It is now for the Modernisation Committee to build on this foundation

In particular, the Modernisation Committee should maintain the focus on the role of paid advice in members' professional lives. It should consider what advantages, if any, outside paid engagements such as media appearances, journalism and speeches furnish to the public, versus the potential conflicts of interest and attention that arise from such paid endeavours”

We question this assumption. It is not clear what particular competence the Standards Committee or the Parliamentary Commissioner for Standards have to assess the balance of advantage to the public against the disadvantages of members enjoying additional income.

There are many ways of serving as an MP; some focus on the constituency; others on contributing to the Parliamentary process, for example through serving on Bill committees or select committees. Others again may blend their work in Parliament with a high media profile or indeed continuing their professions outside the House.

It is surely in the interests of voters to have a Parliament with members who have as broad a range of experience, skills and contacts as possible in order to carry out their responsibilities, which touch on the lives of everyone in the country. Given the inherent uncertainty of political life, potential candidates with an established career that might suffer from being abandoned for an uncertain period may be less prepared to enter public life if even tighter rules on second jobs are introduced. Even if they do decide to stand for Parliament, if the price for this is having to step down from their other roles, their knowledge and experience will gradually degrade over time.

There is no obvious way in which rules against second jobs could actually be enforced in a watertight manner anyway. We might easily end up in a perverse situation where a member with a professional or salaried role faced restrictions, but one with a private fortune could continue to manage their investments or participate advising a family business, for example.

It is open to political parties to set their own rules on second jobs if they want to; setting expectations for candidates about the amount of time the party expects them to be engaged in Parliamentary business. But party rules are very different from rules set by the House. With proper transparency about both the financial interests and the member's contribution in Parliament (eg their voting record), we believe it can be left to the member's electorate to judge whether any conflict of interest jeopardises the member's ability to serve his or her constituents.

## **Confidence in Politics**

We are not complacent about the declining confidence in politics in the UK (while noting this is a problem common to most Western countries). The question is how best to resolve it. What the public seem to want is politicians with a plan to resolve the country's long standing problems -and the resolution to see them through. This will take bravery and the preparedness to take unpopular decisions. The more barriers there are to doing this, the more difficult the task becomes, particularly if these involve unelected new layers of supervision. In addition, an excessive focus on standards has other risks. As Baroness O'Neill suggested in her superb 2002 Reith Lecture *A Question of Trust*

“In the very years in which the accountability revolution has made striking advances, in which increased demands for control and performance, scrutiny and audit have been imposed, and in which the performance of professionals and institutions has been more and more controlled, we find in fact growing reports of mistrust. In my view these expressions of mistrust suggest that just possibly we are imposing the wrong sorts of accountability<sup>7</sup>.”

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<sup>7</sup> <https://www.bbc.co.uk/programmes/p00ghvd8>