

COMMITTEE ON STANDARDS OF CONDUCT

Date: Thursday, 28 June 2001

Time: 2:00pm

Venue: Committee Room 1, National Assembly Building

Title: Indirect Interests

DRAFT PAPER TO THE BUSINESS COMMITTEE - REGISTRATION AND DECLARATION OF MEMBERS' INTERESTS

To: Members of Business Committee

From: Mr D Melding

Chair, Committee on Standards of Conduct

Date: June 2001

Purpose

1. To advise the Committee on the conclusions of a review on the Registration and Declaration of Members' Interests, by the Committee on Standards of Conduct.

Timing

2. Routine

Recommendation

3. That the Committee note the conclusion of the Standards Committee and agree that they bring the proposed changes to Standing Order 4 and the guidance on the Registration and Declaration of Members' Interests before the Assembly.

Background

4. Earlier this year, the Committee on Standards of Conduct completed its comprehensive review of the Guidance on the Registration and Declaration of Members' Interests. The

review identified inconsistencies in the requirements for Members to declare and register "indirect interests", and the Committee therefore undertook a more detailed review of this issue. This paper sets out the findings of that review, the Committee's recommendations, and the resulting implications for AM's. The current provisions for the registration and declaration of Direct and Indirect Interests are set out at Annex 1.

Committee's Conclusions

5. There is an overlap between the interests set out in the Annex to Standing Order 4 (to which the criminal sanctions of Section 72 of the Government of Wales Act 1998 apply), and the interests set out in the Assembly's Resolution of 19th May 1999 (which has no associated sanctions)

6. The system for registration and declaration of interests and Standing Order 4 should be revised to include those provisions currently classed as 'indirect interests'. In effect, these will become direct interests and the term 'indirect interests' will no longer apply.

7. The categories of interests included in the Annex to Standing Order 4, should be extended to include the interests of a partner or dependent child, as currently identified in the Assembly's Resolution of 19th May.

8. There is a need to have a more robust definition of 'dependent child' and 'partner' because of the criminal sanctions that would be associated with registration and declaration of these interests, were they to be included within Standing Order 4.

Proposals

Standing Order 4

9. That Standing Order 4 be revised to:-

- Revoke paragraph 2 of the Assembly's Resolution of 19th May 1999;
- Contain a detailed definition of partner and dependent child; and
- Clarify that the interests of a partner or dependent child MUST also be registered.

A copy of a draft revised Standing Order 4 is at Annex 2

10. The categories of registerable interest in the Annex to Standing Order 4 be extended to include those of a partner and/or dependent child. A copy of the draft revised Annex to SO4, including these extra provisions is at Annex 3.

Guidance

11. That the Guidance on the Registration and Declaration of Members' Interests be revised to mirror the changes outlined at 9 and 10 above. A copy of the draft revised guidance is at Annex 4.

Effect

12. The changes to Standing Order 4 and its Annex will have a direct impact on the registration and declaration of interests. Members will be required to register the interests, and, before taking part in plenary etc., declare the interests of their partner and/or any dependent children. This extra requirement to register and declare interests would be far more robust. However, it might mean that AM's may need to make more registrations/declarations, and could have an impact on whether a Member could vote in Assembly proceedings, depending on their declaration.

Conclusion

13. The Committee on Standards of Conduct considers that the current arrangements for the registration and declaration of partners and children may cause confusion. A more streamlined approach will make the arrangements more transparent and enforceable. The proposed changes will provide for a far more robust system of Registration and Declaration of interests, which will benefit Assembly Members and the National Assembly for Wales as a whole.

Mr D Melding

Chair, Committee on Standards of Conduct

June 2001

Annex 1

Members are currently required to register/declare their interests in accordance with the following:-

Direct Interests

Section 72 of the Government of Wales Act 1998 provides for the Assembly to establish

and publish a register of Members' interests. Standing Orders must define which interests are to be registered. Assembly Members must declare any financial or other specified interest before taking part in any proceedings on which such an interest bears.

Indirect Interests

An Assembly Resolution of 19 May 1999 provided that indirect interests of Members in matters particularised in the Annex to the Standing Orders "or in matters of that kind" should also be registered "if it might reasonably be thought by others who knew of the interest that it might influence the Member's conduct of Assembly business." Paragraphs 6 and 7 of the associated **Guidance for Assembly Members on the Registration and Declaration of Members' Financial and Other Interests** (adopted in Plenary on 19 May 1999) provide a definition of indirect interests. Such interests occur "where another person has an interest (financial or otherwise) in the matter in question and there is an established relationship (of whatever nature) between that Member and that other person."

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