

Standards of Conduct Committee

SOC(4)-01-11 : Paper 3

Register of Members' Financial Interests

1. The purpose of this paper is to provide the Standards Committee with an outline of Assembly's requirements in relation to the Registration and Declaration of Members' Interests and to inform the Committee of specific issues and difficulties that have arisen in relation to the Rules on Registration and Declaration.
2. The appointment of the first Statutory Commissioner has paved the way for a fresh approach to 'standards' within the National Assembly for Wales. The Registration and Declaration of Members' Interests forms a key part of that standards regime and it is vital that the relevant Standing Orders and guidance are robust, clear and fit for purpose.

Background on the Register

3. Section 36 of the Government of Wales Act 2006 (the Act) requires the Assembly's Standing Orders to include provision for a Register of Members Interests. Failure to correctly register Members' interests is potentially a criminal offence under Section 36(7) of the Act.
4. The specific requirements for registration are set out in the Assembly's Standing Order 2, and these are supplemented by detailed guidance that is adopted by resolution of the Assembly in Plenary. For ease, this paper refers to the Standing Order requirements and the Guidance collectively as the 'Rules on Registration and Declaration'.
5. In accordance with Standing Order 22.2, the Standards Committee must "supervise the arrangements for the compilation, maintenance and accessibility of the Register of Members' Interests...and the form and content of the Register...". Under this remit the Committee has responsibility for preparing and maintaining the Rules on Registration and Declaration.
6. The Registrar of Members' Interests has a duty to provide advice to Assembly Members on the interpretation of the Rules. The current Registrar is Sian Wilkins, Head of Legislation and Chamber Services, and day to day advice is provided on the Registrar's behalf by the Table Office, which also maintains and published the formal Register.

General Review of the Rules

7. In 2001, the Standards Committee commissioned an overarching review of the standards regime of the National Assembly for Wales, which was undertaken by Professor Diana Woodhouse of Oxford Brookes University¹. This review, and its recommendations, laid the foundation for the current Rules on Registration and Declaration, as well as for the Code of Conduct and the Complaints Procedure.

8. However, the Rules on Registration and Declaration have not been reviewed for a number of years, and there is need, as a minimum, to update the Rules to reflect correct and current terminology. The Committee may also consider it appropriate to undertake a wider review of the Rules, and to inform the Committee's consideration, this paper outlines a number of areas that have caused Members difficulty when making decisions about registration, or where concern has been raised on the content of the Rules. The Committee may wish to consider these specific matters in deciding whether, and how, any review of Registration and Declaration may be taken forward.

Specific Issues Identified by the Registrar

The Receipt of Pensions by Assembly Members

9. The current Rules are silent on whether the receipt of private or occupational pensions by Assembly Members should be registered and the Rules are therefore open to some interpretation. Some consideration could be given to clarifying the Rules in this area.

Category (vi) Financial Sponsorship

10. This category, and the associated Rules, are both difficult to understand and can be difficult to meet in practice. It is vital that Members are able to determine whether, or not, any financial sponsorship they receive falls under the Rules for registration. The Rules in this area could therefore benefit from having more clarity.

Category (ix) shareholdings

11. This category generally works well and the Rules are clear, but for the first time in the Fourth Assembly we were asked to consider whether shares held in 'blind trusts' should be registered – a matter

¹ The Report of the Woodhouse review is published by the Standards Committee on the Assembly's website:

<http://www.assemblywales.org/bus-home/bus-third-assembly/bus-committees/bus-committees-previous-committees/bus-committees-first-std-home/bus-committees-first-std-reports.htm>

not currently covered by the Rules. The issue of blind trusts has raised some concern/criticism in the UK Parliament – this is a matter that the Committee may therefore wish to consider further.

Registration of Dependent Children

12. Some concern has been expressed that Members are required to register the interests of their ‘dependent children’ – particularly in relation to their employment. Children can hold part time employment from the age of thirteen, and questions have been raised as to whether it is appropriate, or necessary, to register the employment of children of that age.

Receipt of Public Funds by Members

13. The Registrar has received a number of queries relating to the receipt of ‘public funds’ by Assembly Members or their partners, and whether these should be specifically and/or separately registered. One area that generated considerable interest was the receipt of subsidies by farmers.

14. Current Rules are silent on this matter, however in relation to the Rules that are in place, it is clear that Assembly Members are not required to register specifically or separately the fact that they receive public funds. The Committee may wish to consider this matter in more detail and to make the rules more robust if necessary.

Declarations of Interests

15. The current Rules on the formal Declaration of interests in Assembly proceedings limit the occasions where a formal Declaration is required. Members are only required to declare an interest if ‘a particular decision in Assembly proceedings might result in a direct financial advantage to the Member ... greater than that which might accrue to persons affected by the decision generally’.

16. Given the way in which the Assembly proceedings operate since formal separation of the Government / Assembly, the circumstances when a formal declaration is required are very limited. The Committee may wish to consider whether the Rules on declaration are still fit for purpose in the Fourth Assembly.

Summary / Recommendations

17. The areas highlighted in this paper provide the Committee with an overview of some of the difficulties experienced by both Members and the Registrar of Members’ Interests in considering the current Rules on Registration and Declaration.

18. Although issues have arisen, it is important to stress to the Committee, and to the wider public, that there has been no breach of the Rules on Registration and Declaration. Members continue to maintain the highest of standards in this area. However, it is vital that there is continuous review of the Rules to ensure that they are robust, fit for purpose and provide Assembly Members with the clarity they need in considering the registration and declaration of their financial interests.

19. The Committee therefore is invited to consider the issues raised in this paper and agree its preferred way forward.

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