



Cynulliad Cenedlaethol Cymru **The National Assembly for Wales**

Y Pwyllgor Safonau Ymddygiad **The Standards of Conduct Committee**

Dydd Mawrth, 9 Gorffennaf 2013
Tuesday, 9 July 2013

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Cofnodir y trafodion hyn yn yr iaith y llefarwyd hwy ynndi yn y pwyllgor. Yn ogystal, cynhwysir cyfieithiad Saesneg o gyfraniadau yn y Gymraeg.

These proceedings are reported in the language in which they were spoken in the committee. In addition, an English translation of Welsh speeches is included.

Aelodau'r pwyllgor yn bresennol
Committee members in attendance

Mick Antoniw	Llafur (Cadeirydd y Pwyllgor) Labour (Committee Chair)
Mark Isherwood	Ceidwadwyr Cymreig Welsh Conservatives
Llyr Huws Gruffydd	Plaid Cymru The Party of Wales
Kirsty Williams	Democratiaid Rhyddfrydol Cymru Welsh Liberal Democrats

Swyddogion Cynulliad Cenedlaethol Cymru yn bresennol
National Assembly for Wales officials in attendance

Sarah Bartlett	Dirprwy Glerc Deputy Clerk
Lara Date	Clerc Clerc
Joanest Jackson	Uwch-gynghorydd Cyfreithiol Senior Legal Adviser
Owain Roberts	Gwasanaeth Ymchwil Research Service
Gareth Rogers	Swyddfa'r Comisiynydd Safonau Office of the Commissioner for Standards

Dechreuodd y cyfarfod am 10 a.m.
The meeting began at 10 a.m.

Cyflwyniad ac Ymddiheuriadau
Introduction and Apologies

[1] **Mick Antoniw:** Welcome to this meeting of the Standards of Conduct Committee. For the benefit of anyone in the public gallery, please switch off mobile phones. Headsets are available for amplification on channel 0 and for interpretation on channel 1, and, if the fire alarm goes off, ushers will tell everyone what to do and, if necessary, direct us to the fire exits. All committee members are here, so there are no apologies.

Eitemau'r Cadeirydd
Chair's Items

[2] **Mick Antoniw:** I have a couple of items to announce, the first of which is the Standards of Conduct Committee lecture, which is on Tuesday, 16 July, as has been publicised. The second item is that we have now received copies of the standards commissioner's annual report, which will be published formally next Monday. That will be available for public consideration from next Monday. We have considered this report in private and we will be making any views that we have felt. Obviously, there will be further consideration once the report is published.

**Ystyried Argymhellion Adroddiad GRECO a'r Diweddaraf gan y Comisiynydd
Safonau ar yr Adolygiad o'r Cod Ymddygiad a Chanllawiau Cysylltiedig
Consideration of GRECO Report Recommendations and the
Standards Commissioner's Update on Review of Code of Conduct and
Associated Guidance**

[3] **Mick Antoniw:** The GRECO report is the report of the group of states against corruption. The report makes five recommendations. In addition, and for the sake of completeness, Members have had a copy of the relevant codes and guidance that relate to this. Before I invite comments on the GRECO report, I will summarise the five items. The first is the issue of responsibility of staff—is the staff code fit for purpose? The second is the lowering of the threshold for the declaration of shares and stocks. The third relates to gifts and whether we should be lowering the threshold. The fourth, topically, is guidance on lobbying and paid advocacy. Finally, the fifth relates to disciplinary sanctions. I invite comments from individuals.

[4] **Mark Isherwood:** In terms of Members being responsible for the conduct of staff in carrying out official duties on behalf of Members, I can see merit in this. It will, however, require some formalised training and monitoring process for said staff, or incorporation of formalised training and monitoring within the performance management systems that are being developed for Assembly Member support staff.

[5] **Mick Antoniw:** We do, of course, have a code, which is in the book here. In fact, if I am correct, we are the only devolved administration that has a code that relates to members of staff. Is that right?

[6] **Ms Date:** Yes.

[7] **Mick Antoniw:** So, I suppose the consideration is whether what we have is sufficient. Are there any other views? If not, I will turn to the comments that I have. The guidance on lobbying and paid advocacy is a matter that we have dealt with. We had the report and a debate in the Assembly last week. On the issue of disciplinary sanctions, we have prepared a report that has gone public and will be coming before the Assembly in due course. The outstanding issue—and there is the paper from the commissioner for standards, who has sent his apologies for today—concerns the reviewing the declarable interests. There is specific reference—and this seems to be the most focused part of the GRECO report—to shares and stocks, and so on, and whether the rules we have on what we have to declare are sufficiently transparent for the purpose of ensuring that our declarations of interest are fit for purpose, and that anybody looking at them would be able to get a proper understanding of the interests that individual Assembly Members who might be voting on a matter actually have. Do you have any particular view on that?

[8] **Llyr Huws Gruffydd:** Rwy'n meddwl bod y rhicyn sydd gennym yn berffaith dderbyniol, ond efallai fod angen mwy o eglurder o gwmpas union natur y cyfranddaliadau a beth yw'r goblygiadau. Wedi dweud hynny, mater i unigolyn yw mynd ati i chwilio ymhellach, cyhyd â bod y wybodaeth sylfaenol ar gael.

Llyr Huws Gruffydd: I think that the threshold that we have is perfectly acceptable, but we perhaps need more clarity around the exact nature of the shares or holdings, and the implications. Having said that, it is up to the individual to conduct further research, as long as the fundamental information is available.

[9] **Mick Antoniw:** I am sorry, but my headset went funny.

[10] **Llyr Huws Gruffydd:** Mae lefel y **Llyr Huws Gruffydd:** The threshold of

rhicyn, sef £26,000, yn gwbl dderbyniol yn fy marn i, oherwydd, mewn cymhariaeth â San Steffan yn enwedig, rwy'n meddwl ei fod yn rhesymol iawn. Mae fy unig gwestiwn yn ymwneud â natur disgrifiad rhai o'r cyfranddaliadau. Wedi dweud hynny, cyhyd â bod y wybodaeth ar gael, mater i unrhyw aelod o'r cyhoedd sydd angen mwy o wybodaeth yw mynd i chwilio am hynny.

£26,000 is perfectly acceptable in my opinion, because, in comparison with Westminster in particular, I think that it is most reasonable. My only question would be about the nature of the description of some of the holdings. Having said that, as long as the information is available, it is a matter for any members of the public who need more information to go and look for it.

[11] **Mick Antoniw:** We have a note from the commissioner for standards on the issue of registrable interests. This is a matter for us to decide, but he is inviting us to note the content of the paper, which is the attached paper by Gareth Rogers; I am referring to paper 2, annex B. If you have that in front of you, we might want to look at that at the same time. The paper can be found at page 21 of our pack. Gareth, was there anything that you wanted to add to this report, because it makes a number of points?

[12] **Mr Rogers:** First, it is important to make the point that none of these issues has been brought forward because there are any major concerns. The registration and declaration of Members' interests forms an integral part of the standards regime. I think that it is right to review the rules regularly in order to make sure, as you said previously, that they are fit for purpose. The paper I have prepared just raises a number of questions for the committee's consideration, and we can move forward to review or revise the rules, as the committee wishes. These are areas for discussion rather than decision at this time.

[13] **Mick Antoniw:** Is it fair to say that these follow on from some of the points raised in the GRECO report?

[14] **Mr Rogers:** As a matter of timing, these things have just fallen together. The list that is at annex B is a list that has evolved over time. During my time as registrar, they are issues that have been raised, either by Assembly Members or through the difficulties that we have had providing advice. So, this list has evolved. The committee has seen a previous list, back last year I believe, but this adds a bit more flesh to the bones previously brought before the committee. There are very similar issues being raised in the GRECO report, but they are coincidental rather than one reacting to the other.

[15] **Mick Antoniw:** And, I suppose, they are coincidental with what is going on in Scotland, which is looking at some of the similar issues.

[16] **Mr Rogers:** Absolutely, yes.

[17] **Mick Antoniw:** So, this is part, really, of various democratic institutions all being very alert to the fact that there needs to be transparency and proper awareness of where people have financial interests where they are voting on matters that might potentially conflict. Also, people can at least see that people do not have interests and the process is operating clearly.

[18] **Mark Isherwood:** On page 5, is there a typographical error? Scotland and Northern Ireland have a nominal value of shares greater than 1%, but in Wales we say that we are less than 1%.

[19] **Mick Antoniw:** We have a higher level, do we not? The Welsh position is—. Sorry, do you want to comment on that, Gareth?

[20] **Mr Rogers:** I was going to say that, with the value in Wales, you register everything over 1% of the issued share capital, and, if it is less than 1%, the value of the registrable

interest has to be over the threshold, which is 50% of the basic annual salary, which equates to £27,000—just short of.

[21] **Llyr Huws Gruffydd:** If £26,000 is less than 1%—

[22] **Mark Isherwood:** Or over 1%.

[23] **Mr Rogers:** Yes, it is an either/or threshold.

[24] **Mark Isherwood:** All right—that is not clear in that. Right.

[25] **Mick Antoniw:** There are a number of examples given in the paper. Of course, if you start looking underneath some of these proposals, there are areas—the example given is that you could have shareholdings that are under this threshold, but in a large number. So, effectively, what this does not provide for is consideration of things like aggregation of an interest in a particular industry, and so on. I suppose the question for us really is the extent to which we need to review it and see whether the system that we have at the moment is sufficient, or whether we should be tightening up this particular aspect.

[26] On page 14 of our pack is agenda item 4, the paper from the commissioner for standards, which makes the point that we have dealt with the lobbying cross-party group arrangements, and his suggestion is that we now move on to a specific review of the code dealing with registrable interests. Hence we have the paper from Gareth Rogers.

[27] **Kirsty Williams:** I would move that we instruct the commissioner to begin that piece of work. The paper from Gareth is a useful reminder of where we are, and highlights some of the issues where questions have been raised in light of experience. I would ask the commissioner to pay specific attention and to make recommendations in those areas. There is the issue about shareholdings, but one of the other issues that Gareth's paper draws attention to is receipt of public funds, and some of the issues that have arisen out of whether you should declare receipt of public funds, which has been problematic in some cases in the third Assembly.

[28] **Mick Antoniw:** Yes. Part of his suggestion—. I think that, first, we do have to look at this, and we do have to look under it before we come to any conclusions on it, because it is an important area. Secondly, the suggestion that he makes is that Gareth Rogers and he attend a meeting here, and we could have a session where we can actually ask, if you want, probing questions about this. Certainly, there are a number of questions that I would like to ask about where we might go on it, particularly examining why what we have at the moment may or may not be sufficient. If we do that, then we will be able to consider this at either the next meeting or subsequent committee meetings. It is something that warrants a bit more detailed attention.

10.15 a.m.

[29] **Kirsty Williams:** It is important to note that there is nothing that precludes Members from registering interests below the set level if there could be a perception from a reasonable person that they could have been influenced. So, there is that catch-all, is there not, for Members to take into consideration whether there would be a perceived interest. There is nothing to stop people from registering that. These are complex issues. We need to get it right, and I would support the recommendations in the paper from the commissioner.

[30] **Mark Isherwood:** I would support them as well. I would suggest that good practice would indicate that, whenever a Member is either representing or speaking on an issue where they have any interest, they should perhaps declare that in their comments, even if it falls

outside this description and is a non-registered interest. One thing that has just struck me, for example is that, if a Member, hypothetically, had a wide range of holdings that were less than 1% and less than 50% of the salary in the same sector, say energy, and they were lobbying on behalf of or speaking on matters affecting the energy industry, you could say that there was a conflict of interest, but, under these rules, they would not have had to declare that.

[31] **Mick Antoniw:** That is right. Also, it does give an opportunity to at least have a preliminary review of some of those issues that relate to the nature of the criminal offence surrounding this as well, particularly bearing in mind that Scotland is reviewing how it changes that. So, there is an area there that we can probe as well. Okay, I will take it that that is agreed.

[32] We will move on to discuss the proposed new code. I refer you all to page 14, item 6. The commissioner has specifically asked us to provisionally approve and amend, or approve, the format of the preamble to section 1 of the new code, which is the following document—paper 2, annex A—dated 9 July 2013. So, there is the draft preamble there. Is everyone happy with that? I see that you are. That goes on to section 1, which is the item that sets out the personal conduct, specific conduct and standards investigation. Is everyone happy with that draft? I see that you are.

10.18 a.m.

Papurau i'w Nodi Papers to Note

[33] **Mick Antoniw:** Under this item, we have paper 3, on the report on lobbying and cross-party groups, which is the letter from the Presiding Officer. I presume that there is nothing to raise on that. Paper 4, on the report on lobbying and cross-party groups, is the letter from the chair of the remuneration board, which is, I think, a letter that had been circulated to everyone in advance of the lobbying debate. Paper 5 is a letter from the Presiding Officer on sanctions, and can be found on pages 40 to 41. The final paper is the response to the Presiding Officer on sanctions. Those are just to be noted. Would anyone like to raise anything else? I see that you do not. Therefore, I thank you all for attending and we will put arrangements in for the next meeting.

*Daeth y cyfarfod i ben am 10.19 a.m.
The meeting ended at 10.19 a.m.*