



House of Commons
Committee on Standards

Nadine Dorries

Fourth Report of Session 2013–14

*Volume I: Report, together with appendices,
formal minutes and oral evidence*

*Written evidence is contained in Volume II,
available on the Committee Website at
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The 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' 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.

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The following were also Members of the Committee during the Parliament:

Annette Brooke MP (*Liberal Democrat, Mid Dorset and North Poole*)

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

The Reports and evidence of the Committee are published by The Stationery Office by Order of the House. All publications of the Committee (including press notices) are on the Internet at: www.parliament.uk/standards.

Committee staff

The current staff of the Committee are Eve Samson (Clerk), Danielle Nash (Second Clerk) and Miss Christine McGrane (Committee Assistant).

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Report

Introduction

1. This Report arises from a memorandum from the Parliamentary Commissioner for Standards dealing with the conduct of Nadine Dorries in respect of the registration of fees relating to her appearance in “*I’m a Celebrity ... Get Me Out of Here!*”, an ITV television programme. In essence, the Commissioner has found that those payments ought to have been registered. Ms Dorries contended that such payments (if any) were made to a company, Averbrook Ltd, of which she is a director, and that she was not required to register income received by the company, but only any remuneration she drew from it. Ms Dorries further contends that as she was not required to register the company’s income, she did not have to respond to the Commissioner’s requests for information about payments for her media work.

2. There are a number of questions we have had to consider in coming to our conclusions:

- Do the rules require registration of payments that Ms Dorries receives from her media engagements which are made to a third party?
- Has Ms Dorries breached the Code by refusing to co-operate with the Commissioner’s inquiry, given that there was a difference of opinion about registration requirements for such payments?
- What was the nature of Averbrook Ltd’s business and when should the shareholding have been registered?

Since the Commissioner’s memorandum sets out the detail of the case, we concentrate on key points.

Registration of payments to a third party

3. In spite of her reluctance to provide the precise information the Commissioner requested, Ms Dorries has provided evidence that since October 2012 her income from media appearances had been paid to her. Her agents confirmed that:

payments for all written and media work undertaken by Nadine Dorries on behalf of Averbook Ltd since October 2012 have been paid to [us] and following deduction of our commission the remaining balances are paid to Averbook Ltd. No payments are made personally to Nadine Dorries.¹

In oral evidence, Ms Dorries made clear that although she had a business partner, who had a minority shareholding and acted as copy-editor for her books, Averbrook Ltd. had no income from any sources other than her media appearances:

1 WE 11 (Footnotes: “WE” footnotes refer to the numbered items in the virtual volume on the Committee’s website)

Andy does not invoice. My agents do not invoice for work that Andy has produced. They invoice for work that I produce, but Andy is a part of the production team that is invoiced for in my name.²

4. The rules require that Members register their financial interests. There are currently 12 categories of registrable interest. We would have expected payments for media work to appear under category 2 in the Register “remunerated employment, office profession etc”. *The Guide to the Rules relating to the Conduct of Members* specifies under Category 3 *Clients* that:

All employment outside the House and any sources of remuneration which do not fall clearly within any other Category should be registered here. Members must register under this category the precise amount of each individual payment made, the nature of the work carried out in return for that payment, the number of hours worked during the period to which that payment relates and (except where disclosure of the information would be contrary to any legal or established professional duty of privacy or confidentiality) the name and address of the person, organisation or company making that payment.³

5. The Registrar of Members’ Financial Interests advised Ms Dorries that any fees from *I’m a Celebrity* should be registered, whether or not those fees were paid directly to her or to a company. Ms Dorries contended that such registration was not necessary because a) all remuneration was paid to Averbroom Ltd, which had not yet made any payment to her; and b) because “my media work has no such bearing upon my representation of Mid-Bedfordshire”.

6. Ms Dorries also initially told the Commissioner:

I can provide you with a very long list of MPs in all parties who do not declare payments made to their companies or even their shareholdings, given that they maintain such shareholdings below 15%.

[...] I will cite [another Member]; who runs a [...] business. Are you seriously suggesting that every payment made to his busy family business by clients should be declared in the Register of Members’ Interests?

I also take issue that, in light of there being no specific rule requiring MPs to register payments made to their Limited Company, you will make one up by telling Members they should and therefore attempting to establish a precedent.⁴

7. In a letter to the Parliamentary Commissioner for Standards, following her appearance before this Committee, Ms Dorries shifted her position and said:

In the last week I have spoken to a number of MPs. Those in the 2010 intake of informed me that when they ring the registrar they are told they do have to register payments made to their company.

2 Q 4

3 House of Commons, *The Guide to the Rules relating to the Conduct of Members*, HC (2010–12) 1885, para 24

4 WE 23

MPs have been in the House longer, such as I, were advised to register only payments drawn from the company.

However, an exceptional few, because payments to their company are regular occurrence based on a fixed term payments for non-execs, disclose what is paid to their company but these MPs are also of the opinion that they do this as a voluntary measure and in doing so are ‘over declaring.’

This suggests that the interpretation of the rules has been subtly altered without MPs being formally told.⁵

8. Both communications suggest that rules have been “made up” or that interpretations have been changed. The Registrar’s advice will reflect the particular circumstances of the Member in question, and the relationship between the company and work done directly by the Member concerned him or herself. It is wrong to assume that the rules have been “subtly altered” on the basis of anecdotal information about the advice given to others.

9. As Ms Dorries said, the rules do not require Members with shareholdings of below 15 per cent of a company to register them, providing that they are not greater in value than the current parliamentary salary. Nor do they require those with registrable shareholdings to register every payment made to those companies in which they have an interest. In many cases such payments will have nothing to do with any activity of the Member who holds the shares, or the payment will be unrelated to a Member’s parliamentary role and fall below the registrable threshold. The requirement to register arises when payments are made to a company in respect of work done by the Member concerned.

10. In the course of this inquiry we have looked most carefully at the rules and the advice given in connection with the registration of payments made to companies in respect of services provided by Members. The background to the current registration requirements is set out in the Commissioner’s memorandum.⁶ The House had agreed changes to the Guide to the Rules relating to the Conduct of Members on 9 February 2009. On 30 April 2009 the House agreed to a further, freestanding Resolution which required registration of the precise amounts paid to Members for all types of employment, regardless of their value.⁷ The Committee on Standards and Privileges then updated the Guide to reflect that Resolution. When the updated *Code of Conduct and Guide to the Rules relating to the Conduct of Members* was issued to all Members in June 2009 it was accompanied by more detailed guidance, issued under a letter from the then Chair of the Committee on Standards and Privileges, Sir George Young. In his covering letter, Sir George noted that:

I enclose a copy of the revised Guide to the Rules, together with a note prepared by the Registrar which translates the decisions of 9 February and 30 April into more detailed guidance. The guidance necessarily reflects decisions of the House, which bind the Registrar as they bind us all. Members who have concerns about the effect

5 Appendix 4.

6 Appendix 1, paras 46–48

7 The rules were subsequently amended to increase the threshold for registration after experience had shown that the stipulation that all payments had to be registered had resulted in trivial payments and gifts being entered on the register.

of the changes may wish to communicate them to the Leader of the House, as I have done.⁸

11. That guidance contained the following:

a number of Members run their own **companies**. When considering how to make entries in respect of these, Members should distinguish between earnings which are result [sic] from their efforts alone and those which result also from those of others. Members in such a position should:

a) register a company in the appropriate category, which would usually be Category 1;

b) register under Category 3 (Clients) within four weeks of receipt all payments to the company from clients of the company to whom they provide personal services together with the nature of the work and the number of hours worked.⁹

It remains extant on the Commissioner's webpages, on the page where forms for registration can be found.

12. The June 2009 advice on registration of payments to companies was based on established practice. The Committees charged with considering standards cases have consistently required Members to register work done through companies.¹⁰ In its Seventh Report of Session 1999–2000, published in March 2000, the Committee on Standards and Privileges gave guidance on the registration of fees for media appearances and related work, which included the statement that “in the case of any fees which are paid to a company, rather than directly to the Member, the person or organisation paying the fees should be registered under Category 3 (Clients) as a client of the company if not registered under Category 2”.¹¹ There is an almost exact precedent for the payment to a third party in respect of work done by a Member of Parliament dating from 2001:

Members are required to register any employment “in which the Member has any pecuniary interest”.[...] Because the company was owned by Mr Robinson and his own services were an integral part of the agreement for services for which the remuneration was sought, the fact that the payment was to be made to his company, TransTec, for services provided by that company does not alter our view of this case. Whether the payment was intended to be made to Mr Robinson or TransTec is immaterial.¹²

That Report was approved by the House on 31 October 2001.

8 The Committee on Standards and Privileges was concerned about the lack of a lower threshold for the registration of payments.

9 Guidance issued under a letter from Sir George Young, the then Chairman of the Committee on Standards and Privileges, to all Members of Parliament on the Guide to the Rules, dated 23 June 2009, para 29

10 Committee on Members' Interests, First Report of Session 1989–90, *Geoffrey Robinson*, HC 135

11 Committee on Standards and Privileges, Seventh Report of Session 1999–2000, *Complaint against Mr Ken Livingstone*, HC 342, para 11

12 Committee on Standards and Privileges, Seventh Report of Session 2000–01, *Complaint against Mr Geoffrey Robinson*, HC 465, para 5

13. It is clear that the motion in 2009 was intended to tighten existing rules rather than to relax them. The intention was to ensure that registration of Members' remunerated work outside the House was complete and transparent: it would frustrate this aim if a Member were able to avoid registration by the device of ensuring payments for his or her work were made to a company.¹³ While company accounts give some indication of payments received by a company, they do not give the detail which the Guide to the Rules requires. **The Code and Guide are not intended to be interpreted in a narrow legalistic way. Members need to measure their conduct against the Seven Principles of Public Life, which are part of the Code and include accountability, openness, honesty and leadership. The use of payments to a company to avoid declaration of earnings would be incompatible with these principles.**

14. We acknowledge that the *Guide to the Rules* could be better expressed. In its proposed revision to the Guide, the Committee on Standards and Privileges agreed to changes in registration categories and agreed that:

if payments in respect of work done by a Member are made to some other person or organisation, and if those payments are not passed on to the Member in a form which can be easily linked to the work done, or at all, that Member should nevertheless register any such payment to the other person or organisation in respect of the Member's work.¹⁴

The then Commissioner's memorandum on the revision clearly indicated that this was a clarification, not a change to the rules. We regret that Ms Dorries's conduct has proved this clarification was wise.

15. We also note that while Ms Dorries' media work may not have influenced her representation of mid-Bedfordshire, it is likely to have been linked to her work in the House. The entry from Ms Dorries's agent's website makes clear that her written media work was related to parliamentary affairs. We find it hard to believe she would have been invited to appear on "*I'm a Celebrity*" if she had not come to public prominence as a Member of the House.

16. **It is clear that Ms Dorries's media work was remunerated, whether or not those payments were made to her or to her company. We agree with the Commissioner that Ms Dorries should have registered payments for such media services even though those payments were made through Averbroom Ltd.** We consider the question of confidentiality agreements later in this Report.

Advice from the Registrar

17. In oral evidence, Ms Dorries said:

I telephoned the Registrar and had a conversation with her about it. I asked her "What do I need to do?", taking into account what other Members do who have

13 Committee on Standards and Privileges, Third Report of Session 2012–13, *Proposed Revisions to the Guide to the Rules relating to the conduct of Members*, HC 636, Appendix 1, para 34

14 *Ibid.*, Appendix 1, para 36

businesses, of which there are many on both sides of the House. I asked, “What is the proper procedure for doing this?” She said to me, “I advise that you register every payment that goes into your company.” I knew from other Members that that is not what Members do, so I said, “Do I have to do this?” She said, “No, you don’t have to. I advise that you do.”

I thought that that was ambiguous advice, so I sought a further layer of legal advice on top of that—an interpretation. The advice that I got was, “Yes, you have to disclose any remuneration that you receive—any payment that you personally receive—but you do not have to disclose any payment that goes into the company.” I spoke to other colleagues—lots of them—who have businesses, and they all said exactly the same thing. They have also taken advice, and that has always been the interpretation of the rules; you disclose and you register what you take personally as payment, not what the company receives.¹⁵

As the evidence appended to the Commissioner’s evidence shows, on 21 January 2013 the Registrar advised Ms Dorries in writing:

I also confirm that this office has always advised that a Member who has earnings from employment should register these if they are paid not to him or her but to another entity, such as a company of which he or she is an unpaid director. While the current Guide to the Rules does not cover this specific scenario, we have advised in individual cases that such earnings should be registered, and you will find in the current Register a number of such payments listed under the employment categories.¹⁶

18. Ms Dorries and the Registrar interpreted the rules differently. Ms Dorries told us she consulted her colleagues; the advice she reports that they gave may well have been based on very different company arrangements than those in her case. She also sought legal advice for her interpretation of the rules: the requirements of the Code and Guide are those of the House, not of the courts, and there is no scope for the courts in interpreting them.

19. It is for each Member to decide whether a particular interest falls within the rules requiring registration, bearing in mind the *Code of Conduct*, the *Guide to the Rules* and the purpose of the Register itself, which is “to provide information of any pecuniary interest or other material benefit which a Member receives which might reasonably be thought by others to influence his or her actions, speeches or votes in parliament, or actions taken in his or her capacity as a Member of Parliament”.¹⁷ Members should also have regard to *The Seven Principles of Public Life*, one of which is openness. The Committee on Standards and Privileges advised Members to approach the Registrar for guidance, and a previous Commissioner noted that following such advice gave Members “considerable assurance in the face of any subsequent complaint” and that if for any reason a breach was found, the advice would still have much weight when the Commissioner drew his conclusions.¹⁸ The

15 Q 13

16 WE 16

17 House of Commons, *The Guide to the Rules relating to the Conduct of Members*, HC (2010–12) 1885, para 11

18 Committee on Standards and Privileges, Tenth Report of Session 2007–08, *Conduct of Mr George Osborne*, HC 560, paras 14–15 and Appendix 1, para 64

Registrar’s advice will reflect best practice. Nonetheless, although it is prudent to take advice, Members may choose to disregard it, and if a complaint is made to explain later to the Commissioner and to the Committee why they considered that advice mistaken.

Did Ms Dorries co-operate with the Commissioner’s inquiry?

20. The Rules are clear that “the Commissioner may investigate a specific matter relating to a Member’s adherence to the rules of conduct under the Code. Members shall co-operate, at all stages, with any such investigation by or under the authority of the House.”¹⁹

21. It would have been entirely proper for Ms Dorries to have provided the information requested, with the rider that she believed the information was not registrable and a request that the Committee should keep the sums involved confidential if they concurred with her interpretation of the rules. The Parliamentary Commissioner repeatedly told Ms Dorries “the evidence I receive is confidential unless and until it is published by me or the Committee on Standards”²⁰ and that “I would not expect to publish details of payments unless I had concluded that the rules of the House required you to have registered them.”²¹ What the rules do not contemplate is a blanket refusal to provide evidence.

22. On this occasion the Commissioner did not ask the Committee to use its powers to compel the provision of evidence because, as her memorandum makes clear, there was sufficient material in responses from Ms Dorries combined with information already in the public domain to make progress with her inquiry.

23. We recognise that the extent of the Commissioner’s jurisdiction in this case had effectively been challenged by Ms Dorries herself and that, as Ms Dorries said, the Commissioner quite rightly could not give “an absolute degree of confidentiality”, since it would depend on the Committee’s judgment.²² If Ms Dorries had simply asked for the matter to be referred to the Committee, we would not necessarily have considered the failure to provide information as a breach of the Code. We also recognise that, as Ms Dorries says, she responded promptly to the Commissioner’s letters. But Ms Dorries responded to the Commissioner’s requests for information with accusations that “your report amounts to a witch hunt” and “you are choosing to use a vexatious complaint made against me to reinforce your ‘on the hoof make it up as you go policy’ and threats of legal action.”²³

24. Accountability is one of the principles of public life:

“Holders of public office [...] must submit themselves to whatever scrutiny is appropriate to their office”²⁴

The Commissioner’s memorandum sets out the position with the utmost clarity:

19 House of Commons, *The Code of Conduct*, HC (2010–12) 1885, para 19

20 WE 9

21 *Ibid.*

22 Q 19

23 WE 23

24 House of Commons, *The Code of Conduct*, HC (2010–12) 1885, para 8

It is each Member's personal responsibility to register their interests. However, once I have initiated an inquiry into a Member's conduct, it is not for that Member to decide whether he or she has broken the rules. My role in investigating complaints is to report the facts I have established and to offer my conclusion on whether the Code has been breached. It is then for the Committee, and ultimately the House, to rule on whether or not the Member has breached the Code.²⁵

25. The rules require Members to subject themselves to the Commissioner's scrutiny. Accusations of the sort made by Ms Dorries are unacceptable. We agree with the Commissioner that Ms Dorries has committed a breach of the Code through her attitude to the Commissioner's inquiries.

Failure to register the Averbroom shareholding

26. The *Guide to the Rules* requires remunerated directorships or shareholdings of above 15 per cent of the registered share capital of a company or of greater value than the current Parliamentary salary. Paragraph 20 states that:

Companies which have not begun to trade or which have ceased trading need not be registered, either under this Category or under Category 9 (Shareholdings). "Not trading" should, however, be interpreted in a strict sense; if a company is engaged in any transaction additional to those required by law to keep it in being, then a remunerated directorship in that company should be registered. If a Member wishes to register a directorship in a company which is "not trading" the Member should make the position clear by adding the words not trading after the name of the company.²⁶

While Averbroom Ltd may have been an off-the-shelf company doing no more than required to keep it in being at the time Ms Dorries' office first contacted the Registrar, it is clear it was trading from October. This is shown by the evidence from Ms Dorries' accountants:

I confirm that all of your earnings since October 2012 have been reflected through Averbroom Ltd.²⁷

We note that the Commissioner concludes that "I have no evidence that the apparent late registration of Ms Dorries' interest in Averbroom Ltd was other than inadvertent". It is unfortunate that the Registrar was not made aware that Averbroom Ltd was trading, and Ms Dorries' shareholding should therefore have been registered, in a timely manner. We agree with the Commissioner's finding that the failure to register the shareholding was a breach of the rules, but we do not consider it a serious breach.

25 Appendix 1, para 61

26 House of Commons, *The Guide to the Rules relating to the Conduct of Members*, HC (2010–12) 1885, para 20

27 WE 8

Conclusion and recommendations

27. Payments directly made for services should be registered whether or not they are made to a third party. That is the advice given by the Registrar, and, as we note, this advice is consistent with earlier decisions of the House following reports from the Committee on Standards and Privileges. There are many entries in the Register where Members have noted payments for their services which have been made to companies, rather than to them directly. Even so, we share the Commissioner's regret that the House has not yet had time to consider the proposed revisions to the Guide put forward by the Committee on Standards and Privileges in December 2012. This would have ensured the Guide to the Rules contained explicit provisions reflecting the advice of successive Registrars and the precedents from the Committee on Standards and Privileges.

Confidentiality agreements

28. Ms Dorries told the Commissioner she could not provide the detailed information the Commissioner sought because:

All contracts with commissioning companies are confidential and commercially sensitive.²⁸

In oral evidence she said there was a confidentiality agreement between ITV and Averbrook and that:

if I were ever to disclose and to say, "This is the amount of money that I am paid by ITV," I would fall foul of that contract and would be at the mercy of ITV²⁹

As the Commissioner points out, the rules permit the withholding of the identity of the name and address of those from whom payments are received where there is a legal or professional duty of privacy or confidentiality; they do not permit withholding the fact that payment has been made.³⁰

29. We sought advice on the extent to which the law of confidentiality can bind Members in official proceedings of the House from Speaker's Counsel, and the Clerk of the Journals. While the rules relating to the conduct of Members recognise the public interest in upholding professional confidentiality, the House's rights to information cannot be overridden by confidentiality agreements. If they were, then Members could evade the registration requirements by making sure that such agreements were in place for all their employment. Erskine May deals with witnesses and evidence in connection with Committee powers³¹ and makes clear that:

28 WE 3

29 Qq 10–12

30 House of Commons, *The Guide to the Rules relating to the Conduct of Members*, HC (2010–12) 1885, para 24

31 This is because such matters are most likely to arise in Committee in modern practice.

there is no restriction on the power of committees to require the production of papers by private bodies or individuals, [...] Solicitors have been ordered to produce papers relating to a client.³²

The prohibition against impeaching or questioning proceedings in Parliament in Article 9 of the Bill of Rights, and the provisions of the Parliamentary Papers 1840 also make it unlikely that an action for damages or other claim for breach of contract, where such a breach arose from obedience to an Order of the House, would be heard by a court. As Speaker's Counsel said:

No such action could be sustained in the courts of the United Kingdom, and this by reason of the constitutional principle reflected in Article IX of the Bill of Rights.³³

In any event, Ms Dorries should not have signed a contract which required her to keep confidential matters which should have been registered.

30. It was only after the Committee shared the paper on confidentiality with her that Ms Dorries informed us that she would "seek to ensure that future contract wording is amended to include the exemption provisions" about confidentiality. She also asked to include the following information in her Register entry:

For the year from October 31st 2012 to October 31st 2013:

Approximate gross income is £142,000

Giving a profit of £82,000

A dividend payment of £10,000 is being paid to Nadine today (30.10.2013)

Nadine spent approximately 60 days working on Averbrook's projects, which are still best described as 'writing and media appearances'.

These figures are provisional before the full accounts are produced in December but Nadine would like the register to be updated as soon as possible.³⁴

This information gives a broad view of Ms Dorries's major activities, and the time she spends upon them. It does not meet the requirement that under category 3 of the register "Clients":

Members must register [...] the precise amount of each individual payment made, the nature of the work carried out in return for that payment, the number of hours worked during the period to which that payment relates.³⁵

31. In her initial evidence, Ms Dorries suggested that other Members might be using limited companies as a way of avoiding the House's registration requirements, although

32 Erskine May, *The Law, Privileges, Proceedings and Usage of Parliament*, 24th edition (Chippenham and Eastbourne, 2011) p 819

33 Appendix 4

34 Appendix 6

35 House of Commons, *The Guide to the Rules relating to the Conduct of Members*, HC (2010–12) 1885, para 28

her more recent comments modify this assertion. The Register shows that many Members already follow the Registrar's advice, and we have seen no evidence of widespread use of companies to evade registration requirements. Any Member with concerns about their current arrangements for registering company related income should consult the Registrar as soon as possible.

32. Ms Dorries must register the details required by the rules. That leaves her initial failure to abide by the Registrar's advice, and her attitude toward the Commissioner's inquiry. The House's Code of Conduct and disciplinary system depend on Members being prepared to explain their conduct, to submit to public scrutiny and where necessary, to respond to the Commissioner's inquiries. We recommend that Ms Dorries

- **register all payments in respect of her employment, whether or not they have been channelled through Averbrook Ltd or any other third party and**
- **apologise to the House by way of a Personal Statement.**

We expect Ms Dorries to consult the Registrar in person about the detail of her Register entry within 21 days of publication of this Report. We will monitor Ms Dorries's compliance and will recommend further action if necessary.

Appendix 1: Memorandum from the Parliamentary Commissioner for Standards—Complaint concerning Ms Nadine Dorries MP

Background

1. In early November 2012, it was reported in the press that Ms Nadine Dorries, the Member for Mid Bedfordshire, would be taking part in the television programme “I’m a Celebrity...Get Me Out of Here!”. Ms Dorries first appeared on the programme on 11 November 2012 and appeared for the last time in an episode shown on 21 November 2012.

The Complaint

2. On 3 June 2013 I received a complaint from Mr John Mann, the Member for Bassetlaw, concerning Ms Dorries.³⁶ Mr Mann asked me to investigate why Ms Dorries had not registered payments she had received for appearing in “I’m a Celebrity...Get Me Out of Here!”. He said that this was a breach of the rules relating to the registration of Members’ financial interests and a breach of the Code of Conduct.

3. Before I initiate an inquiry, I consider whether there is sufficient evidence to justify an inquiry into whether a particular named Member may have breached the Code of Conduct. In this case, the facts that Ms Dorries had appeared on the programme, and that participants usually receive a fee, were public knowledge. The fact that Ms Dorries had not made an entry relating to the programme in the Register of Members’ Financial Interests was a matter of public record. I therefore considered that there was sufficient evidence to justify an inquiry, and initiated it on 3 June 2013.

Relevant Rules of the House

4. Paragraph 13 of the Code of Conduct approved by the House of 12 March 2012 provides for the following rule for the registration of interests:

“Members shall fulfil conscientiously the requirements of the House in respect of the registration of interests in the Register of Members’ Financial Interests...”

5. The rules on the registration of Members’ financial interests are set out in the Guide to the Rules relating to the conduct of Members. Paragraph 11 of the Guide sets out the purpose of the Register:

“The main purpose of the Register of Members’ Financial Interests is “to provide information of any pecuniary interest or other material benefit which a Member receives which might reasonably be thought by others to influence his or her actions,

speeches or votes in Parliament, or actions taken in his or her capacity as a Member of Parliament.” The registration form specifies twelve Categories of registrable interests which are described below. Apart from the specific rules, there is a more general obligation upon Members to keep the overall definition of the Register’s purpose in mind when registering their interests.”

6. The duties of Members in respect of registration include the following in paragraph 13:

“Members of Parliament are required to complete a registration form and submit it to the Commissioner within one month of their election to the House (whether at a general election or a by-election). After the initial publication of the Register (or, in the case of Members returned at by-elections, after their initial registration) it is the responsibility of Members to notify changes in their registrable interests within four weeks of each change occurring.”

7. Paragraph 15 of the Guide provides as follows:

“Members are responsible for making a full disclosure of their interests, and if they have relevant interests which do not fall clearly into one or other of the specified categories, they are nonetheless expected to register them, normally under Category 11.”

8. The rules require the registration of remunerated employment in Category 2 (Remunerated employment, office, profession, etc). Category 2 is defined as follows:

*“**Remunerated employment, office, profession, etc** Employment, office, trade, profession or vocation (apart from membership of the House or ministerial office) which is remunerated or in which the Member has any financial interest. Membership of Lloyd’s should be registered under this Category.”*

9. Paragraph 24 of the Guide provides as follows:

“All employment outside the House and any sources of remuneration which do not fall clearly within any other Category should be registered here. Members must register under this category the precise amount of each individual payment made, the nature of the work carried on in return for that payment, the number of hours worked during the period to which that payment relates and (except where disclosure of the information would be contrary to any legal or established professional duty of privacy or confidentiality) the name and address of the person, organisation or company making that payment.”

A Resolution of 30 April 2009, following an amendment made on 7 February 2011, provides that such payments must be registered where their value exceeds one tenth of one per cent of the current Parliamentary salary (currently £66) or where the cumulative value of payments from a single source exceeds 1 per cent of the Parliamentary salary (currently £660) in a calendar year.

10. The rules also require the registration of shareholdings under Category 9, which is defined as follows:

Shareholdings: *Interests in shareholdings held by the Member, either personally, or with or on behalf of the Member's spouse or partner or dependent children, in any public or private company or other body which are:*

(a) greater than 15 per cent of the issued share capital of the company or body; or

(b) 15 per cent or less of the issued share capital, but greater in value than the current parliamentary salary.

The nature of the company's business in each case should be registered.

11. Paragraph 19 of the Code includes the following:

“The Commissioner may investigate a specific matter relating to a Member's adherence to the rules of conduct under the Code. Members shall cooperate, at all stages, with any such investigation by or under the authority of the House.

My Inquiry

12. In the course of my inquiry I have considered evidence from the following:

- a) Ms Dorries;
- b) Companies House;
- c) The Registrar of Members' Financial Interests;
- d) Website of Ms Dorries' agent.

I have also taken account of information readily available on the internet about Ms Dorries' media articles.

The evidence is appended to this memorandum.

Ms Dorries' evidence

13. I wrote to Ms Dorries on 3 June 2013.³⁷ I asked her whether any fee had been paid for her appearance in the programme—and, if so, I asked her to let me know the amount(s), the date(s) on which payment was received and to whom the payment had been made. I also asked her whether she had at any time considered registering an interest and, if so, why she had not done so. I also requested a copy of any contract or agreement she had signed in relation to the programme.

14. Ms Dorries replied on 11 June.³⁸ She told me that she had not been paid a fee for her participation in “I'm a Celebrity”. She said that all fees for work she was commissioned to undertake were, without exception, paid to a company called Averbroom Ltd. Ms Dorries enclosed with her letter two exchanges of e-mails that her office had had with the Registrar

37 WE 2

38 WE 3

about the registration of her interest in Averbroom Ltd.³⁹ She told me that this exchange had been followed by a telephone call, during which she had assured the Registrar that, were she to be remunerated at any time via her company, she would inform her immediately.

15. Ms Dorries explained to me her interpretation of the rules of the House. She believed that she had two objectives to fulfil. The first was to register her company (Averbroom Ltd), which she told me she had “*done for the purpose of transparency even though as yet it is not required for me to do so*”. The second was to notify me should she receive any remuneration, which she had not. In response to my request for a copy of any contract she had signed, she said that all contracts with commissioning companies were confidential and commercially sensitive. She said that she was therefore unable to meet my request.

16. I wrote to Ms Dorries on 13 June⁴⁰ to ask her again to respond to the questions set out in my letter of 3 June⁴¹ and to provide a copy of any contract or agreement she had signed. In response to her concerns about providing confidential information, I explained that all evidence I received during my inquiries was confidential unless and until it was published by me or by the Committee on Standards. I told her that we were always prepared to consider requests for the redaction of confidential and personal information which was not relevant to the resolution of an inquiry. I also asked her whether I was right to understand from her letter that any fee for her appearance on “I’m a Celebrity” had been paid directly to Averbroom Ltd. I also asked her, if this was this case, to let me know the nature and history of her relationship with that company.

17. Ms Dorries replied on 19 June.⁴² She told me that the last payment she had personally received in relation to her outside interests had been registered. Since October 2012, all of her outside earnings (from a number of media companies and publishers) had been paid to Averbroom Ltd, of which she was a joint director. She enclosed an e-mail from her accountant to confirm this.⁴³ She said that she had registered Averbroom Ltd, and told me that “*All information regarding Averbroom Ltd is available via Companies House*”. She said that she did not feel that there was anything further she could add or anything further that she was obliged to provide in relation to this complaint.

18. I wrote to Ms Dorries again on 24 June.⁴⁴ I reminded her of the expectation, set out in the Code of Conduct, that Members will co-operate with a Commissioner’s investigation. I also repeated my explanation about the confidentiality of material submitted to my investigations. I asked Ms Dorries again to respond to my questions and to provide the evidence I had requested.

19. Ms Dorries responded to this letter on 28 June.⁴⁵ She told me that she was “*disappointed*” that I was asking her for information which she was under “*no obligation*

39 WE 4 and 5

40 WE 6

41 WE 2

42 WE 7

43 WE 8

44 WE 9

45 WE 10

whatsoever to provide". She told me that the information I had requested, including whether any fee had been paid by "I'm a Celebrity" and how much that fee was, was "*the business of Averbroom alone*".

20. She said that, "*in the spirit of being as helpful as possible*", she had enclosed an e-mail from her agent.⁴⁶ This e-mail confirmed that "*payments for all written and media work undertaken by Nadine Dorries on behalf of Averbroom Ltd since October 2012*" had been paid to her agent and, following deduction of her agent's commission, "*the remaining balances*" had been paid to Averbroom Ltd. The e-mail further stated that "*No payments are made personally to Nadine Dorries*".

21. Ms Dorries repeated that "*all information regarding Averbroom is available online via Companies House*". She considered that she had no other information that she was obliged to provide. She said that her office had contacted the Registrar for guidance "*from the first day*" and that her involvement in the company had been registered. She considered that she had fulfilled her obligation and told me that she was not aware that any complaint regarding her directorship of Averbroom Ltd had been made. She concluded by saying that she considered the complaint against her to be "*simplistic, unfounded [and] vexatious*".

Averbroom Ltd: Companies House records

22. Ms Dorries' letters of 19 and 28 June⁴⁷ told me that all information relating to Averbroom Ltd was available via Companies House. The information available from the Companies House website at that time showed that Averbroom Ltd was a private company limited by shares which was incorporated on 12 May 1994.⁴⁸ Its status was "active". Ms Dorries had been made a director on 4 October 2012 and had been the sole director from that date until 14 March 2013 when a further director was appointed. This was a re-appointment, since the same individual appeared as a director and shareholder of the company on all of the annual returns available on the Companies House website.⁴⁹ He had ceased to be a director of the company on 3 October 2012 and was reappointed on 14 March 2013. At this stage, the annual return for 2012–13 had not been filed.

23. Averbroom Ltd's annual return, which was dated 12 May 2013, was filed on 11 July 2013.⁵⁰ This showed that the company had two shareholders (Ms Dorries and the other director) and 100 shares, which were valued at £1 each. Of these, Ms Dorries held 90 shares. The return showed that 90 shares had been transferred from the other director on 3 October 2012. The annual return contained no other information about Ms Dorries' relationship with the company. Averbroom Ltd's annual accounts are not due to be filed until 30 September 2013.⁵¹

46 WE 11

47 WE 7 and 10

48 WE 14

49 Not included in the written evidence

50 WE 20

51 WE 14

The Registrar's advice

24. I wrote to the Registrar of Members' Financial Interests on 1 July, enclosing the information I had from Companies House.⁵² I asked her whether she considered that, under the rules of the House, Ms Dorries should have registered any payment made for her appearance on "I'm a Celebrity", even if that fee was paid to a company and not to Ms Dorries. I also asked what advice, if any, she had given to Ms Dorries about the registration of any payment made for her appearance on "I'm a Celebrity" and/or about the registration of her relationship with Averbrook Ltd.

25. The Registrar responded to my letter on 8 July.⁵³ On the question of whether Ms Dorries should have registered any fee she received for participating in the programme, even if it was paid to a company and not to Ms Dorries herself, she explained that the rules of the House relating to the registration and declaration of interests "*do not touch on arrangements of this sort*". However, she added that "*in the absence of either specific guidance or a specific exemption, my advice was and is that Ms Dorries should have registered this payment*". She said that this was based on the purpose of the Register, defined in paragraph 12 of the Guide to the Rules as "*openness*". She told me that the established practice of her office was to advise Members to register remuneration for their work even if it was paid not to them but to other organisations, and noted that the published Register contained a number of entries made in accordance with this advice.

26. She then described the advice her office had given to Ms Dorries about the registration of any payments made for her appearance on "I'm a Celebrity". She told me that, in the light of media coverage of the appearance, she had e-mailed Ms Dorries on 3 January 2013 to remind her to provide details as soon as possible if she had payments to register, either from "I'm a Celebrity" or from Averbrook Ltd. She reminded her again on 18 January. On 21 January, following a telephone conversation with Ms Dorries, she sent her an e-mail in which she advised Ms Dorries to register payments from the television programme even if they were made to another organisation.

27. The Registrar noted that Ms Dorries had already sent me a copy of an e-mail exchange with the Registrar's office, which began in October 2012. The Registrar told me that she had understood from this exchange that Averbrook Ltd was a new company which was to be wholly owned by Ms Dorries, and that it had not yet started trading.⁵⁴ On this basis, she had taken the view that registration was not required at that stage. On 18 October, the Registrar asked Ms Dorries' office to inform her after the first payment from Averbrook Ltd had been received and after its address had been confirmed. On 31 October, the Registrar's office telephoned to ask whether there was anything to register in relation to

52 WE 13 and 14

53 WE 15

54 In her letter to me of 21 August, Ms Dorries said:

"I have never claimed Averbrook was a new company. It was an off the shelf company, owned by my business partner, which we decided to use rather than going through the process of establishing a new company. This is common business practice.

"When I informed the Registrar on 18 October that the company had only been set up a few weeks earlier it was in the context of a media consultancy and not as an engineering business. When I joined on October 4 this is what happened, the description of the business altered."

Averbrook Ltd, and was told that there was not. The Registrar included further reminders in e-mails of 3 December 2012 and 3 and 18 January 2013.

28. On 10 June, Ms Dorries' office e-mailed to register her directorship of Averbrook Ltd, even though it remained unremunerated. The Registrar advised that, since Ms Dorries was not a paid director, her relationship with the company would not be registered under the heading of remunerated directorships. Instead, the Registrar advised that this relationship should be registered under Category 9, shareholdings, on the basis that Ms Dorries was the sole shareholder. She sent a draft register entry in these terms to Ms Dorries, who replied that she was not the sole shareholder. She said that she had acquired a holding of more than 15%, but she did not know the exact size of the holding and said that the paperwork for the transfer of stock had not yet been completed. On this basis, the Registrar included the following entry in the Register:

9. Shareholdings

(a) Director and shareholder of Averbrook, a writing and media consultancy.
(Registered 10 June 2013)

Ms Dorries' further response

29. I wrote to Ms Dorries on 9 July, enclosing the letter I had received from the Registrar.⁵⁵ I asked her, in the light of the Registrar's advice, to let me know:

- whether any fee had been paid for her appearance on "I'm a Celebrity", and if so the amount(s) and the date(s) on which payment had been received by Averbrook Ltd;
- details of all other employment payments made to Averbrook Ltd by her agent on her behalf;
- the nature and history of her relationship with Averbrook Ltd.

30. Ms Dorries responded to my letter on 10 July.⁵⁶ She told me that she had "*no obligation to answer what payments are made by whom to Averbrook Ltd*". She said that she did have an obligation, as a joint director of Averbrook Ltd, to inform me when she was remunerated by that company. She undertook to tell the Registrar immediately if she received remuneration from Averbrook Ltd. She also considered that she had no obligation to tell me about the nature or history of her relationship with Averbrook Ltd, other than to confirm that she was a shareholder and to confirm that her interest as a shareholder had been registered at the appropriate time.

31. Referring to the Registrar's advice, Ms Dorries said: "*It may be the established practice of her office to recommend that Members, in her opinion, should but it is not a requirement or an obligation that the Member must.*" She told me that, because she was not the sole director of the company, she chose "to strictly abide by the rules and not by subjective requirement." She said that she believed that, while some Members did register payments

55 WE 17 and 15

56 WE 18

made to their own companies, “*not many*” did so, because there was “*no specific legal requirement*” to do so. She undertook to declare her interest if she ever spoke in the Chamber on “*matters relating to DCMS [the Department for Culture, Media and Sport]*”.

32. On 15 August 2013 the draft factual sections were sent to Ms Dorries to check. She responded to me on 21 August 2013 and I amended the report to take account of the additional information she provided.⁵⁷

Information from the Internet

33. In the meantime, I had consulted the website of Ms Dorries’ agent which listed her media activities. These included at least 8 appearances on television since November 2012.⁵⁸ I also became aware of a number of media articles by Ms Dorries over the last year.⁵⁹ These included, as well as her articles for the Mail Online, a piece for The People on 26 August 2012 and a diary article of 1 December 2012, neither of which were listed in her Register entry.

34. On 22 August 2013 Ms Dorries wrote to me again. She drew my attention to the date when the certificate for her shares in Averbrook was signed. This was 13 June 2013. She also said that “the Registrar’s criteria of openness” was made “within the context of pecuniary interest having relevance or influence upon a Member’s work in Westminster”. She said that her media work had no such bearing upon her representation of mid-Bedfordshire.

35. On 23 August my office acknowledged this letter and asked Ms Dorries to forward copies of the share certificate and the share transfer form. On 11 September her office emailed⁶⁰ to say “*I have now been told that Nadine has nothing further to add to the last letters sent to the Commissioner so there is no additional response from this office. I understand that the case now progresses to discussion by the Standards Committee.*” I wrote again on 12 September⁶¹ but have not received the documents requested.

Findings of fact

36. In November 2012, Ms Dorries appeared on the television programme “I’m a Celebrity...Get Me Out of Here!”. Ms Dorries first appeared on the programme on 11 November 2012 and appeared for the last time in an episode shown on 21 November 2012. She has not registered any financial interest arising from her appearance on the programme. She has neither confirmed nor denied that payment was made in return for her participation in the programme. Her evidence is that, since October 2012, all payments for work she is commissioned to do have been paid to Averbrook Ltd. She has registered no payments for employment since December 2012, when she made an entry for work done in October–November 2012. The website of her agent indicates that Ms Dorries has

57 WE 23

58 WE 21

59 WE 22

60 WE 25

61 WE 26

made at least eight media appearances including ‘I’m a Celebrity ...’ since that time. She has also written at least two media articles. She has told me that she has taken no remuneration from Averbrook Ltd.

37. Ms Dorries became a director of Averbrook Ltd, an ‘off the shelf company’ incorporated on 12 May 1994, on 4 October 2012. The company was classed as active but had not traded in 2011, the latest year for which accounts are available. She was the sole director of the company from that date until 14 March 2013. Averbrook Ltd’s Annual Return shows that on 12 May 2013 Ms Dorries held 90 of the company’s 100 shares. 90 shares had been transferred from the company’s other director and shareholder on 3 October 2012.

38. Ms Dorries’ office first notified the Registrar of her directorship of Averbrook Ltd on 4 October 2012 and of her shareholding in the company on 18 October 2012. The e-mail of 18 October 2012 stated that the company had only been set up a few weeks earlier and had not yet carried out any business.⁶² On this basis, the Registrar advised that an entry in the Register was not necessary at that stage. After further exchanges between Ms Dorries and the Registrar, Ms Dorries registered her shareholding in, and directorship of, Averbrook Ltd on 10 June 2013.

39. The Registrar’s evidence is that the rules of the House do not make any specific reference to circumstances in which payments for a Member’s employment are made not directly to the Member, but to another person or organisation. In the absence of any specific provision, the advice of her office has been that Members should register such payments. This advice is based on the fact that the purpose of the Register is openness. The published Register contains a number of entries made in accordance with this advice.

40. Ms Dorries considers that there is a long list of Members who do not declare payments to their companies or even their shareholdings, when these are below 15%.

41. Ms Dorries does not consider that she is required to register payments for her employment which are made to Averbrook Ltd and not directly to her. In her view, she is required to make an entry in the Register only when she personally receives a payment. She considers that details of contracts with commissioning companies are confidential and commercially sensitive. As a result, she considers that she is not obliged to respond to my questions about her employment. She has undertaken to inform the Registrar immediately if she is remunerated by Averbrook Ltd.

Conclusions

42. The question raised by the original complaint was:

62 In her letter to me of 21 August 2013, Ms Dorries said:

“I have never claimed Averbrook was a new company. It was an off the shelf company, owned by my business partner, which we decided to use rather than going through the process of establishing a new company. This is common business practice.

“ When I informed the Registrar on 18 October that the company had only been set up a few weeks earlier it was in the context of a media consultancy and not as an engineering business. When I joined on October 4 this is what happened, the description of the business altered.”

- a) Should Ms Dorries have registered a payment related to her appearance on “I’m a Celebrity”?

In addition, as a result of the evidence I have received from Ms Dorries, of the information available on the internet and from her agents’ website and of the information I have obtained at her suggestion from Companies House, I have also had to consider:

- b) Did Ms Dorries’ registration of her interest in Averbrook Ltd meet the requirements of the rules of the House? and
- c) Did Ms Dorries co-operate with my inquiry, as required by the Code of Conduct for MPs?

a) Should Ms Dorries have registered a payment related to her appearance on “I’m a Celebrity”?

43. I have not been able to establish with absolute certainty whether or not a payment was made for Ms Dorries’ participation in the programme, because she has not provided this information. I consider it more likely than not that such a payment was made: had Ms Dorries participated in the programme without payment, she could have told me this and thus demonstrated that she had no financial interest to register. In addition, it is widely known that payments are usually made to participants.

44. Ms Dorries has told me that all fees from work she is commissioned to do are paid to Averbrook Ltd, and that since October 2012, her “outside earnings, paid by a number of media companies and publishers” have been paid to Averbrook Ltd. Her agents’ website includes reference to ‘I’m a Celebrity ...’. I have therefore assumed that any payment for her participation in “I’m a Celebrity” was paid to Averbrook Ltd by her agent in this way—although Ms Dorries has not confirmed this. Ms Dorries considers that she is not required by the rules of the House to register payments for employment if these are not made to her personally. She has registered no remunerated employment since December 2012, when she made an entry for work done in October–November 2012.

45. The requirements of the House relating to the registration of outside employment, under Category 2 of the Register, state that “all employment outside the House and any sources of remuneration which do not fall clearly within any other Category should be registered here”. Since 1 July 2009, Members have been required to register detailed information about such remuneration, including the precise amount of each individual payment made, the nature of the work, the number of hours worked and the name and address of the person or organisation who pays them.⁶³ In addition, if they register remuneration from one organisation but provide services to another, they have been required to register details of the second organisation as a client under Category 3.

46. In the debate on 30 April 2009, the then Deputy Leader of the House explained the reason for these changes as follows:

⁶³ Since 7 February 2011 this requirement has been subject to a financial threshold, which is currently over £66 for individual payments, and over £660 for multiple payments received from the same source in one calendar year.

“...so that not only the public but Sir Christopher Kelly’s committee can have a full understanding of precisely the level of remunerated employment and directorships enjoyed by MPs...I believe it is legitimate for constituents to understand how much of our time we choose to commit to the House and how much we choose to commit to other remunerated employment.”⁶⁴

47. These changes were endorsed by the Committee on Standards in Public Life in its Twelfth Report, when it said:

*“it is important that constituents have access to as complete information as possible about the extent of their MPs’ activities outside the House of Commons”.*⁶⁵

48. It is important to bear in mind the principles that underpin the registration rules. The Guide to the Rules clearly states that “the purpose of registration is openness”. To guide Members in this, the House has agreed that Members should register a range of details about their employment, which are then made available to the public and to other Members. It cannot have been the intention of the House, in approving these rules, to permit Members to avoid the publication of information about their outside employment by channelling payments to other people or organisations, particularly those in which (like Ms Dorries) they have a controlling interest.

49. Ms Dorries believes that these requirements to register do not apply in her case because she has not personally received any payment at all in respect of the services she has provided. However, the rules do not state that Members need only register payments made to them directly. As the Registrar has explained, it is her established practice to advise Members to register payments they receive for their employment even when those payments are made directly or indirectly to a third party. This includes for example payments for the completion of opinion surveys, which are paid directly or indirectly to charity or community organisations. I believe this advice is correct. In the absence of a specific exemption for payments made to third parties, I consider that these rules require Members to register all remunerated employment where the remuneration exceeds the threshold for this category—which (for individual payments) is 0.1% of the current Parliamentary salary, or £66.

50. The rules do not require Members to register the name and address of the person, organisation or company making a payment for their employment where the disclosure of that information “would be contrary to any legal or established professional duty of privacy or confidentiality”. Ms Dorries herself has not sought to suggest that this exemption would have applied in her case. However, in view of her arguments about the confidentiality of information relating to her outside employment, I believe that it is important to note the limitations of this exemption. It applies only to the name and address of the source of the remuneration, and not to any of the other details Members are required to register. It does not override the requirement for Members to register their paid employment.

51. I therefore conclude that Ms Dorries has been in breach of the rules of the House since October 2012 when she failed to register her “outside earnings paid by a number of media

64 HC Deb 30 April 2009, Col 1225

65 *MPs’ expenses and allowances*, Twelfth Report of Committee on Standards in Public Life, November 2009, Cm 7724

companies and publishers” which were paid through her agent to Averbrook Ltd. It is more likely than not that these earnings, including the payment from “I’m a Celebrity”, were above the financial threshold for registration.

b) Did Ms Dorries’ registration of her interest in Averbrook Ltd meet the requirements of the rules of the House?

52. Ms Dorries’ registration of her interest in Averbrook Ltd was not the subject of the complaint which prompted this inquiry. However, in view of the evidence that I have obtained in the course of my inquiry, I believe that it is necessary for me to consider this aspect of Ms Dorries’ registration of her interests.

53. Ms Dorries’ office first alerted the Registrar of Members’ Financial Interests to Ms Dorries’ relationship with Averbrook Ltd on 4 October 2012, the day on which she became a director of the company and the day after 90 shares were transferred from the other shareholder. On 18 October 2012, Ms Dorries’ office told the Registrar that Ms Dorries was the director, secretary and whole owner of the company. Her office also said that the company had “literally just been set up in the past few weeks and hasn’t done anything yet”. The Registrar, understanding from this description that the company was not yet trading, advised that Ms Dorries did not at that stage need to register her interest in Averbrook Ltd. In my view, bearing in mind the guidance in paragraph 20 of the Guide to the Rules, that was the correct advice based on the information available to the Registrar at the time. Later, on 10 June 2013, Ms Dorries told the Registrar that she was not the sole shareholder and that the shares were divided between herself and another director. She said that she did not know the exact size of her holding, although she knew that it was more than 15%, and that the paperwork for the transfer of stock had not yet been completed.

54. The records held by Companies House, to which Ms Dorries referred me, tell a different story. It is true that Ms Dorries was the sole director of the company from 4 October 2012 until 14 March 2013. However, the company had not been set up in the preceding weeks: it had existed since 1994. In October 2012 its status was active. In addition to this, Ms Dorries was not the sole shareholder in October 2012: according to the company’s annual return, she held 90% of the shares of the company. 90 shares were transferred from the company’s other director and shareholder on 3 October 2012.

55. The rules require Members to notify the Registrar of changes in their registrable interests within four weeks of a change occurring. Averbrook Ltd’s annual return shows that 90% of the company’s shares were transferred from its other shareholder on 3 October 2012. Since Ms Dorries held 90% of the company’s shares on 12 May 2013, and no other shareholders are listed on the annual return, it seems likely that Ms Dorries has held her shares since 3 October 2012—the day before she became a director of the company. I therefore consider that it is likely that Ms Dorries has had a registrable interest in Averbrook Ltd since that date. In the event, however, this interest did not appear in the published Register until 10 June 2013, more than eight months after it arose, and after I had opened this inquiry.

56. It is regrettable that the information provided by Ms Dorries’ office led the Registrar to understand in October 2012 that Averbrook Ltd was a recently established company which

had not begun trading. I have no reason to believe that Ms Dorries or her staff provided this information other than in good faith. However, if more accurate information had been provided, Ms Dorries' office might have been given accurate advice, and her shareholding might have been registered within the 28 days required by the House. It is important that Members seeking advice on the rules make every effort to provide accurate information on which that advice can be based. Where mistakes are made, these should be corrected at the earliest opportunity.

c) Did Ms Dorries co-operate with my inquiry, as required by the Code of Conduct for MPs?

57. The Code of Conduct provides, in relation to an investigation by the Parliamentary Commissioner for Standards, that "*Members shall co-operate, at all stages, with any such investigation by or under the authority of the House.*" Without such co-operation, my work is significantly impeded. A Member under investigation who does not co-operate also deprives him or herself of an opportunity to demonstrate that the rules of the House were not breached. In this case, I have not been able fully to resolve the questions raised by the complaint. This is because Ms Dorries has not provided the information I have requested, despite some of it being publicly available on her agents' website.

58. I fully recognise that Members may be concerned about the publication of personal or confidential information. However, as I have made clear to Ms Dorries, the evidence I receive is confidential unless and until it is published by the Committee or by me. I would not expect to publish any confidential or personal information which was not relevant to the resolution of one of my inquiries. In particular, I would not normally expect to publish details of payments unless I had concluded that the rules of the House required a Member to have registered them.

59. Ms Dorries has replied promptly to each of my letters. She has, however, declined to provide me with a copy of any contract or agreement she entered into in relation to "I'm a Celebrity" because she considers that such contracts are confidential and commercially sensitive, despite my reassurances about the confidentiality of my inquiries. She has also told me that "*If IAC paid a fee, and how much that fee was, is the business of Averbrook alone*". The Guide to the Rules requires Members to supply for publication in the Register details about contractual matters, including fees which may be paid. These rules apply equally to all Members. Ms Dorries has not advanced any arguments to explain why she considers that the payments made to Averbrook Ltd — unlike similar payments made in respect of other MPs — gives rise to an expectation of confidentiality which prevents her disclosing any information at all about them, including the amount paid.

60. Ms Dorries has also cited confidentiality and commercial sensitivity as a reason for not responding to my questions. I do not consider that any expectation of confidentiality can override the duty imposed by the Code of Conduct to co-operate with the Commissioner's inquiries. Members should ensure, when entering into employment agreements, that they are not making any undertakings which would prevent them from complying with the Code of Conduct and its associated rules.

61. Ms Dorries has told me that she considers that she is not obliged to answer my questions because she does not believe that she is required by the rules of the House to

register payments for her employment if they are made to a company and not to her personally. It is each Member's personal responsibility to register their interests. However, once I have initiated an inquiry into a Member's conduct, it is not for that Member to decide whether he or she has broken the rules. My role in investigating complaints is to report the facts I have established and to offer my conclusion on whether the Code has been breached. It is then for the Committee, and ultimately the House, to rule on whether or not the Member has breached the Code.

62. I have offered Ms Dorries several opportunities to answer the questions I have put to her and I have reminded her of her obligation under the Code of Conduct to cooperate with my inquiry. It would have been open to her, if she could not herself provide the evidence I sought, to authorise ITV or her agent to do so. I note that the Committee on Standards and Privileges, reporting in 2010 on an inquiry into Ms Dorries' conduct, endorsed the then Commissioner's view that Ms Dorries had taken too long to provide evidence to the Commissioner and concluded that "that prompt, full and open responses to the Commissioner's inquiries are of great importance".⁶⁶ I am sorry that on this occasion Ms Dorries has chosen not to co-operate with my inquiry and I accordingly conclude that she is in breach of the Code of Conduct in this respect.

Overall conclusions

63. On the basis of the evidence above, I conclude, therefore, that Ms Dorries was in breach of the rules of the House in not registering outside earnings which have been paid to Averbrook Ltd since October 2012, and in the late registration in June 2013 of her shareholding in Averbrook Ltd. I conclude also that she was in breach of the Code of Conduct in not co-operating with my inquiry. This was contrary to paragraph 19 of the Code of Conduct approved by the House in 2012.

64. According to the website of Ms Dorries' agent, since November 2012 she has made at least eight media appearances involving six different television programmes, including "I'm a Celebrity". None of these is recorded in her Register entry. In addition, it seems likely that she has since October 2012 written at least two media columns which have also not been registered. I consider that if payments were made for these appearances and these articles, and these payments were not registered, this amounts to a serious breach of the rules of the House. The House has decided that Members should disclose in the Register of Members' Financial Interests how much time they spend on their outside employment, who pays for that employment and the size of the sums involved. The omissions from Ms Dorries' entry means that constituents, other Members and the wider public do not have access to this information in her case. The omissions also have the potential to undermine public confidence in the completeness and accuracy of the Register.

65. I also consider Ms Dorries' refusal to co-operate with my inquiries to be a serious breach of the Code of Conduct. Without this co-operation the standards framework established by the House cannot function effectively. The consequent absence of an effective mechanism for determining whether a Member has breached the Code of Conduct has the potential to undermine the public trust in the system. I shared with Ms

Dorries the factual part of my report and I have included in the written evidence her letter in response to that draft which includes her continued refusal to co-operate or accept the findings of my inquiry.⁶⁷

66. I have no evidence that the apparent late registration of Ms Dorries' interest in Averbrook Ltd was other than inadvertent. On this basis I consider it a less serious matter. I would normally have expected to be able to resolve such a breach informally, using the rectification procedure. However, I consider that the serious breaches of the Code of Conduct and the rules of the House entailed by Ms Dorries' omissions from the Register and her refusal to co-operate with my inquiry require me to report my findings formally to the Committee. These breaches would prevent me from using the rectification procedure to correct Ms Dorries' entry in the Register of Members' Financial Interests, assuming that she had provided the necessary information.

Proposed revisions to the Guide to the Rules

67. In the light of Ms Dorries' argument that she is not required by the rules of the House to register payments for her employment if these are not made to her personally, I have considered whether any clarification of the rules in this area is needed.

68. My predecessor conducted a thorough review of the Guide last year and submitted a memorandum to the Committee on Standards and Privileges. He addressed the question of employment payments made to third parties in that report as follows:

The existing rules require Members to register both the work they do for clients and the payments they receive for this work. But a possible difficulty arises if the remuneration is not passed to the Member, or if the payment cannot easily be linked to the work done. My office has advised Members in this position to register under the existing category for Clients any payment which has been made to an intermediary in respect of work the Member has done, but not in respect of work done by others. I believe that this is correct. A Member should not be able to avoid registration by the device of ensuring that payments for his or her work are made to an intermediary.

69. He recommended that:

“The Guide should make clear that if payments in respect of work done by a Member are made to some other person or organisation, and if those payments are not passed on to the Member in a form which can be easily linked to the work done, or at all, that Member should nevertheless register any such payment to the other person or organisation in respect of the Member's work.”

The Committee on Standards and Privileges endorsed this recommendation. The revised Guide proposed by the Committee accordingly makes provision for payments for a Member's employment which are made to other people or organisations. Under the new Category 1 (Employment and earnings), the proposed rules state that:

A Member who does not receive payment for his or her work in a recognisable form or at all, because it is made to another person or organisation, should nevertheless register the payment within 28 days of its receipt by that other person or organisation. This applies only to payments which, if made direct to the Member, would have required registration under this category.

70. I consider that this offers a useful clarification for Members of the existing practice in this area. The House has not yet had an opportunity to consider the Committee's recommendations, although I hope that it will do so in due course. In the expectation that the House will consider and take a view on my predecessor's proposals in the near future, I do not recommend any change to the current rules in the meantime.

15 October 2013

Kathryn Hudson

Parliamentary Commissioner for Standards

Appendix 2: Complaint letter from John Mann MP to the former Parliamentary Commissioner for Standards [WE 1]

I am writing to ask you to investigate why Nadine Dorries MP has not declared in the Register of Members interests the payments she received from ITV for appearing in “I’m a Celebrity...Get Me Out of Here”.

Ms Dorries stated publicly that she received a very large appearance fee for being on the programme but it does not appear to be declared in the Register of Interests. This is in breach of the rules regarding the registration of Members Financial Interests.

I hope that you investigate this matter which appears to be a breach of the Members Code of Conduct.

29 May 2013

Appendix 3: Letter to Kathryn Hudson from Nadine Dorries

Having read the transcript of verbal evidence from last week and following the article in yesterday's Sunday Mirror, I would like to request that the committee receive a copy of this memo in which I provide further clarification.

In my last statement I informed the committee that I am frequently reported to various authorities. I thought it worth clarifying that this has been as a result of my own campaign to reduce the upper limit at which abortion takes place from twenty four to twenty weeks.

The purpose of the reporting, on the basis of spurious claims, is to undermine my credibility and to distract and preoccupy both me and my office from the issue I have pursued since I became an MP.

Following the reporting to the police I had need to instruct a solicitor as the investigating officers would not discuss the case with me directly—even though the Standards Commissioner had investigated the very same complaint and had made no finding against me.

The bill was in fact, £67,000 not £62,000 as I quoted. The House of Commons legal services department investigated whether or not there was insurance provision available to cover the bill as it had been incurred wholly and directly as a result of my role as an MP.

I was informed via a letter from Michael Carpenter of legal services who provided me with assistance that, following his own investigations of various provisions that he thought may assist, there was no such help available and that the obligation to pay the bill was mine alone.

As a single parent with financial responsibilities for a disabled ex husband, an elderly mother and a child in full time education, I faced the possibility of bankruptcy or finding a way to pay the bill.

This is the initial impetus that drove me to undertake media work.

With regard to the Sunday Mirror.

I was informed that the Standards Commissioner was conducting an inquiry by a Mirror journalist before I had been informed by the Standards Commissioner.

Following my appearance at the committee last week, I received a call within minutes from a journalist asking me to confirm my appearance at the committee. I had not yet even reached my office in Portcullis House following the meeting.

Thirty minutes later, in a full room of MPs and journalists, I was asked to confirm my evidence to the committee, which I had left still less than an hour earlier, by another journalist during a public answer and questions session.

I then received a query from Isabel Oakshott of the Sunday Times asking the same. Today my local press have contacted me confirming they have been informed by another journalist who appears to know the findings of the report and has 'tipped them off.'

The claim by the Sunday Mirror in this week's paper that there is a 'campaign' is unknown to my office and smacks of an attempt to apply pressure to the committee based on mischievous and untrue reporting.

We have not received a single email, letter or telephone call regarding any assumed fee from ITV since November 2012. The claim made by the Sunday Mirror is wholly untrue and it would appear that the only campaign is one of their own, which is politically motivated.

I have never and would never ask any client to defer payment as I believe to do so would be construed as tax avoidance and is possibly illegal.

In the last week I have spoken to a number of MPs. Those in the 2010 intake have informed me that when they ring the registrar they are told that they do have to register payments made to their company.

MPs who have been in the House longer, such as I, were advised to register only payments drawn from the company.

However, an exceptional few, because payments to their company are regular occurrence based on a fixed term payment for non execs, disclose what is paid into their company but these MPs also are of the opinion that they do this as a voluntary measure and in doing so are 'over declaring.'

This suggests that the interpretation of the rules has been subtly altered without MPs being formally told.

If the interpretation is now that MPs are in breach of the rules if they do not declare payments made into their company as opposed to drawings from the company, many, many MPs on both sides of the House are in breach of the rules and are unaware that this is the case.

I was informed that I didn't have to register a payment but was advised to, which I could not do without being in breach of contract. On the basis of ambiguous advice and a desire to ensure that I fully comply with the rules, I sought a further layer of professional advice which, as I stated last week, informed me that a reasonable interpretation of the rules was that I had an obligation to report remuneration to myself, not payment to Averbroom.

I thank the committee for taking the time to read this late submission.

21 October 2013

Appendix 4: Letter from Kevin Barron to Nadine Dorries

In your responses to the Commissioner and in oral evidence last week you raised the confidentiality agreements which attached to some of your contracts. The Committee has received the attached advice from Speaker's Counsel on the interplay between confidentiality and proceedings in the House.

The Committee will consider the Commissioner's memorandum further at its meeting on 5 November, but wish to share this advice with you to give you the opportunity to respond or reconsider your earlier responses if you wished to do so.

22 October 2013

The Rules relating to the Conduct of Members and Parliamentary Privilege

Ms Dorries's evidence raised several issues relating to parliamentary privilege including:

- The interplay between the law of confidence and the House's power to determine its own proceedings, including the registration requirements for Members;
- The interplay between contractual duties of confidence and the right of the House, its Committees and the PCS to information.

At the Chair's request I have asked advice from Michael Carpenter, Speaker's Counsel, and Liam Laurence Smyth, Clerk of the Journals. Both have seen the transcript, in confidence.

Speaker's Counsel: A contractual obligation undertaken by a witness cannot be used to displace a duty to answer questions put by a Committee, and the right of the House and its committees to seek information is unqualified.

Erskine May (24th ed p.823) notes that a witness is 'bound to answer all questions which the committee sees fit to put to him'. The witness cannot excuse himself on the grounds he may thereby subject himself to civil action (Parliamentary Oath (Mr Bradlaugh) Committee, HC 226 (1880)) or because the matter was a privileged communication, such as that protected by legal professional privilege. The duty on the witness is one which is owed to Parliament, rather than one owed under the general law.

Unless the evidence is given under oath, the courts in the United Kingdom will have no basis on which to consider whether such evidence should be given, or whether it is truthful or complete, for to do so would be to question or impeach proceedings in Parliament contrary to Article IX of the Bill of Rights. It is therefore not possible for a witness to invoke a legal ground for refusing to answer a question, or to question its relevance or 'pertinence'. The question for the committee and the House is whether, in refusing to answer, the witness had 'reasonable excuse', a matter which is solely for the House to determine.

I am afraid that Ms Dorries is simply wrong in stating that a reply to the Committee would make her liable to an action for damages or other remedy for breach of contract. No such

action could be sustained in the courts of the United Kingdom, and this by reason of the constitutional principle reflected in Article IX of the Bill of Rights.

The Clerk of the Journals concurred with this advice, and added that there was of course a wider public interest in preserving confidentiality which the House took into account as appropriate, for example in the way the Guide to the Rules not insist on the naming of clients if this would breach legal or professional duties of confidentiality.

I also attach an advice note, agreed by the Committee on Standards and Privileges last year, which touches on confidentiality agreements. *[not printed]*

Eve Samson

Clerk of the Committee on Standards

16 October 2013

Appendix 5: Letter to Kevin Barron from Nadine Dorries

Thank you for your letter of October 22nd enclosing a brief from Michael Carpenter, which detailed in full the legal position with respect to confidentiality clauses signed by myself on behalf of Averbroom Ltd.

This letter was extremely helpful. Each time I have signed confidentiality clauses, at the time of signing, I have been advised both of the potential consequences of breaking such a clause and the penalties that I may incur should I render myself in breach of contract under civil law.

However, at the time of undertaking and agreeing to sign and abide by such confidentiality clauses I was regrettably entirely unaware of the situation detailed in Mr Carpenter's letter. I signed contracts in good faith on the basis that I could abide by what I had agreed.

Moving forward with this new information, I will seek to ensure that future contract wording is amended to include the exemption and provisions detailed within the letter.

For the avoidance of doubt, I unequivocally never sought to impede in any way the Commissioner's inquiry.

In respect of both the code and guidance there is unfortunately an ambiguity, which fails to make clear to members their responsibilities in terms of the declaration of outside interests and contractual obligations.

I have at all times endeavoured to assist the Standard's Commissioner with her inquiry and hopefully I have demonstrated this by responding to each of her letters, frequently, if not always, on the same day they were received.

Prior to receiving your letter, I asked my accountant to forward to me figures for the company accounts, which provide the gross income and profit. Figures that I am aware are not publicly available.

Yesterday, I sought to register in the register of member's interest the approximate gross income for Averbroom Ltd from Oct 31st 2012, the date I became involved in Averbroom to 30th Oct 2013 and the approximate company profits.

If a minor adjustment is required following final accounting I shall amend appropriately. I have also drawn down an annual dividend payment of £10,000 and attempted to register this sum.

The gross income accounts for sixty days work of which the majority are Sundays and some Saturdays. This does not include contributions to the company from the other director and shareholder.

The gross income has been derived from publishing, a Sun newspaper column (not online), writing assignments and numerous media appearances. I have registered *all* the monies received by Averbroom and hope that the committee views this voluntary

declaration as a demonstration of my willingness to both fully acknowledge and comply with the spirit of openness and transparency.

Unfortunately, the registrar has declined to register the information I have submitted which has now been forwarded to the committee clerk. Please see email chain enclosed. Once again, I would like to thank you for taking the time to obtain the advice from the Speaker's Counsel, which will certainly be very helpful going forward and which provides valuable clarity.

31 October 2013

Appendix 6: Email correspondence between Ms Dorries's office and the Registrar of Members Financial Interests

From:
Sent: 31 October 2013 12:11
To: SAMSON, Eve
Subject: Nadine Dorries MP

Hi Eve,

Yesterday Nadine requested that I submit a new entry on her register of interests. As you will see below Heather has suggested this should be sent to you in light of the ongoing investigation.

The email chain should be self-explanatory but feel free to let me know if there are any questions or comments.

Regards,

The Office of Nadine Dorries
Member of Parliament for Mid-Bedfordshire
House of Commons London SW1A 0AA Tel: 0207 219 5586

From: Commons Registrar
Sent: 31 October 2013 11:45
To: .DORRIES, Nadine
Subject: FW: Nadine Dorries MP

Dear Ms Dorries

Thank you for this information.

As the Committee on Standards are considering a registration complaint against you, I suggest that you forward this information to the Committee. The committee clerk is Eve Samson and her email address is samsone@parliament.uk.

Yours sincerely

Heather Wood
Registrar of Members' Financial Interests

From:
Sent: 30 October 2013 10:34
To: WOOD, Heather
Subject: Nadine Dorries MP

Dear Heather,

I hope you're well. Nadine has passed me some information that she would like adding to the register of interests regarding her company Averbroom.

For the year from October 31st 2012 to October 31st 2013:

Approximate gross income is £142,000

Giving a profit of £82,000

A dividend payment of £10,000 is being paid to Nadine today (30.10.2013)

Nadine spent approximately 60 days working on Averbroom's projects, which are still best described as 'writing and media appearances'.

These figures are provisional before the full accounts are produced in December but Nadine would like the register to be updated as soon as possible.

If you have any questions about this then please just let me know and I will do my best to help.

Regards,

The Office of Nadine Dorries
Member of Parliament for Mid-Bedfordshire
House of Commons London SW1A 0AA Tel: 0207 219 5586

Formal Minutes

Tuesday 5 November 2013

Members present:

Mr Kevin Barron, in the Chair

Sir Paul Beresford	Sir Nick Harvey
Mr Robert Buckland	Mr Peter Jinman
Mr Tom Clarke	Fiona O'Donnell
Mr Christopher Chope	Mr Walter Rader
Sharon Darcy	Heather Wheeler

Draft Report (*Nadine Dorries*), proposed by the Chair, brought up and read.

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

Paragraphs 1 to 32 read and agreed to.

Six papers were appended to the Report.

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

Written evidence received by the Parliamentary Commissioner for Standards (WE 2-26) was ordered to be reported to the House for publishing with the Report.

None of the lay members present wished to submit an opinion on the Report (Standing Order No. 149 (9)).

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

[Adjourned till Tuesday 19 November at 9.45 am]

Oral evidence

Taken before the Standards Committee on Tuesday 15 October 2013

Members present:

Mr Kevin Barron (Chair)

Sir Paul Beresford	Sir Nick Harvey
Mr Robert Buckland	Peter Jinman
Mr Christopher Chope	Fiona O'Donnell
Mr Tom Clarke	Walter Rader
Mr Geoffrey Cox	Heather Wheeler
Sharon Darcy	Dr Alan Whitehead

Kathryn Hudson, Parliamentary Commissioner for Standards, was in attendance.

Examination of Witness

Nadine Dorries MP, examined.

Q1 Chair: Sorry about the wait, Ms Dorries. We have been having a discussion around some of the issues relating to this case. May I first thank you for coming along and helping the Committee with its current inquiry following the publication of the Commissioner's memorandum, which I understand you have seen?

Nadine Dorries: Yes.

Q2 Chair: I will open up the questioning and then other members may want to join in. Was Averbrook Ltd a way of concealing earnings from media appearances and articles?

Nadine Dorries: Absolutely not. In fact, that is probably evidenced by the fact that on the very day that Averbrook existed, the first thing that I did was ring the Registrar to say that I wanted the company to be registered. My business partners, who have nothing to do with me personally—he is just a business partner, with his wife—were very clear that, in going into business, they did not want to be brought into the public domain via my political position. I was very keen, however, that everything was done properly, so I rang the Registrar. I did not know at the time what my shareholding was in the company. I said, "I want to be registered," and was told, "You can't be." At the time, I thought it was going to be a minimal shareholding. I was told, "You can't be, because you haven't got"—I remember insisting and wanting the company to be registered and for it to be out there, so that I could follow the rules exactly and have it open and there for everybody to see. It is not a means for me to conceal my earnings, because it is not just about me.

Q3 Chair: Did Averbrook have any other sources of income other than earnings from your media appearances?

Nadine Dorries: The business belonged to my business partner, *****, before it was transferred to me. Actually, it was a transfer for both of us, but the first set of accountants made an error. They thought it was a company that he was transferring to me, but I

was actually being included in the company. There was an error for a few months where only my name was on the company when both should have been. On the earnings that go into Averbrook, Andy is a copy editor and I have now produced two books and Andy is part of that. It is not just me; two of us are part of the project. Although the earnings to Averbrook come as a result of projects with my name on the headline, I am not the only person in the team.

Q4 Chair: Does it get any income from any sources other than your media appearances?

Nadine Dorries: No. Andy does not invoice. My agents do not invoice for work that Andy has produced. They invoice for work that I produce, but Andy is a part of the production team that is invoiced for in my name.

Q5 Chair: Do any of your contracts contain any legal provisions for payments for media appearances to be kept confidential?

Nadine Dorries: Yes.

Chair: They do?

Nadine Dorries: Absolutely.

Q6 Chair: So on this issue about what you were paid for media appearances, you would say that that payment goes into the company and is a matter for Companies House and not for the public?

Nadine Dorries: I might have misunderstood your question. Did you ask whether the contracts that I have with media companies are confidential?

Q7 Chair: Are they confidential?

Nadine Dorries: Absolutely. In fact, some of the contracts I sign contain a clause saying that I will not disclose to any third party the contents of the agreement.

Q8 Chair: So if I were to ask, "What were your payments for media appearances?" how would you respond to that?

Nadine Dorries: I cannot tell you. That is why I was slightly surprised at the basis of the letter that was submitted to the Standards Committee by Mr Mann, which said that he was making the complaint on the basis that I had been overheard saying that I had been paid a large fee or something along those lines. I have never discussed, not even with my children, any earnings that I get from any of my—I do not think that anybody here has been so bad mannered as to ask me what I get paid for the projects that I work on.

Q9 Chair: In the past you have, because it has been registered in the Register of Members' Financial Interests.

Nadine Dorries: In the past, yes. Absolutely. I suppose that that was before I signed contracts with publishers and TV companies.

Q10 Fiona O'Donnell: Ms Dorries, the contract between ITV and Averbrook contained a confidentiality clause?

Nadine Dorries: Yes.

Q11 Fiona O'Donnell: Did you ever think that, given your role as a Member of Parliament, you should not have confidentiality clauses in those kinds of agreements?

Nadine Dorries: Actually, I have signed other agreements since and they all have the same. It is all standard as part of their procedure. Companies such as ITV and publishing houses pay advances to have other acts or people on contract and their negotiations for those contracts are very sensitive. It is their right as organisations to decide whether they want that information to be in the public domain. I do not have the choice about whether I have that removed from a contract; that has to be in there.

Q12 Fiona O'Donnell: So you could not have insisted—you are saying that there is no way that you could have appeared on that television programme without agreeing that the fee paid to Averbrook was kept confidential?

Nadine Dorries: No, and I think if I were ever to disclose and to say, "This is the amount of money that I am paid by ITV," I would fall foul of that contract and would be at the mercy of ITV.

Q13 Fiona O'Donnell: In answer to the Chair, you said that the setting up of Averbrook had nothing to do with you trying to hide your earnings, but can you understand the public perception of your decision to operate in this way? If you had earned this as an individual and received the payment, you could not have appeared on the programme, because it would have appeared in the Register of Members' Financial Interests; it could not have been kept confidential.

Nadine Dorries: There is another side to this. I had to have a means by which to pay tax. I can just say that the "I'm a Celebrity" thing is absolutely minuscule. I have just been paid a major six-figure advance for a book that I have written, but I need to have a proper procedure by which that is accounted. I cannot just have sums of that magnitude paid to me personally without having a proper accounting vehicle

through which to disclose them to the Inland Revenue. It is not a self-assessment thing; it is too complicated for that. Book sales, appearances—that is all too complicated for me to deal with in a self-assessment form. It has to go through a proper procedure.

Could I just say that I have always wanted to disclose fully what I was required to disclose? In fact, I telephoned the Registrar and had a conversation with her about it. I asked her "What do I need to do?", taking into account what other Members do who have businesses, of which there are many on both sides of the House. I asked, "What is the proper procedure for doing this?" She said to me, "I advise that you register every payment that goes into your company." I knew from other Members that that is not what Members do, so I said, "Do I have to do this?" She said, "No, you don't have to. I advise that you do."

I thought that that was ambiguous advice, so I sought a further layer of legal advice on top of that—an interpretation. The advice that I got was, "Yes, you have to disclose any remuneration that you receive—any payment that you personally receive—but you do not have to disclose any payment that goes into the company." I spoke to other colleagues—lots of them—who have businesses, and they all said exactly the same thing. They have also taken advice, and that has always been the interpretation of the rules; you disclose and you register what you take personally as payment, not what the company receives.

Q14 Fiona O'Donnell: Just again on confidentiality, are you saying that no Member of Parliament can be involved in a media appearance and make their earnings from that public—that there is always a confidentiality clause?

Nadine Dorries: It depends. If I go on "Have I Got News For You", I don't sign a contract to go on the programme; I just sign a waiver agreement, which waives the rights that I would have if I were in a contract. Media appearances—things that I do not even charge for, actually. So, no. But if you are in an established programme I am shortly going to be hosting a political TV programme, and that will be under contract. I will have to sign a contract to say that I will not disclose, because there will be other presenters and they will be paying different fees. Because of their negotiations, the company who is commissioning that will not allow people to discuss with each other or with a third party what they are being paid.

Q15 Walter Rader: As a lay member of the Committee, would you assist me in understanding? It has been very clear that you have an agent—representing you, or representing the company?

Nadine Dorries: The company. Everything is in the name of Averbrook, and everything is paid to Averbrook.

Q16 Walter Rader: So am I right in construing that any contracts or legal documentation or arrangements—whatever the appropriate phrase is—regarding that agent are with Averbrook, and that when that agent seeks to place a person in a particular role or seeks to attract involvement in some projects

15 October 2013 Nadine Dorries MP

they are acting on behalf of the company? What relationship does that then give you with the company?

Nadine Dorries: My relationship with my agent is very clear. We have a contract, and the contract is between Averbrook and the agent. Any contract that the agent secures with publishers or anybody else is between Averbrook and the publishers. That is how everything is done. I sign and Andy signs for and on behalf of Averbrook. So it is all done through the company.

Q17 Walter Rader: And your relationship with that company, as is clear from the documentation, is that you are a shareholder in that company?

Nadine Dorries: It is, yes.

Q18 Walter Rader: With the right to receive dividends as and when those might become available?

Nadine Dorries: Yes, if I wish to take any.

Q19 Sharon Darcy: I am interested in how the case fits alongside the “Seven Principles of Public Life”. One of those is openness; indeed, we all know that the purpose of the code is openness. When you were having your correspondence with the Commissioner, it was made clear to you that if you gave information that was requested that information could be kept confidential. Can you help us to understand why you didn’t share that information?

Nadine Dorries: That is not the case, actually. There was no absolute degree of confidentiality. I think it depended upon the Committee. There was no sense that, “You will provide this information and it will be confidential;” it was, “You can provide this information and then it is dependent upon the Committee whether it is confidential.” I am afraid that was putting me in a legal position where it was not guarantee enough. If I had had the guarantee that, “You provide this information and it will be 100% confidential and will not be put in the public domain; therefore you are safe under your legal undertakings,” I would have provided further information.

Q20 Mr Cox: Was there any exception in the overall confidentiality clause in your contract for the Commissioner?

Nadine Dorries: No.

Q21 Mr Cox: So had you imparted that information to any third party, you would have been in breach of contract, wouldn’t you?

Nadine Dorries: Absolutely. I have just signed an agreement with a publisher: I would be in breach of that as well.

Q22 Dr Whitehead: Are there circumstances where, as a Member of Parliament, you might look at a contract and say, “I am a Member of Parliament and there are requirements in this contract that are potentially difficult in relation to that role,” particularly in relation to the question of the “Seven Principles of Public Life”? Under those circumstances, would you say, “Well, that has a clause that may cause some difficulty; I ought to think about

that carefully” or, “I ought to discuss that with the company concerned”?

Nadine Dorries: No, because I am absolutely prepared to abide fully by the rules as they stand. I am absolutely prepared to register any personal payment that I take out of Averbrook.

I would like to say that I did not just seek interpretation of the rules; I also got legal advice on the rules, and I spoke to many, many colleagues to ask them what the rules were that pertained to their businesses. Without exception, everyone said, “I will register when I take something out of the business, because that is what the rules are.” I did not just speak to one person. I spoke to a large number of people. All I would say is that, if the interpretation of the rules is now going to be different—if it is now going to be not that you register when you take a payment but that you register when the company receives a payment—then I understand that and I will be perfectly obliged to comply with those rules. There would be different restrictions, obviously, on what contracts and work I could take on in the future; I’d probably be very limited in taking work in the future. I would be prepared to abide by that.

The point I want to get across is that there is one understanding of the rules today, which every Member in the House with a business is abiding by, because we understand that to be the interpretation of the rules. What I am seeing in my report is that there is a new interpretation of the rules. I ask the Committee: do you not think it might be slightly unfair that, as a high-profile figure, I might be being used to announce to other Members that the rules now have a different interpretation?

Q23 Dr Whitehead: Forgive me; that was not quite the question I asked. The question was: would there be circumstances under which you might say to yourself, slightly aside from a strict interpretation of the rules, “I am a Member of Parliament and I have a contract in front of me that requires me to do something in order to accept it, which could be in conflict, or might be considered to be in conflict in some way, with the wider rules that relate to my role as a Member of Parliament”? At that point, would you say, “Oh yes, I will go forward with this—that is not a problem,” or would you say, “I might have a look at that, because I am a Member of Parliament” and perhaps discuss that with the company that has offered the contract to indicate to them that you have a particular difficulty in the relationship because of your perception, as a Member of Parliament, of what you ought to be doing in terms of transparency of activities?

Nadine Dorries: Well, we have two situations. We have the interpretation of the rules as everybody understands them to this point, which is that to sign a contract where a payment was being made to your company presents no problem. Also, I am not signing contracts to decipher nuclear codes; these are contracts for media appearances and, obviously, if I were ever in a DCMS situation, I would disclose my interest.

Up until this point, my understanding has been that I register payments that I receive. There is no bar to my

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taking a contract because there is no requirement to register what is paid to the business. If you are saying that, going forward from here, there will be a new interpretation of the rules, which is that everybody has to declare every payment made into their business, obviously if I were signing contracts that said that I could not register that payment, I would have to negotiate. That would probably preclude me from taking work, but I would have to take that because I would no longer be able to sign contracts of confidentiality. But I would just say that a large number of Members, on both sides of the House, do sign contracts with their businesses, which have similar confidentiality clauses, I am sure, in all walks of life. It is not just relevant to media.

Q24 Chair: Any further questions? May I say two things? One is that, obviously, we will give you a transcript of this evidence session so that you can okay that. Finally, is there anything else that you would like to say to the Committee in relation to our deliberations?

Nadine Dorries: I would like to say two things, really. First, just because there are members of the Committee who may not know the situation, I want to put into context my appearance on that programme. Although the media put out one huge story, in fact I did not miss any Government votes and Parliament was not sitting for much of the time, and it was the only time away I had from Parliament in the year. And I did have permission to go, so I want to put it into that context.

The other thing I want to mention to the Committee is that, as somebody who is quite high profile, I get investigated about four times a year. I am permanently reported to the Information Commissioner, the Standards Commissioner, IPSA and the police. My life is not free of investigation—there are at least two a year. I am cleared from all of them, but they all cause a media furore and this will do exactly the same. There is one thing I would like the Committee to know: there was one investigation last year by the

police. I was investigated by the Standards Commissioner and cleared completely. The person who reported me to the Standards Commissioner then reported me to the police. The police would not take into consideration anything that the Standards Commissioner had found. They would not talk to me, other than through a lawyer. I had to employ a lawyer and, at the end of that investigation, it was also found that there was nothing to investigate, but I had a bill for £62,000 for representing myself, which I am still trying to pay. That is a piece of information I would like the Committee to know.

Q25 Mr Cox: May I ask you one question? When you signed the contracts, plainly it can't have eliminated the legal duty on your company to account to Companies House and to publish accounts. We see the accounts in the document that is before us and the company's turnover for the year and various figures for capital and reserves. If all the contracts are concluded with Averbrook, it looks as though somebody could find out what Averbrook had been paid simply by consulting the annual accounts.

Nadine Dorries: Absolutely. The Mail have already done a story on it.

Q26 Mr Cox: Quite.

Nadine Dorries: The day the accounts were filed.

Q27 Mr Cox: So commercial confidentiality can't prevent a company from complying with the law?

Nadine Dorries: Absolutely not, no. I am the one in the difficult position. Richard Kay of *The Daily Mail* did a half-page story on my company accounts the day they were published. They are there in the public domain to be seen.

Chair: Thank you very much for coming along and helping us with our inquiries.

Nadine Dorries: Thank you.

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