

Parliamentary Standards Bill

EXPLANATORY NOTES

Explanatory notes to the Bill, prepared by the Ministry of Justice, are published separately as Bill 121 – EN.

EUROPEAN CONVENTION ON HUMAN RIGHTS

Ms Harriet Harman has made the following statement under section 19(1)(a) of the Human Rights Act 1998:

In my view the provisions of the Parliamentary Standards Bill are compatible with the Convention rights.

Parliamentary Standards Bill

CONTENTS

Independent Parliamentary Standards Authority etc

- 1 Independent Parliamentary Standards Authority etc

Salaries and allowances for MPs

- 2 MPs' salaries
- 3 MPs' allowances scheme
- 4 Dealing with claims under the scheme

MPs' financial interests and code of conduct

- 5 MPs' financial interests rules
- 6 MPs' code of conduct

Investigation and enforcement

- 7 Investigations
- 8 Enforcement
- 9 Offences
- 10 Proceedings in Parliament

Final provisions

- 11 Further functions of the IPSA and Commissioner
- 12 Interpretation
- 13 Power to make transitional etc provision
- 14 Short title and commencement

-
- Schedule 1 – Independent Parliamentary Standards Authority
 - Part 1 – Members of the IPSA
 - Part 2 – The IPSA
 - Schedule 2 – Commissioner for Parliamentary Investigations
 - Schedule 3 – Speaker's Committee for the Independent Parliamentary Standards Authority

A
B I L L

TO

Make provision establishing a body corporate known as the Independent Parliamentary Standards Authority and an officer known as the Commissioner for Parliamentary Investigations; to make provision relating to salaries and allowances for members of the House of Commons and to their financial interests and conduct; and for connected purposes.

BE IT ENACTED by the Queen’s most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

Independent Parliamentary Standards Authority etc

1 Independent Parliamentary Standards Authority etc

- (1) There is to be a body corporate known as the Independent Parliamentary Standards Authority (“IPSA”).
- (2) Schedule 1 (which makes provision about the IPSA, and in particular provides for its administration functions to be carried out by its chief executive in accordance with paragraph 17 of that Schedule) has effect. 5
- (3) There is to be an officer known as the Commissioner for Parliamentary Investigations (“the Commissioner”).
- (4) Schedule 2 (which makes provision about the Commissioner) has effect. 10
- (5) There is to be a committee known as the Speaker’s Committee for the Independent Parliamentary Standards Authority.
- (6) Schedule 3 (which makes provision about the Committee) has effect.

Salaries and allowances for MPs

2 MPs’ salaries

15

- (1) *The IPSA is to pay the salaries of members of the House of Commons in accordance with the relevant resolutions of the House.*

- (2) That is subject to anything done in exercise of the disciplinary powers of the House (as to which see further section 8).

3 MPs' allowances scheme

- (1) *The IPSA is to pay allowances to members of the House of Commons in accordance with the MPs' allowances scheme.* 5
- (2) In this Act “the MPs' allowances scheme” means the scheme prepared under this section as it is in effect for the time being.
- (3) The IPSA must –
- (a) prepare the scheme;
 - (b) review the scheme regularly and revise it as appropriate. 10
- (4) In preparing or revising the scheme, the IPSA must consult –
- (a) the Leader of the House of Commons,
 - (b) the Speaker of the House of Commons,
 - (c) any committee of the House of Commons nominated by the Speaker,
 - (d) the Review Body on Senior Salaries, 15
 - (e) the Treasury, and
 - (f) any other person the IPSA considers appropriate.
- (5) The IPSA must lay the scheme (or revision) before the House of Commons.
- (6) The scheme (or revision) comes into effect on the date specified in the scheme (or revision). 20
- (7) The scheme may, for example –
- (a) provide for allowances to be payable in respect of specified kinds of expenditure or in specified circumstances;
 - (b) provide for allowances to be payable only on specified conditions (such as a condition that claims for allowances must be supported by documentary evidence); 25
 - (c) impose limits on the amounts that may be paid.
- (8) This section does not affect the provision of pensions for or in respect of persons with service as a member of the House of Commons (see the Parliamentary and other Pensions Act 1987 (c. 45)). 30

4 Dealing with claims under the scheme

- (1) No allowance is to be paid to a member of the House of Commons under the MPs' allowances scheme unless a claim for the allowance has been made to the IPSA.
- (2) The claim must be made by the member (except where the scheme provides otherwise). 35
- (3) On receipt of a claim, the IPSA must –
- (a) determine whether to allow or refuse the claim, and
 - (b) if it is allowed, determine how much of the amount claimed is to be allowed and pay it accordingly. 40
- (4) Subsection (5) applies if –

- (a) the IPSA determines that a claim is to be refused or that only part of the amount claimed is to be allowed, and
 - (b) the member asks the IPSA to review the determination.
- (5) If this subsection applies, the IPSA must—
- (a) review whether the determination was properly made, and 5
 - (b) in light of that review, decide whether or not to confirm or alter the determination (and any necessary adjustments are to be made accordingly).
- (6) The MPs' allowances scheme may include—
- (a) further provision about how claims are to be dealt with; 10
 - (b) provision about deducting from payments of allowances amounts that a member is required to repay under section 8(1) or that the member has agreed with the IPSA to repay.

MPs' financial interests and code of conduct

- 5 MPs' financial interests rules 15**
- (1) The IPSA must prepare rules under subsections (7), (8) and (10) to be observed by members of the House of Commons.
- (2) In this Act “the MPs' financial interests rules” means the rules prepared under this section as they are in effect for the time being.
- (3) The IPSA must review the rules regularly and revise them as appropriate. 20
- (4) In preparing or revising the rules, the IPSA must consult—
- (a) the Leader of the House of Commons,
 - (b) the House of Commons Committee on Standards and Privileges, and
 - (c) any other person the IPSA considers appropriate.
- (5) The IPSA must lay the rules (or revision) before the House of Commons. 25
- (6) The rules (or revision) do not come into effect until they are approved by a resolution of the House of Commons.
- (7) The rules must require members to register specified information about specified financial interests in a register maintained by the IPSA.
- (8) The rules— 30
- (a) must require a member who has a specified financial interest in any matter to declare specified information about that interest before taking part in any specified proceedings relating to that matter;
 - (b) may require a member who has a specified financial interest in any matter to declare specified information about that interest in other specified circumstances; 35
- and the rules may require the declaration to be made in a specified way.
- (9) In subsection (8) the reference to a member who has a specified financial interest in any matter includes a reference to a member—
- (a) who, in specified circumstances, had such an interest, or 40
 - (b) who knows that the member will have such an interest.
- (10) The rules must prohibit a member from—

- (a) by any specified means, advocating or initiating any cause or matter on behalf of any person in consideration of any specified payment or benefit in kind, or
 - (b) in consideration of any specified payment or benefit in kind, urging any other member to advocate or initiate, by any specified means, any cause or matter on behalf of any person. 5
- (11) The IPSA must publish the register mentioned in subsection (7) in a way it considers appropriate.
- (12) In this section “financial interest” includes –
- (a) a benefit in kind; 10
 - (b) an indirect financial interest (such as a financial interest of a member of the family of the member concerned).
- (13) In this section references to a payment or a benefit in kind include references –
- (a) to a payment or benefit in kind to any person;
 - (b) to an offer or agreement to make a payment or provide a benefit in kind. 15

6 MPs’ code of conduct

- (1) The House of Commons is to continue to have a code of conduct incorporating –
- (a) the Nolan principles; 20
 - (b) such other matters as may be determined by the House from time to time.
- (2) “The Nolan principles” means the seven general principles of public life set out in the First Report of the Committee on Standards in Public Life (Cm 2850) or such other similar principles as may be adopted by the House from time to time. 25

Investigation and enforcement

7 Investigations

- (1) The Commissioner may conduct an investigation if the Commissioner has reason to believe that a member of the House of Commons –
- (a) may have been paid an amount under the MPs’ allowances scheme that should not have been allowed, or
 - (b) may have failed to comply with the MPs’ financial interests rules. 30
- (2) An investigation may be conducted –
- (a) on the Commissioner’s own initiative, 35
 - (b) at the request of the IPSA, or
 - (c) in response to a complaint by an individual.
- (3) For the purposes of an investigation, a member of the House of Commons and the IPSA must each provide the Commissioner with any information the Commissioner reasonably requires. 40
- (4) After conducting an investigation, the Commissioner must make a report to the IPSA on the Commissioner’s findings.

- (5) The IPSA must determine –
- (a) procedures in relation to investigations under subsection (1);
 - (b) procedures in relation to complaints under subsection (2)(c);
 - (c) procedures in relation to the circumstances in which a report under subsection (4) is to be published. 5
- (6) The procedures must, in particular, provide a member who is the subject of an investigation or complaint with an opportunity –
- (a) to make representations to the Commissioner about the investigation or complaint;
 - (b) to make representations to the IPSA in light of the Commissioner’s report. 10

8 Enforcement

- (1) The IPSA may direct a member of the House of Commons –
- (a) to repay to it within a specified time an amount paid to the member under the MPs’ allowances scheme that the IPSA determines, on the basis of an investigation under section 7 or otherwise, should not have been allowed; 15
 - (b) to take any steps necessary to correct an omission or inaccuracy, in relation to the member, in the register maintained by it under section 5(7) (register of financial interests). 20
- The IPSA may publish a direction that it has given.
- (2) The IPSA may recommend to the House of Commons Committee on Standards and Privileges that the House should exercise any of its disciplinary powers in relation to a member of the House.
- The IPSA may publish a recommendation that it has given. 25
- (3) If the IPSA proposes to give a direction under subsection (1) or to make a recommendation under subsection (2), the IPSA must give the member concerned an opportunity to make representations to the IPSA.
- (4) Subsection (5) applies to a failure by a member of the House of Commons to comply with – 30
- (a) the MPs’ financial interests rules,
 - (b) the duty in section 7(3), or
 - (c) a direction under subsection (1).
- (5) The failure –
- (a) may be punished by the House of Commons in exercise of any of its disciplinary powers, but 35
 - (b) otherwise, is not to have any legal effect (subject to section 9).
- (6) The IPSA must, with the agreement of the Speaker’s Committee on the Independent Parliamentary Standards Authority, prepare a statement (a “protocol”) setting out how the following are going to work with each other – 40
- (a) the IPSA,
 - (b) the Commissioner,
 - (c) the House of Commons Committee on Standards and Privileges,
 - (d) the Director of Public Prosecutions,
 - (e) the Commissioner of Police of the Metropolis, and 45
 - (f) any other person the IPSA considers appropriate.

- (7) Before preparing a protocol the IPSA must consult each of the persons mentioned in subsection (6)(b) to (f).
- (8) Nothing in section 7 or this section shall prevent the House of Commons exercising any of its disciplinary powers otherwise than following an investigation by the Commissioner or a recommendation by the IPSA. 5
- (9) The fact that a member of the House of Commons is, or has been, the subject of criminal proceedings in respect of particular conduct (whether or not convicted of an offence) does not stop a power conferred by or mentioned in section 7 or this section being exercised in relation to that conduct.
- (10) References in this section to the disciplinary powers of the House of Commons include, in particular, the power to – 10
- (a) determine that a member’s salary is to be withheld for a specified period;
 - (b) suspend a member from the service of the House for a specified period;
 - (c) expel a member from the House. 15
- (11) In this section “conduct” includes omissions or statements.

9 Offences

- (1) A member of the House of Commons commits an offence if the member –
- (a) makes a claim under the MPs’ allowances scheme, and
 - (b) provides information for the purposes of the claim that the member knows to be false or misleading in a material respect. 20
- (2) A member of the House of Commons commits an offence if, without reasonable excuse, the member fails to comply with a requirement included in the MPs’ financial interests rules by virtue of section 5(7) (registration of interests). 25
- (3) A member of the House of Commons commits an offence if the member contravenes a prohibition included in the MPs’ financial interests rules by virtue of section 5(10) (prohibition on paid advocacy).
- (4) A person guilty of an offence under subsection (1) is liable –
- (a) on summary conviction, to imprisonment for a term not exceeding 12 months or to a fine not exceeding the statutory maximum or to both;
 - (b) on conviction on indictment, to imprisonment for a term not exceeding 12 months or to a fine or to both. 30
- (5) A person guilty of an offence under subsection (2) or (3) is liable on summary conviction to a fine not exceeding level 5 on the standard scale. 35
- (6) In the application of this section –
- (a) in England and Wales, in relation to an offence committed before the commencement of section 154(1) of the Criminal Justice Act 2003 (c. 44), or
 - (b) in Northern Ireland, 40
- the reference in subsection (4)(a) to 12 months is to be read as a reference to 6 months.

10 Proceedings in Parliament

No enactment or rule of law which prevents proceedings in Parliament being impeached or questioned in any court or place out of Parliament is to prevent—

- (a) the IPSA from carrying out any of its functions; 5
- (b) the Commissioner from carrying out any of the Commissioner’s functions;
- (c) any evidence from being admissible in proceedings against a member of the House of Commons for an offence under section 9.

Final provisions 10

11 Further functions of the IPSA and Commissioner

- (1) The Speaker, after consulting the Commissioner and the House of Commons Committee on Standards and Privileges, may agree with the IPSA that the IPSA is to carry out any registration function specified in the agreement (whether relating to a matter arising before or after the agreement is made or the date this Act is passed). 15
- (2) The IPSA is to carry out the registration function accordingly.
- (3) “Registration function” means a function—
 - (a) which is a function of the Parliamentary Commissioner for Standards on the date this Act is passed, 20
 - (b) which relates to registration, and
 - (c) which the IPSA could not carry out under any other provision of this Act.
- (4) The Speaker, after consulting the IPSA and the House of Commons Committee on Standards and Privileges, may agree with the Commissioner that the Commissioner is to carry out any relevant function specified in the agreement (whether relating to a matter arising before or after the agreement is made or the date this Act is passed). 25
- (5) The Commissioner is to carry out the relevant function accordingly.
- (6) “Relevant function” means a function— 30
 - (a) which is a function of the Parliamentary Commissioner for Standards on the date this Act is passed, and
 - (b) which the Commissioner could not carry out under any other provision of this Act.
- (7) The Speaker must lay an agreement under subsection (1) or (4) before the House of Commons. 35
- (8) The agreement does not come into effect until it is approved by a resolution of the House of Commons.
- (9) In this section “the Speaker” means the Speaker of the House of Commons.

12 Interpretation 40

- (1) In this Act—
 - “the Commissioner” has the meaning given by section 1(3);

- “IPSA” has the meaning given by section 1(1);
- “the Leader of the House of Commons” means the Minister of the Crown who is for the time being designated as Leader of the House of Commons by the Prime Minister;
- “the Leader of the House of Lords” means the Minister of the Crown who is for the time being designated as Leader of the House of Lords by the Prime Minister; 5
- “Minister of the Crown” has the same meaning as in the Ministers of the Crown Act 1975 (c. 26);
- “the MPs’ allowances scheme” has the meaning given by section 3(2); 10
- “the MPs’ financial interests rules” has the meaning given by section 5(2);
- “specified” includes of a specified description.
- (2) In this Act any reference to a particular committee of the House of Commons –
- (a) if the name of the committee is changed, is to be treated as a reference to the committee by its new name, and 15
- (b) if the functions of the committee (or substantially corresponding functions) become functions of a different committee of that House, is to be treated as a reference to the committee by which those functions are exercisable.
- (3) In this Act any reference to the Review Body on Senior Salaries – 20
- (a) if the name of the body is changed, is to be treated as a reference to the body by its new name, and
- (b) if the functions of the body (or substantially corresponding functions) become functions of a different body, is to be treated as a reference to the body by which those functions are exercisable. 25
- (4) Any question arising under subsection (2) or (3) is to be determined by the Speaker of the House of Commons.

13 Power to make transitional etc provision

- (1) A Minister of the Crown may by order make supplementary, incidental, transitional, transitory or saving provision in connection with this Act. 30
- (2) An order under this section may provide –
- (a) that the House of Commons’ rules about members’ allowances have effect for specified purposes as if contained in a scheme under section 3,
- (b) that its rules about the registration of members’ interests have effect for specified purposes as if contained in rules under section 5(7), 35
- (c) that its rules about the declaration of members’ interests have effect for specified purposes as if contained in rules under section 5(8), and
- (d) that its rules about the matters mentioned in section 5(10) have effect for specified purposes as if contained in rules under that section.
- (3) The purposes which may be specified do not include the purposes of section 9 (offences). 40
- (4) The order may provide for references in the rules to an officer or committee of the House of Commons to have effect as references to the Commissioner or the IPSA.
- (5) An order under this section may provide for the Commissioner and the IPSA to carry out their functions under this Act in relation to matters arising under 45

- the rules before the order comes into force (including matters arising before the date on which this Act is passed).
- (6) If it does so, the order must require the Commissioner and the IPSA to deal with any question about the conduct of a member of the House of Commons at a particular time on the basis of the rules having effect at that time. 5
- (7) An order under this section may provide that payments of allowances made to a member of the House of Commons, to which the member was not entitled under the rules mentioned in subsection (2)(a), may be set off against other claims for allowances to be paid to that member.
- (8) An order under this section may provide – 10
- (a) for the employment of persons of a specified description who are employed in connection with matters dealt with by the rules to be transferred to the IPSA by a scheme,
 - (b) for specified property, rights and liabilities which subsist wholly or mainly for the purposes of the House of Commons to be transferred to the IPSA by a scheme, and 15
 - (c) for specified documents and information held by or on behalf of the House of Commons (or an officer or committee of that House) to be transferred to the Commissioner or the IPSA.
- (9) A scheme made by virtue of subsection (8) is to be made by a Minister of the Crown with the consent of the person who chairs the House of Commons Commission. 20
- (10) An order under this section is to be made by statutory instrument.
- (11) A statutory instrument containing an order under this section is subject to annulment in pursuance of a resolution of either House of Parliament. 25
- (12) In this section –
- “the rules” means the rules of the House of Commons mentioned in subsection (2),
 - “rules” includes resolutions, standing orders, codes, schemes, and guidance. 30

14 Short title and commencement

- (1) This Act may be cited as the Parliamentary Standards Act 2009.
- (2) The following provisions of this Act come into force on the day it is passed – 35
- (a) section 12;
 - (b) section 13;
 - (c) this section.
- (3) The other provisions come into force on the day appointed by a Minister of the Crown by order made by statutory instrument; and different days may be appointed for different purposes.

SCHEDULES

SCHEDULE 1

Section 1

INDEPENDENT PARLIAMENTARY STANDARDS AUTHORITY

PART 1

MEMBERS OF THE IPSA

5

Membership

- 1 (1) The IPSA is to consist of the following members –
 - (a) one member who is to chair it (“the chair”) appointed in accordance with paragraph 2, and
 - (b) four other members (referred to in this Schedule as “ordinary members”) appointed in accordance with that paragraph. 10
- (2) At least one of the members of the IPSA must be a person who holds or has held high judicial office (within the meaning of Part 3 of the Constitutional Reform Act 2005 (c. 4)).
- (3) At least one of the members of the IPSA must be a person who is qualified under Schedule 3 to the National Audit Act 1983 (c. 44) to be an auditor for the National Audit Office. 15
- (4) One of the members of the IPSA (“the Parliamentary member”) must be a person who has been (but is no longer) a member of the House of Commons.
- (5) Apart from the Parliamentary member, a person who has been a member of the House of Commons at any time within the last five years may not be a member of the IPSA. 20

Appointment of chair and ordinary members

- 2 (1) The chair of the IPSA is to be appointed by Her Majesty on an address of the House of Commons. 25
- (2) An ordinary member of the IPSA is to be appointed by Her Majesty on an address of the House of Commons.
- (3) A motion for an address under sub-paragraph (1) or (2) may be made only with the agreement of the Speaker.
- (4) The person the subject of the motion must have been selected by the Speaker on merit on the basis of fair and open competition. 30
- (5) The Speaker must not select a candidate without the agreement of the Speaker’s Committee for the Independent Parliamentary Standards Authority.

Terms and conditions: general

- 3 (1) Subject to the provisions of this Schedule, the chair of the IPSA and the ordinary members of the IPSA hold office in accordance with the terms and conditions of their appointment.
- (2) Those terms and conditions are to be determined by the Speaker. 5

Term of office

- 4 (1) The chair of the IPSA is to be appointed for a fixed term not exceeding five years.
- (2) The ordinary members of the IPSA are to be appointed for a fixed term not exceeding five years. 10
- (3) A person who has held office as a member of the IPSA (whether as the chair or an ordinary member) may be re-appointed as a member once only, for a further period (whether consecutive or not) not exceeding three years.

Resignation and removal from office

- 5 (1) The chair of the IPSA may resign from office by giving written notice to the Speaker. 15
- (2) An ordinary member of the IPSA may resign from office by giving written notice to the Speaker.
- (3) Her Majesty may remove the chair of the IPSA from office on an address of both Houses of Parliament. 20
- (4) Her Majesty may remove an ordinary member of the IPSA from office on an address of both Houses of Parliament.
- (5) A motion for an address under sub-paragraph (3) or (4) may be made—
- (a) in the House of Commons, only by the Leader of the House of Commons, and 25
- (b) in the House of Lords, only by the Leader of the House of Lords.
- (6) A person who ceases to hold office as the chair of the IPSA also ceases to be a member of the IPSA.

Remuneration

- 6 (1) The terms and conditions on which a person is appointed as the chair of the IPSA or as an ordinary member of the IPSA may provide for the IPSA— 30
- (a) to pay remuneration and allowances to the person;
- (b) to make provision for a pension in relation to that person.
- (2) The IPSA must make the payment or provision accordingly.

Code of conduct 35

- 7 (1) The IPSA must issue, and may from time to time revise, a code of conduct for its members.
- (2) The code must in particular—

- (a) incorporate the Nolan principles or such other similar principles as may be adopted by the IPSA from time to time, and
 - (b) include provision about the disclosure of interests by the members of the IPSA.
- (3) “The Nolan principles” means the seven general principles of public life set out in the First Report of the Committee on Standards in Public Life (Cm 2850). 5

Disqualification

- 8 (1) In Part 2 of Schedule 1 to the House of Commons Disqualification Act 1975 (c. 24) (bodies of which all members are disqualified), at the appropriate place insert – 10
- “The Independent Parliamentary Standards Authority.”
- (2) In Part 2 of Schedule 1 to the Northern Ireland Assembly Disqualification Act 1975 (c. 25) (bodies of which all members are disqualified), at the appropriate place insert – 15
- “The Independent Parliamentary Standards Authority.”

PART 2

THE IPSA

Status

- 9 (1) The IPSA, its members and its staff are not to be regarded – 20
- (a) as the servants or agents of the Crown, or
 - (b) as enjoying any status, immunity or privilege of the Crown.
- (2) The IPSA’s property is not to be regarded as property of, or property held on behalf of, the Crown.

Efficiency 25

- 10 The IPSA must aim to do things efficiently and cost-effectively.

Powers

- 11 The IPSA may do anything (except borrow money) which is calculated to facilitate the carrying out of its functions or is incidental or conducive to the carrying out of those functions. 30

Committees

- 12 (1) The IPSA may establish any committees which it considers appropriate.
- (2) Any committee of the IPSA established under sub-paragraph (1) may establish one or more sub-committees.
- (3) All members of a committee or sub-committee must be members of the IPSA. 35

Procedure and proceedings

- 13 (1) The IPSA is to regulate its own procedure, and the procedure of its committees and sub-committees (including quorums).
- (2) The validity of the proceedings of the IPSA, or of any of its committees or sub-committees, is not affected by – 5
- (a) a vacancy among the members, or
- (b) a defect in the appointment of a member.

Staff

- 14 (1) The IPSA must appoint a chief executive (see paragraph 17).
- (2) The IPSA may appoint other staff. 10
- (3) The chief executive and other staff are to be appointed on terms and conditions determined by the IPSA, having regard to the desirability of keeping them broadly in line with those applying to persons employed in the civil service of the State.
- 15 (1) The Speaker may appoint a person (“the interim chief executive”) to be the IPSA’s chief executive until a chief executive is appointed by the IPSA. 15
- (2) The interim chief executive may incur expenditure and do other things in the name of and on behalf of the IPSA.
- (3) The interim chief executive must act in accordance with any directions given by the Speaker or, when the IPSA has been constituted, by the IPSA. 20
- (4) The powers given by sub-paragraph (2) –
- (a) may be used before and after the IPSA has been constituted, but
- (b) come to an end at a time determined by the IPSA.

Staff pensions

- 16 (1) *Employment by the IPSA is included among the kinds of employment to which a scheme under section 1 of the Superannuation Act 1972 (c. 11) may apply.* 25
- (2) The IPSA must pay to the Minister for the Civil Service the sums determined by the Minister in relation to any increase attributable to this paragraph in the sums payable out of money provided by Parliament under that Act.
- (3) In Schedule 1 to the Superannuation Act 1972 (kinds of employment to which a scheme under section 1 of the Act may apply), in the list of “Other bodies” insert at the appropriate place – 30
- “Independent Parliamentary Standards Authority.”

Separation of administration functions and regulation functions

- 17 (1) The IPSA’s administration functions are to be carried out by the chief executive on behalf of the IPSA and in accordance with its general directions. 35
- (2) So far as possible the IPSA’s administration functions and its regulation functions must be carried out separately, so that one set of functions does not adversely affect the carrying out of the other.

- (3) The IPSA must make such arrangements as it considers necessary to ensure that.

Meaning of “administration functions” and “regulation functions”

- 18 (1) The IPSA’s administration functions are its functions under – 5
- (a) section 2 (payment of MPs’ salaries),
 - (b) section 3(1) (payment of MPs’ allowances),
 - (c) section 4 (dealing with allowances claims),
- and the function of maintaining and publishing the register under section 5.
- (2) The IPSA’s regulation functions are its functions under – 10
- (a) section 3(3) to (5) (preparing and revising MPs’ allowances scheme),
 - (b) section 5 (preparing and revising MPs’ financial interests rules) (except as mentioned in sub-paragraph (1) above),
 - (c) section 7(5) (determining procedures for investigations etc), and
 - (d) section 8 (directions and recommendations).

Delegation 15

- 19 (1) The IPSA may delegate functions to –
- (a) any of its members,
 - (b) any committee established by it, and
 - (c) any of its staff.
- (2) But the IPSA may not delegate – 20
- (a) its regulation functions, and
 - (b) its function under paragraph 14(1) (appointment of chief executive).
- (3) A committee may delegate functions (including functions delegated to it) to – 25
- (a) a sub-committee, or
 - (b) any of the IPSA’s staff.
- (4) The chief executive of the IPSA may delegate to any of the IPSA’s staff –
- (a) functions exercisable by the chief executive under paragraph 17, and
 - (b) functions delegated to the chief executive under this paragraph.

Contracting-out of payment functions 30

- 20 (1) The IPSA’s payment functions may be carried out by –
- (a) any person authorised by the chief executive, or
 - (b) an employee of a person so authorised.
- (2) The chief executive may authorise a person to carry out payment functions – 35
- (a) to their full extent or to a specified extent;
 - (b) in all cases or in specified cases;
 - (c) unconditionally or subject to specified conditions.
- (3) An authorisation under sub-paragraph (1) may be revoked at any time by the IPSA or the chief executive. 40
- (4) The IPSA’s payment functions are the functions of –

- (a) paying salaries under section 2, and
- (b) paying allowances in accordance with the MPs’ allowances scheme, (but not the function of determining claims for allowances or of agreeing repayments).

Delegation and contracting out of pension functions 5

- 21 (1) Section 1(2) of the Superannuation Act 1972 (c. 11) (delegation of functions relating to civil service superannuation schemes by Minister for the Civil Service to another officer of the Crown etc) has effect as if the reference to an officer of the Crown other than a Minister included a reference to the IPSA’s chief executive. 10
- (2) Any pension function conferred on the chief executive under section 1(2) of the Superannuation Act 1972 (in accordance with sub-paragraph (1)) may be carried out by –
- (a) any person authorised by the chief executive, or
 - (b) an employee of a person so authorised. 15
- (3) “Pension function” means a function of administering schemes made under section 1 of that Act, and from time to time in force.
- (4) Under sub-paragraph (2), the chief executive may authorise a person to exercise pension functions –
- (a) to their full extent or to a specified extent; 20
 - (b) in all cases or in specified cases;
 - (c) unconditionally or subject to specified conditions.
- (5) An authorisation under sub-paragraph (2) –
- (a) is to be treated for all purposes as given by virtue of an order under section 69 of the Deregulation and Contracting Out Act 1994 (c 40) (contracting out of functions of Ministers and office-holders), and 25
 - (b) may be revoked at any time by the IPSA or the chief executive.

Funding

- 22 (1) *The IPSA’s expenditure is to be paid out of money provided by Parliament.*
- (2) For each financial year (other than its first financial year) the IPSA must prepare an estimate of the IPSA’s use of resources and submit it to the Speaker’s Committee for the Independent Parliamentary Standards Authority. 30
- (3) The Committee must review the estimate and decide whether it is satisfied that the estimate is consistent with the efficient and cost-effective discharge by the IPSA of its functions. 35
- (4) If it is not satisfied, the Committee must make such modifications as it considers necessary to achieve consistency.
- (5) Before deciding whether it is satisfied or making modifications, the Committee must consult the Treasury and have regard to any advice given. 40
- (6) After reviewing the estimate and making any modifications, the Committee must lay the estimate before the House of Commons.

(7) If the Committee does not follow any advice given by the Treasury, or makes any modifications to the estimate, it must prepare a statement of its reasons and lay the statement before the House of Commons.

(8) Any repayments received by the IPSA may be retained by the IPSA and applied by it for the purposes of its functions. 5

Accounts

23 (1) The IPSA must keep proper accounting records.

(2) The IPSA must, for each financial year, prepare accounts in accordance with directions given to it by the Treasury.

(3) The directions which the Treasury may give under sub-paragraph (2) include, in particular, directions as to— 10

(a) the information to be contained in the accounts and the manner in which it is to be presented,

(b) the methods and principles in accordance with which the accounts are to be prepared, and 15

(c) the additional information (if any) that is to accompany the accounts.

(4) The chief executive of the IPSA is to be its accounting officer.

Audit

24 (1) The IPSA must, as soon as practicable after the end of any financial year, submit the accounts prepared by it for that year to the Comptroller and Auditor General. 20

(2) The Comptroller and Auditor General must—

(a) examine and certify any accounts submitted under sub-paragraph (1), and

(b) lay before each House of Parliament a copy of the certified accounts. 25

Annual report

25 (1) As soon as practicable after the end of each financial year, the IPSA must prepare and lay before each House of Parliament a report about the performance of the IPSA's functions during that financial year.

(2) On laying such a report, the IPSA must publish it in such manner as it considers appropriate. 30

Documentary evidence

26 (1) The application of the seal of the IPSA is to be authenticated by the signature of any member of the IPSA, or of its staff, who has been authorised (whether generally or specifically) by the IPSA for the purpose. 35

(2) A document purporting to be duly executed under the seal of the IPSA or signed on its behalf—

(a) is to be received in evidence, and

(b) is to be taken to be executed or signed in that way, unless the contrary is proved. 40

(3) This paragraph does not extend to Scotland.

Freedom of information

- 27 (1) In Part 6 of Schedule 1 to the Freedom of Information Act 2000 (c. 36) (other public bodies and offices which are public authorities) at the appropriate place insert –
- “The Independent Parliamentary Standards Authority.” 5
- (2) In adopting or reviewing a publication scheme under section 19 of that Act, the IPSA must consult –
- (a) the Leader of the House of Commons,
 - (b) the Speaker, and
 - (c) the House of Commons Committee on Standards and Privileges. 10

Public records

- 28 In Schedule 1 to the Public Records Act 1958 (c. 51) (definition of public records) at the appropriate place in Part 2 of the Table at the end of paragraph 3 insert –
- “The Independent Parliamentary Standards Authority.” 15

Interpretation

- 29 (1) In this Schedule “financial year” means –
- (a) the period beginning with the day on which the IPSA is established and ending with the next following 31 March, and
 - (b) each successive period of 12 months. 20
- (2) In this Schedule –
- “administration functions” has the meaning given by paragraph 18(1),
“regulation functions” has the meaning given by paragraph 18(2), and
“the Speaker” means the Speaker of the House of Commons.

SCHEDULE 2

Section 1 25

COMMISSIONER FOR PARLIAMENTARY INVESTIGATIONS

Appointment of Commissioner

- 1 (1) The Commissioner is to be appointed by Her Majesty on an address of the House of Commons.
- (2) A motion for an address under sub-paragraph (1) may be made only with the agreement of the Speaker. 30
- (3) The person the subject of the motion must have been selected by the Speaker on merit on the basis of fair and open competition.
- (4) The Speaker must not select a candidate without the agreement of the Speaker’s Committee for the Independent Parliamentary Standards Authority. 35

Terms and conditions: general

- 2 (1) Subject to the provisions of this Schedule, the Commissioner holds office in accordance with the terms and conditions of the Commissioner's appointment.
- (2) Those terms and conditions are to be determined by the Speaker. 5

Term of office

- 3 (1) The Commissioner is to be appointed for a fixed term not exceeding five years.
- (2) A person appointed as the Commissioner may not be appointed again.

Resignation and removal from office 10

- 4 (1) The Commissioner may resign from office by giving written notice to the Speaker.
- (2) Her Majesty may remove the Commissioner from office on an address of both Houses of Parliament.
- (3) A motion for such an address may be made – 15
- (a) in the House of Commons, only by the Leader of the House of Commons, and
- (b) in the House of Lords, only by the Leader of the House of Lords.

Remuneration

- 5 (1) The terms and conditions on which a person is appointed as the Commissioner may provide for the IPSA – 20
- (a) to pay remuneration and allowances to the person;
- (b) to make provision for a pension in relation to that person.
- (2) The IPSA must make the payment or provision accordingly.

Status 25

- 6 (1) The Commissioner is not to be regarded –
- (a) as the servant or agent of the Crown, or
- (b) as enjoying any status, immunity or privilege of the Crown.
- (2) The Commissioner's property is not to be regarded as property of, or property held on behalf of, the Crown. 30

Funding

- 7 (1) The IPSA must provide the Commissioner with adequate resources for the Commissioner's functions.
- (2) In particular, the IPSA is responsible for providing staff to assist in the carrying out of those functions. 35

Annual report

- 8 (1) As soon as practicable after the end of each financial year, the Commissioner must prepare and lay before each House of Parliament a report about the performance of the Commissioner’s functions during that financial year.
- (2) On laying such a report, the Commissioner must publish it in such manner as the Commissioner considers appropriate. 5
- (3) “Financial year” means –
- (a) the period beginning with the day on which a Commissioner is first appointed and ending with the next following 31 March, and
- (b) each successive period of 12 months. 10

Disqualification

- 9 (1) In Part 3 of Schedule 1 to the House of Commons Disqualification Act 1975 (c. 24) (other disqualifying offices), at the appropriate place insert –
“Commissioner for Parliamentary Investigations.”
- (2) In Part 3 of Schedule 1 to the Northern Ireland Assembly Disqualification Act 1975 (c. 25) (other disqualifying offices), at the appropriate place insert –
“Commissioner for Parliamentary Investigations.” 15

Freedom of information

- 10 In Part 6 of Schedule 1 to the Freedom of Information Act 2000 (c. 36) (other public bodies and offices which are public authorities) at the appropriate place insert –
“Commissioner for Parliamentary Investigations.” 20

Public records

- 11 In Schedule 1 to the Public Records Act 1958 (c. 51) (definition of public records) at the appropriate place in Part 2 of the Table at the end of paragraph 3 insert –
“Commissioner for Parliamentary Investigations.” 25

Interpretation

- 12 In this Schedule “the Speaker” means the Speaker of the House of Commons.

SCHEDULE 3

Section 1

30

SPEAKER’S COMMITTEE FOR THE INDEPENDENT PARLIAMENTARY STANDARDS AUTHORITY

Membership

- 1 The members of the Speaker’s Committee for the Independent Parliamentary Standards Authority (“the Committee”) are –
- (a) the Speaker of the House of Commons, 35
- (b) the Leader of the House of Commons,

- (c) the person who chairs the House of Commons Committee on Standards and Privileges, and
- (d) five members of the House of Commons who are not Ministers of the Crown, appointed by the House of Commons.

Term of office

5

- 2 (1) A person appointed under paragraph 1(d) (“an appointed member”) ceases to be a member of the Committee if –
 - (a) another person is appointed in the person’s place, or
 - (b) the person ceases to be a member of the House of Commons.
- (2) An appointed member may resign from the Committee by giving notice to the Committee. 10
- (3) Except as provided by this paragraph, an appointed member is a member of the Committee for the remainder of the Parliament in which the person is appointed.
- (4) An appointed member may be re-appointed (more than once) to membership of the Committee. 15

Committee proceedings

- 3 (1) The Committee may determine its own procedure (including quorum).
- (2) The validity of any proceedings of the Committee is not affected by –
 - (a) a vacancy among the members, or
 - (b) a defect in the appointment of a member. 20

Parliamentary Standards Bill

A

B I L L

To make provision establishing a body corporate known as the Independent Parliamentary Standards Authority and an officer known as the Commissioner for Parliamentary Investigations; to make provision relating to salaries and allowances for members of the House of Commons and to their financial interests and conduct; and for connected purposes.

*Presented by Ms Harriet Harman
supported by
The Prime Minister, Mr Chancellor of the Exchequer,
Secretary Jack Straw, Secretary Alan Johnson,
Mr Secretary Woodward and Barbara Keeley*

*Ordered, by The House of Commons,
to be Printed, 23 June 2009.*

© Parliamentary copyright House of Commons 2009
*Applications for reproduction should be made in writing to the Copyright Unit,
Her Majesty's Stationery Office, St. Clements House, 2-16 Colegate, Norwich, NR3 1BQ*

PUBLISHED BY AUTHORITY OF THE HOUSE OF COMMONS
LONDON – THE STATIONERY OFFICE LIMITED
Printed in the United Kingdom by
The Stationery Office Limited
£x.xx

Bill 121

(xxxxxx)

54/4

xxxbarxxx