STANDARDS AND PUBLIC APPOINTMENTS COMMITTEE

Tuesday 24 October 2006

Session 2

£5.00

Produced and published in Scotland on behalf of the Scottish Parliamentary Corporate Body by Astron.

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STANDARDS AND PUBLIC APPOINTMENTS COMMITTEE
9th Meeting 2006, Session 2

CONVENER

*Brian Adam (Aberdeen North) (SNP)

DEPUTY CONVENER

*Bill Butler (Glasgow Anniesland) (Lab)

COMMITTEE MEMBERS

Linda Fabiani (Central Scotland) (SNP)
*Alex Fergusson (Galloway and Upper Nithsdale) (Con)
Donald Gorrie (Central Scotland) (LD)
*Christine May (Central Fife) (Lab)
Karen Whitefield (Airdrie and Shotts) (Lab)

COMMITTEE SUBSTITUTES

Lord James Douglas-Hamilton (Lothians) (Con)
Paul Martin (Glasgow Springburn) (Lab)
Alasdair Morgan (South of Scotland) (SNP)

*attended

THE FOLLOWING ALSO ATTENDED:

Mr Duncan McNeil (Greenock and Inverclyde) (Lab)

CLERK TO THE COMMITTEE

Jennifer Smart

SENIOR ASSISTANT CLERK

Sarah Robertson

LOCATION

Committee Room 4

Scottish Parliament

Standards and Public Appointments Committee

Tuesday 24 October 2006

[THE CONVENER *opened the meeting at 11:00*]

Cross-party Group

The Convener (Brian Adam): Welcome to the ninth meeting in 2006 of the Standards and Public Appointments Committee. I remind members and others to switch off their mobile phones. We have received apologies from Linda Fabiani and Karen Whitefield, who both have other committee meetings to attend.

I am delighted that Duncan McNeil is with us for agenda item 1. He is the proposed convener of the suggested cross-party group in the Scottish Parliament on young people in Scotland who are not in education, employment or training. We will deal with the application in the usual way. After Duncan McNeil has made any comments that he wants to make, members will have the opportunity to ask questions.

Mr Duncan McNeil (Greenock and Inverclyde) (Lab): I thank the committee for rescuing me and giving me a break from the Scottish Parliamentary Corporate Body's meeting; unfortunately, I will have to go back to it.

The objectives of the proposed cross-party group have been outlined in the required paperwork, all of which I think has now been completed. We know that 20,000 young people fall into the NEET category. The Scottish Executive obviously has an interest in and a strategy on those young people, but a wider interest is held by people such as the Smith group, and charitable organisations, which are anxious that we develop some cross-party work on the issue. I was pleased to work with them and with all my parliamentary colleagues who take an interest in the subject. We hope to do some good work, even though there are only about six or seven months of the parliamentary session left.

Alex Fergusson (Galloway and Upper Nithsdale) (Con): I have a question that I feel I ought to ask for the sake of continuity, because I asked it the last time we considered an application to form a new cross-party group. I do not question for one second the need for or the relevance of the proposed group, but given the short time that remains in the parliamentary session, what do you hope to achieve? Perhaps you could expand on that.

Mr McNeil: That is a relevant question. The matter was discussed with parliamentary colleagues and supporters at our most recent meeting. Our objectives are pretty limited. We have in mind some legacy work. We are considering holding one major event that would allow us to highlight the issue as we approach the end of the parliamentary session. Our objectives are limited—they relate mainly to legacy work. We want to establish the group and hold at least one major event to encourage other people to become interested in the subject. That is about the limit of our ambition at this point.

Alex Fergusson: I wish you every success.

The Convener: As there are no other questions, I take it that members are content that the proposed group complies with the requirements for cross-party groups and that we approve the application. Is that agreed?

Members *indicated agreement*.

The Convener: I will write formally to Mr McNeil to approve the application. Enjoy the rest of your morning with the corporate body.

Mr McNeil: I thank the committee.

Members' Interests

11:03

The Convener: At our last meeting, members gave their initial views on the determinations that are required under the Interests of Members of the Scottish Parliament Act 2006. Although the precise mechanism for agreeing determinations has yet to be finalised by the Procedures Committee and agreed to by the Parliament, we are not being too presumptuous in that we anticipate that that will happen before the December recess. That will allow us to ensure that things flow smoothly when the next session of Parliament begins. We must at least have matters ready for consultation so that when determinations are made by the Parliament, we will be in a position to proceed.

The committee has before it a paper, which I suggest we go through item by item. The first determination that we will consider is the initial registration of interests.

The schedule to the 2006 act sets out broadly what is to be registered, but the Parliament is required to determine the detail of that. Paper ST/S2/06/9/2 sets out the categories of registrable interests. We now have the opportunity to discuss the detail, prior to going out to consultation. What we decide today will be essentially what we consult on. I suspect that most of the detail of the determination will be based on that.

There are two sets of figures, in the paper and the draft statement of interests respectively. They are not identical; that is deliberate, rather than a mistake. I suggest that we consider paragraphs 7, 8 and 9 of the paper, which deal with remuneration. Would members like to comment on the bandings or the detail of the written statement?

Bill Butler (Glasgow Anniesland) (Lab): In my view, the bandings are reasonable and the detail that is requested is to the degree required, rather than excessive. I am content with both the current bandings and the level of detail that is specified in the draft statement.

Christine May (Central Fife) (Lab): I concur.

Alex Fergusson: I am slightly inclined to think that we should have bandings of nought to £5,000, £5,000 to £10,000 and intervals of £5,000 after that, but that is nit-picking stuff. If other members are content with the suggestion, I am happy for us to go ahead with it.

The Convener: There are differences between the bandings that are suggested in the paper and those that appear in the draft statement of interests. Which do you want us to use? Page 6 of the draft statement suggests a banding of "up to £1000". There is a range of options, which we can vary. I favour an initial banding of up to £1,000.

Bill Butler: I will not die in a ditch over £500. It is fine by me if we opt for an initial banding of up to £1,000, as suggested on page 6 of the draft statement.

The Convener: The argument in favour of a banding of up to £500 is that £500 is the level at which gifts need to be registered. We could opt for that.

Christine May: There is a certain consistency in having the bandings the same. However, we are dealing with two different schemes of registration, so there is an equally valid argument that there is no reason that they should be the same.

The Convener: You are right to say that there is no reason that they should be the same. What we recommend at this stage is what will go out to consultation. I suspect that the figures that we recommend may end up being the figures that are accepted.

Alex Fergusson: There is an argument for having the same bandings in the two schemes—that of simplicity. I am a great believer in simplicity in such matters. If the figures for the two schemes are the same, they will be far easier to understand and it is less likely that a mistake will be made. I argue quite strongly that they should be the same.

Christine May: In that case, the bandings would be up to £500, £500 to £1,000 and so on.

The Convener: Do we agree that we will consult on the figures that appear in paragraph 9 on page 2 of the paper, as opposed to those that appear in paragraph (vi) on page 6 of the draft statement?

Members *indicated agreement*.

The Convener: Page 6 of the draft statement lists other information that we will require of members. Is that reasonable and not too burdensome? Should we consult on the matter?

Bill Butler: I do not see it as in any way burdensome. It seems sensible, not excessive, that we should get that amount of detail.

The Convener: If that is clear enough for the clerks, is that agreed?

Members *indicated agreement*.

The Convener: Paragraph 10 of the paper deals with related undertakings. Again, we need to look at page 7 of the draft statement of interests. Are members content that that is a reasonable way of balancing the burden on the member and the interests of the public in terms of transparency?

Bill Butler: Yes, I would say that it strikes the right balance. It has got the right blend, so I have no problem with that.

The Convener: Is that agreed?

Members *indicated agreement*.

The Convener: Election expenses are dealt with in paragraphs 11 and 12 of the paper, and on page 8 of the statement. How do members feel about publishing exact figures, rather than a banding? Do members want to revise any of the details specified in the written statement?

Christine May: Given the point made in paragraph 12—that information on exact figures is already publicly available—it makes sense to have the same information available in both places.

The Convener: If members are content with that, how about the level of detail specified in the draft statement?

Christine May: It seems to be the minimum that would be required.

Bill Butler: I do not think that there is a problem with it at all.

The Convener: How do members feel about identifying private donors to a greater extent than just providing the name? What is suggested is that, where the donor is a business, more information than just the name should be required. Although it is not suggested in the paper, how do members feel about identifying private individuals by more than just a name?

Bill Butler: I think that the name is enough. If you have the name and you want to dig about for further information, that is fair enough. I am not exercised too much one way or the other, but I think that there is enough detail if a private individual is named.

Alex Fergusson: If you do not need an address for a private individual, I do not see why you need it for a business either, particularly given that it is easier to discover the address of a business than it is to find out where an individual lives if he does not want his address to be discovered. I agree that the information required in points (iii) and (iv) of the statement might be unnecessary.

Christine May: I understood that we were being asked whether we wished to revise any of the level of detail. Mr Johnstone seems to be suggesting that we take out point (iii) on page 8.

The Convener: You mean Mr Fergusson.

Christine May: I beg your pardon, Mr Fergusson.

Alex Fergusson: There are too many Alexes.

Christine May: I have made that mistake before. I do apologise.

Alex Fergusson: Too many people do not appreciate the difference between the two.

Christine May: Now that you are both slim and beautiful.

Mr Fergusson is suggesting that we take out the reference on page 8 of the statement to the principal business address. My view, I have to say, is that we should leave that in, but that we should require only a name for private individuals, because businesses are intrinsically different from private individuals.

The Convener: Is it not adequate that we have the name of the business? I ask, because a donation is a donation, whether it is from a business or from a private individual. Indeed, the same person could make a donation privately or through his or her business. I wonder why we even consider making a distinction. A distinction might be important to a private individual if their private address were to be provided, which might raise data protection issues. I take Alex Fergusson's point. If we know a business's name, do we place an unnecessary burden on a member by asking them to identify the principal business address? If the member does not get that right or fails to provide it, will they risk breaching the rules?

11:15

Bill Butler: As the proposal is to go out to consultation, why do we not leave that open? We can say that there is much to be said on both sides, refer members to our brief discussion today and wait for responses.

The Convener: Are members content that we ask a question on the issue as part of the consultation?

Members *indicated agreement*.

The Convener: Sponsorship is covered in paragraphs 13 to 16 on pages 3 and 4 of the paper and on page 9 of the draft statement. Do members wish to specify bandings or any details? Members will note that the question of addresses is raised again. In the light of our previous discussion, I take it that we will ask about that as part of the consultation. Are members content with the suggestion on bandings? If so, which bandings do we want?

Christine May: The bandings are the same.

The Convener: They are not quite the same.

Christine May: Are they not?

The Convener: No. Paragraph 16 contains a little more detail than is under item (iii) on page 9 of the draft statement.

Bill Butler: We should just go with the bandings that are on page 9 of the draft statement. The level of detail is fine, but we will have to ask the same question as we are to ask in relation to expenses.

The Convener: One unique aspect is item (iv) on page 9 of the draft statement, which asks for

"Any conditions attached to sponsorship".

How do members feel about that? Such conditions might include an organisation paying for consultation on a member's bill only if the member agreed to include an issue. Should that be in the public domain? If a member were looking for external help in drafting a member's bill, such a condition might be attached to sponsorship. Perhaps the clerks or legal advisers, who drafted the statement, can give us examples.

Bill Butler: It would be wholly inappropriate for any organisation that sponsored a member's bill to attach such a condition. Members who have had the good fortune to receive support for a member's bill would say that that support is welcome but does not mean that the sponsoring organisation or body dictates to the member what is in the bill, which would be wrong.

The Convener: We should not focus only on support for a bill, although that is the issue that has arisen. A member might have a particular interest in the subject area and might have received paid support, which is conditional. We have to make it clear that if there are any conditions to sponsorship, they need to be in the public domain. Alternatively, are we saying that there should never be conditions attached to sponsorship?

Bill Butler: Perhaps it would be an idea to get legal advice as to whether an organisation or body would have the right to sponsor an MSP in lodging a member's bill? Would that be inappropriate or even unacceptable?

The Convener: I would certainly welcome advice on that.

Jennifer Smart (Clerk): We can come back to that. You would have to be wary about the paid advocacy provisions if you were going to place conditions on sponsorship.

The Convener: Those who have helped with the drafting of the paper might have had in mind something other than the example that I gave and which Mr Butler pursued. Would you care to share with us what you had in mind?

Jennifer Smart: A condition that could be put on sponsorship is a timescale; an organisation might sponsor an MSP with the condition that a bill would be passed within a session. The sponsorship would be for a specific period.

The Convener: That is covered in question (v), which is on duration of sponsorship. It is not necessarily a condition. A condition is something along the lines of an organisation saying, "We will do this for you, if you do that for us." The point that Mr Butler is making is that having conditions on sponsorship might be inappropriate, other than conditions such as that staff would be employed with appropriate conditions and treated appropriately. What conditions did you have in mind?

Jennifer Smart: That perhaps sponsorship could be paid in instalments or set tranches.

The Convener: That is a totally different matter about which we would feel much more comfortable than we would about the kind of conditions that I was considering.

Christine May: I am struggling to think of any conditions other than something like allowing payments to be made in instalments, which would be acceptable under all kinds of other rules of the Parliament on the registration of interests. Attaching conditions that oblige the member to guarantee a certain outcome could not be delivered and I am not sure that they would be legal.

Question (iv) on page 9 of the draft statement might well cover any eventuality that we have not been able to come up with. On that basis alone, it should probably be left in to cover such circumstances. Human ingenuity is a wonderful thing.

Alex Fergusson: It should certainly be left in during the consultative process. The concerns that members have raised are absolutely legitimate.

The Convener: The purpose of the meeting is to scrutinise the detail before we go to consultation. I think that members are content with that point.

Alex Fergusson: Before we leave the issue of sponsorship, I want to clarify where we got to on the bandings, which I understand are slightly different. I make the plea to keep the bandings the same all the way through, unless there are compelling reasons not to do so. I do not see any such reasons in this instance. There was a suggestion that there is slightly more detail on page 9—

The Convener: There is a little more detail in paragraph 16 of paper ST/S2/06/9/2 than there is in paragraph 9.

Alex Fergusson: I repeat the point that we should keep the detail the same throughout the document.

The Convener: Are members content that we stick with paragraph 16 on page 4 of the paper?

Members *indicated agreement*.

The Convener: Are members also content that we accept that level of detail to go out to consultation?

Members *indicated agreement.*

Alex Fergusson: I am sorry to keep banging on about this, but I am also rather worried about the wording of question (vi) on page 10 of the draft statement. I think that it is actually two questions. This is my campaign for plain English I am afraid. The question,

"Is support paid or provided directly to you or to another person on your behalf, if so who?"

is not in plain English. There should be a question mark after "behalf". The question, "If so, who?" or "If that is the case, who?" could then follow. The sentence does not make sense as it is.

Christine May: Should the question not be "to whom", rather than "who"—if we are being pedantic?

Alex Fergusson: Well, indeed.

Bill Butler: I am not getting involved in this discussion.

The Convener: I was going to try to shut it down and move on.

Alex Fergusson: Could that sentence be reworded, please?

The Convener: I am content for it to be reworded accordingly. Are other members so content?

Members *indicated agreement.*

The Convener: We come to gifts, which are covered in paragraphs 17 to 19 of the paper. How do you feel about the bandings and the level of detail that is spelled out on pages 11 and 12 of the draft statement of interests?

Bill Butler: With regard to the bandings, paragraph 19 of the paper is fine. It keeps the uniformity that Mr Fergusson was keen for us to follow—and I think that he is right. I think that the level of detail is fine.

The Convener: We will deal with the addresses in the same way for each of the questions—consistently.

Bill Butler: Yes, obviously.

The Convener: Are members otherwise content with that?

Members *indicated agreement.*

The Convener: Overseas visits are dealt with in paragraphs 20 to 22, on page 5 of the paper, and on pages 13 and 14 of the draft statement of interests.

Alex Fergusson: I am sorry to go back but, referring to paragraph (v) on page 12 of the draft statement and our earlier discussion about business addresses, if the consultation responses suggest that members are not comfortable with business addresses being included in the previous section, would we apply the same decision to this section?

The Convener: Yes. We have just agreed that. I made that point.

Alex Fergusson: Did you? I am sorry.

The Convener: In each segment, where there is a question of addresses being published, we will consult on that, so that there is a consistency of approach.

Alex Fergusson: Yes, you said that—I apologise for missing that.

The Convener: That is all right. We have no suggestions with regard to bandings for overseas visits. Do we want any? Should we insist on knowing the exact value of visits?

Bill Butler: I guess that we could suggest the exact value. Why not? That would be completely transparent.

The Convener: There is no threshold, I recollect.

Bill Butler: No, there is not. Perhaps the exact value would be—

The Convener: £29.99.

Christine May: You flew with easyJet recently, did you?

Alex Fergusson: Ryanair?

The Convener: Whichever one it was.

Bill Butler: Whatever it happens to be. Anyway, that makes it transparent for the general public—which is the main concern—and for members of the fourth estate, who seem to be exercised somewhat—

The Convener: Obsessed.

Bill Butler: Yes—with regard to exact costs of overseas visits, although they are carried out for specific purposes, not for entertainment. I think that we should give them the exact cost.

The Convener: That is agreed. We will put in the exact cost of visits.

We will deal with paragraph (v) on page 13 of the draft statement, which reads

"Principal business address of (iv)"

in the way that we have already agreed.

Members *indicated agreement.*

11:30

The Convener: Paragraphs 23 to 31 on pages 5 and 6 of the paper come under the heading "Heritable property (market value and income)" and relate to pages 15 and 16 of the draft statement. Do members have any views?

I hope members will forgive me for jumping in front, but I feel that we should not include specific values below £100,000, such as £25,000 or £50,000. We still have one town—but only one—in Scotland where the average resale price of a house is less than £100,000. We could have a category for values up to £100,000 and then have bands at intervals of £50,000 thereafter, up to the maximum, which is more than £350,000. I am happy to set a higher maximum figure if members feel that that is necessary, but I do not think we will add much by having greater detail on market values at the lower end of the scale.

Mr Fergusson, you look puzzled.

Alex Fergusson: No, I am just deep in thought, although it is pretty unproductive thought at the moment. There will be examples of heritable property that are not buildings or completed houses. Somebody could be left a plot of ground with a value of £15,000 or £20,000 but with planning permission. I take the point, though.

The Convener: In what way would the public's knowledge that a member had such an interest be diminished by the fact that the register states that it is of a value up to £100,000?

Christine May: In today's market, that is reasonable.

The Convener: I take Mr Fergusson's point that some items of heritable property may be worth considerably less than £100,000 but, most of the time, people will be interested in homes of some sort.

Bill Butler: Bricks and mortar.

The Convener: Yes, although it could be bricks and mortar such as a farm steading that is rented out.

Alex Fergusson: I do not feel strongly on the issue.

Bill Butler: I am content with your suggestion, convener.

The Convener: Are members content that we have a category of up to £100,000 and then have bands at £50,000 intervals?

Members *indicated agreement*.

The Convener: Are you also content that with values above £350,000, members may just put a note that it is—

Christine May: A lot. [*Laughter.*]

The Convener: How do members feel about the figure that will trigger registration of gross income from heritable property and the width of the bands?

Bill Butler: The banding that is suggested on page 16 of the draft statement is fine. People will, rightly, be interested in income, even at the lower end of the scale. The banding on page 16 is reasonable.

The Convener: Identifying incomes that are between £501 and £1,000 is perhaps not that important. I am not familiar with current property rental values, but a category for gross rental value up to £5,000—which is a monthly rental of about £400—would cover the requirements. The interest is largely in rented accommodation.

There may be places where people earn between £501 and £1,000 per annum for renting accommodation—or, indeed, other types of heritable property—but I do not think that there will be many. I do not think that we would add anything to the sum of knowledge by requiring that detail.

In my view, it would be adequate for the first band to cover any amount up to £5,000 per annum and for the other bands that are listed to cover amounts beyond that. As Mr Fergusson said at the beginning of our discussion, requiring too much detail would put the tenant at a disadvantage. If we had nice broad bands, most properties would end up in the second and third categories. Some properties would be in the first category, but most would be in the second.

Bill Butler: I am content to go along with that. I will not go to the barricades on the issue.

The Convener: Is that agreed?

Members *indicated agreement*.

The Convener: We always have the comfort that the draft statement will go out for consultation. We have agreed to go with the banding given on page 16, but we will delete the first band and change the second band to read "up to £5,000".

That will mean that we do not have a threshold. Does that present anyone with a problem?

Members: No.

The Convener: I have not received any advice to suggest that the lack of a threshold would cause a problem.

We have covered the first two questions on page 6 of the paper. How do committee members feel about the other two? Should members who have heritable property over a certain value that they do not personally occupy and from which they receive an income be required to register both the property and the income they receive from it? I think that that will need to happen anyway: the question would arise only if we had a system that involved a threshold and bands. As we have decided against having a threshold, registration will automatically be required. Is that agreed?

Members *indicated agreement*.

The Convener: Do members have any concerns about the other details that are specified on—or that have been omitted from—page 16 of the draft statement?

Bill Butler: The details seem okay. If members want to state the type of property and so forth, they will be able to do so under paragraph (vii), "Any relevant additional information". We do not need to be too prescriptive about that.

The Convener: Are you suggesting that we delete paragraph (iii), given that paragraph (vii) provides an option to provide that information voluntarily?

Bill Butler: I beg your pardon—it is my mistake and I apologise. I did not take paragraph (iii) into active consideration. Paragraph (iii) should remain. For any other details, the decision should be up to the member, who can seek advice from the clerks. The details on page 16 already fit the bill.

The Convener: Just for clarification, I will recap what we have agreed. The bands of gross income from heritable property will be up to £5,000 and subsequent £5,000 chunks. For the market value of heritable property, we start with values up to £100,000 and then go up in £50,000 chunks. We have accepted the ceilings set out in the draft statement.

Given that there are no thresholds, the third question that we have been asked no longer arises. Any property that falls under the headings of market value and gross income will have to be registered under both.

On the fourth question, other than what the committee has agreed with regard to thresholds, we are content with the level of detail to be specified in the statement of interests.

Do members have any comments on the "Interest in shares" section, which can be found in paragraphs 32 to 37 of the paper and pages 17 and 18 of the draft statement? I have a few, but I will let others go first. For example, do members wish to specify bands rather than absolute values?

Bill Butler: I am not sure, convener.

The Convener: Well, I will tell you what I think: I think that there should be bands. I believe that the new act specifies a date by which the figure in question must be revised. However, if the member did not get it exactly right, they would be putting themselves at some risk. If a member had shareholdings worth, for example, £25,349.78, they would have to produce exactly that figure. I believe that that would prove burdensome. Is what is sought the value that the shares would get if they were sold, or should the figure reflect the average price of shares in the market that day? Fees are incurred in buying and selling shares. What the public need to know is how much influence any share interests might have. I therefore think that a band system is just as appropriate for this matter as it is for heritable property or any of the other interests that we have been discussing.

Alex Fergusson: I agree that such an approach allows a little bit of flexibility, given the stock market's ups and downs—which I have to say I do not understand at all.

The Convener: Under the act, members must revise their share interests annually on a fixed date. Alex Fergusson's point about ups and downs in the stock market is absolutely correct; however, the point is that if we specify absolute values, members will be duty bound to say on a particular date exactly what their interests are worth. I do not know whether that adds very much to openness.

Bill Butler: Having listened to your comments, convener, I think that we should have bands. We want to have transparency, but we do not want to impose an excessively burdensome system on members. In that respect, your suggestion is fine.

The Convener: The question, then, is what bands we go for. Paragraph 37 of the paper makes suggestions about that. I think that the first band should be from £25,000 to £50,000, and that subsequent bands should be in chunks of £50,000 rather than £10,000. After all, having £35,000 or £45,000-worth of shares is different from having £50,000 or £100,000-worth of shares. All that the publication of those figures over a period of time will tell is the fluctuation in the fortunes of the individual member. It will not necessarily reveal the influence that the ownership of those shares might confer.

Bill Butler: That seems reasonable.

The Convener: Or am I being too narrow? It is obvious which members hold shares, is it not?

Christine May: Yes. I am glad that I have just got socks stuffed with money under my bed. That is much easier.

11:45

The Convener: There are two thresholds: the proportion of the holding, which is specified at 1 per cent, and the market value. I take it that members want to publish both—is that fair?

Christine May: That is consistent. If someone has something of value, it gives them influence or might influence the way in which they conduct their business. It is the same if they own property—they have something that gives them an income, which could be construed as having an influence. If we are going to register an interest in the case of property, we should register an interest in this case.

The Convener: I think that that is wholly consistent. We can do that.

Do members wish to revise any of the levels of detail that are to be specified in the statement of interests? I have one or two queries. When people own shares, they normally receive a dividend, which is of some interest. These days, a large number of companies offer the opportunity to translate that dividend into further shares. If we went down the line of point (ii) on page 17 of the draft statement and published the number of shares held—at the moment, we ask for that to be done annually, but some companies produce dividends quarterly and most companies produce dividends twice a year—we could end up having to tweak the number of shares quite often. Whether someone owned 1,103, 1,105 or 1,107 shares would probably not be very important in the general sum of things. If we introduced bands, we would not need to go into the detail of the number of shares held.

Bill Butler: You are right, convener. We need to avoid the system becoming overburdensome, both in terms of the clerks having to advise members and members having to remember to update their statements every quarter.

The Convener: I suggest that we delete point (ii). Although it might be of great interest to certain individuals to know exactly how many shares each member has, if a member has said that they have a shareholding of which the market value is between £25,000 and £50,000, that will give the public a fair idea of what influence it may or may not have on that member's decisions. Stating the exact number of shares they hold would not necessarily do that.

It is probably important that a statement of the type of shares is included, as there are shares that bestow voting rights and shares that do not. I am not certain about the exact position these days, but it used to be that someone could own shares that gave them the benefit of any accrual of capital and dividends but did not necessarily confer voting rights. If someone has a significant proportion of shares that give them voting rights, that will give them more influence. I assume that that is why the matter was included in the statement. I think, however, that there have been changes in the law concerning different types of shares, and I do not know whether there are non-voting shares any more. Nevertheless, I think that point (iii) is fine.

Point (iv) requires a statement of the registered name and address of the company in which the shares are held. That takes us back to addresses. As members may know, companies change their names regularly. Are we going to hold a member accountable for the fact that they have failed to register a change of name or, indeed, of address? Members will be accountable for their statement of interests based on what we decide, so is it reasonable to do that?

The name of the company is probably adequate. I do not know whether we should be looking to put a member in difficulty if, for example, they fail to register a name change such as when the Bank of Scotland merged with Halifax and changed its name to HBOS.

Bill Butler: Would it be possible to place a requirement that, twice in their parliamentary diet or at a particular mid-term point and with advice from the clerks, members must update their statement when there has been a change in the name or address of a company? Would that be feasible?

The Convener: I am going back to our earlier debate on addresses. Why should we expect members to include the addresses of companies in the register?

Alex Fergusson: I agree about the addresses, but the name has to be given. The name is as likely to change as the address—presumably, the address will change if the name does.

The Convener: It could well do, and I have given one example. Given public accountability and influence, we obviously need the name, but I am concerned that we may be putting members at risk if a company decides to change its name and a member gets it wrong on the register.

Alex Fergusson: A member who has registered a number of shares will consider them once a year to check their valuation and the bands. Would it be sensible to register the name of the company in which the shares are held at the annual review?

The Convener: I can perhaps give the committee an example. Most members who have shares will have shares in blue chip companies—

the late Donald Dewar had shares in some of the banking companies. There will often be a holding company at the top and then a series of divisions, and the companies will change the way they operate. The public name may never change, but shareholders may receive lots of pieces of paper saying that the company name will be changed at the annual general meeting, for example as part of a restructure. The registered company name may change, and shareholders may not be particularly aware of it. My concern is that a minor technical change, which does not materially affect the influence that the shares might or might not have on a member's behaviour, could put that member at risk if they failed to change their statement.

Jennifer Smart: Members would need to worry about changes only once a year, on 5 April. If they recorded any changes that took place over the year, the latest information would be recorded in the statement on 5 April. It would be an annual update of name and address.

The Convener: It is fair to have an annual update, but I am trying to tell the committee nicely that although the registered name and/or address may technically change, the member will not necessarily be aware of it because the public persona of the company will not actually change. I am worried about including the need to register that change in the statement. I think that we should get some advice on that point.

Christine May: This is making me slightly uncomfortable. Obviously, I do not have your level of expertise, convener. It is apparent from what you have said that you know a lot more about the subject than I do.

The Convener: That is only because I have some very minor investments.

Christine May: Equally, however, I am concerned that we should not do something that makes the potential for influence on a member less transparent than it currently is. I would like further advice and perhaps to consult on the point.

The Convener: I have absolutely no desire to make the situation less transparent. I just do not want to include in the statement something that will inadvertently trip people up.

Christine May: I have one further point. Our objective must be to ensure ease of compliance. We want compliance, so it must be easy for members to comply. I am concerned that our taking this out might, with hindsight, make it more difficult for those who legitimately need to know such things to find them out. I would, therefore, be glad if we could consult on the matter.

The Convener: Here is another example of the kind of things that happen. British Gas was privatised and divided up into a series of companies, some of which then merged with other companies. A member might have initially bought shares in the privatised company and ended up with shares in three or four different companies. They could write down Centrica, National Grid or the BG Group: all those companies have changed their names.

Alex Fergusson: But it is surely not unreasonable to ask a member to revisit that once a year, when they will be considering the band value anyway, to ensure that they have the correct name in the register. I would not want them to take the name out.

The Convener: I will give you a specific example. British Gas is now BG. Are we saying that, following British Gas changing its name to BG, if a member failed to change the name that appeared in their statement, they would be in breach of the members' interests order? That is the point. I have no desire to make the system less transparent. I think that we need to find a form of words that will definitely put the name of the company in the public domain; however, it would be inappropriate for us to make a failure to change the name as a consequence of a technical matter a breach of the members' interests order.

Bill Butler: Perhaps the clerks and our legal advisers can come up with a brief note that may not need to appear at the next committee meeting but that could be circulated to members informally. We could then consult on all the issues that you have raised and that members have discussed today before returning to those aspects.

The Convener: That is a sensible course of action, if our advisers are content with it. We can perhaps consult on the matter. Are there any other matters that members want to raise?

Alex Fergusson: I am sorry, but I need to return to something with which I am slightly uncomfortable. My discomfort is prompted by my personal circumstances. It concerns the bands for heritable property, which it has been suggested should stop at £35,000.

The Convener: That is for the income.

Alex Fergusson: Yes, sorry, I mean the bands for income from heritable property. It is suggested that they stop at £35,000. In their paper, the clerks say that there is currently an entry at £45,000—it is one of the higher ones. I think that it is only right, in the interests of openness and transparency, to point out that that is my entry. I think that it would be wrong for me to sit here and tacitly accept that we need to reduce the top-end band to £35,000. What I suggest may be rejected, but I think it right that I suggest to the committee that there should be a band of between £45,000 and £50,000.

The Convener: How do other members feel about that?

Bill Butler: Content.

Christine May: If we are going to consult on this, it is for us to put that suggestion in the consultation document and to seek responses to it. I see no reason why we should not accept that suggestion, put it in the consultation document and see what responses we get.

The Convener: In that case, we will amend the draft statement in that way. I do not think that what Alex Fergusson meant—although this could be the interpretation—is that any income above £35,000 would not need to be declared. It would be declared, but only—according to our previous discussion—as income over £35,000. However, he is suggesting that the upper limit should be £50,000.

Alex Fergusson: There are those who would suggest that there are individuals who would find it in their interest to have a lower top-end band. I just think that it is right to put the matter on the record.

The Convener: Okay. I thank members for their attendance and draw the meeting formally to a close.

Meeting closed at 12:00.

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