

STANDARDS COMMITTEE

Wednesday 26 September 2001
(Morning)

Session 1

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STANDARDS COMMITTEE **12th Meeting 2001, Session 1**

CONVENER

*Mr Mike Rumbles (West Aberdeenshire and Kincardine) (LD)

DEPUTY CONVENER

*Tricia Marwick (Mid Scotland and Fife) (SNP)

COMMITTEE MEMBERS

*Lord James Douglas-Hamilton (Lothians) (Con)

*Patricia Ferguson (Glasgow Maryhill) (Lab)

*Mr Frank McAveety (Glasgow Shettleston) (Lab)

*Mr Kenneth Macintosh (Eastwood) (Lab)

Kay Ullrich (West of Scotland) (SNP)

*attended

CLERK TO THE COMMITTEE

Sam Jones

SENIOR ASSISTANT CLERK

Jim Johnston

LOCATION

Committee Room 4

Scottish Parliament

Standards Committee

Wednesday 26 September 2001

(Morning)

[THE CONVENER *opened the meeting at 09:31*]

The Convener (Mr Mike Rumbles): Good morning and welcome to the 12th meeting in 2001 of the Standards Committee. I extend an especially warm welcome to our newly appointed adviser, William Spence.

Items in Private

The Convener: We must consider how to deal with items 4 and 5 of the agenda. Item 4 relates to draft legislation and item 5 is consideration of a draft report. I suggest that it is appropriate for us to consider both those items in private. Do members agree?

Members *indicated agreement.*

The Convener: As we are still in public session, I wish to make it clear that I will withdraw from the committee's consideration of item 5 and will hand over the chair to the deputy convener, Tricia Marwick.

Confidentiality

The Convener: We now move to the substantial business of the meeting and our consideration of a short paper on confidentiality. The paper proposes that on receipt of a complaint concerning an alleged leak that does not name a member, the Standards Committee should invite the views of the committee concerned before deciding whether to exercise its discretion to refer the complaint for investigation by the adviser.

I throw the discussion open to members.

Lord James Douglas-Hamilton (Lothians) (Con): I will start the ball rolling. As I understand it, the proposed committee bill on a standards commissioner should enable the Standards Committee to investigate complaints, if necessary. The Standards Committee should have the discretion to conduct investigations if it believes that it is necessary to do so.

The Convener: We are considering the paper on confidentiality, Lord James, rather than the proposed bill itself. What do members think about the procedure that is proposed in the paper?

Tricia Marwick (Mid Scotland and Fife) (SNP): For the reasons that I outlined at our previous meeting, conveners have a role to play in the investigation of leaks. All MSPs have a responsibility to do whatever they can to stamp out the practice. The paper is well thought out and welcome, but we are proposing to consider a report in October that sets out the Standards Committee's views on confidentiality. Before we issue that report, we should again attempt to get the conveners on board. Before we produce a report that floats the idea of involving conveners, I would like their agreement to our proposal.

Patricia Ferguson (Glasgow Maryhill) (Lab): Obviously, the convener was at the meeting of the conveners liaison group. My understanding from soundings that I have taken is that there was—shall we say—hostility to the idea. I suspect that getting the conveners on board may be a tricky road for us to go down. I was interested to read paragraph 5 of the paper, which states:

“One Convener suggested that in deciding whether or not to investigate a ‘leak’ the Standards Committee should take a view on the seriousness of the leak and whether an investigation would be worthwhile.”

Perhaps that could be the hook to hang this on. We could send the matter back to the committee concerned, as complaints do not always come from the committee; they often come from an individual member or a member of the public. The complaint might come from the convener, but it rarely comes from the committee. We could say that we are returning a complaint to the committee

for comment on the seriousness of the leak. Sometimes a leak may be unhelpful to one member's position or their comments and statements at a specific meeting may be leaked, but it may not be such a serious leak as some of the ones that we have considered, which have been fairly serious.

Lord James Douglas-Hamilton: I agree with what my colleagues have said. Conveners should be expected at least to express a view.

The Convener: The conveners were reluctant for the onus to be put on them. The onus—even with this report—remains with this committee. We are flagging up to the conveners that lodging a complaint with the Standards Committee does not automatically mean that the complaint will immediately be investigated. As has been mentioned, it is important that we go back to the committee concerned to get its views on the seriousness or otherwise of a leak.

Are we happy with that?

Tricia Marwick: I am content with that.

Lord James Douglas-Hamilton: Can I clarify that we have agreed to the conclusion in paragraph 10?

The Convener: That is correct.

Does Tricia Marwick think that we should have another stab at this before we produce a draft report?

Tricia Marwick: No.

The Convener: We will get the clerks to produce a draft report for us.

Tricia Marwick: I am content with the method outlined by Patricia Ferguson and Lord James Douglas-Hamilton.

Patricia Ferguson: I would like to add a point. We are exercising our discretion by taking on board leaks when the complaint does not name an individual. That point can also be made to the committees. We are looking for their guidance before we exercise our discretion, because it is not automatic that we should carry out such an investigation.

The Convener: Patricia Ferguson is right. Much of this is to do with perception. The perception among other conveners is that as soon as a complaint is lodged it goes straight to the Standards Committee and will be investigated. All that the draft report will do is emphasise to committees that we will use our discretion, but we would like conveners' input first.

Are we happy with that?

Members indicated agreement.

Members' Interests Order

The Convener: We move on to item 3 on replacing the Scotland Act 1998 (Transitory and Transitional Provisions) (Members' Interests) Order 1999. As we agreed at our previous meeting, one of the most important tasks facing the committee for the remainder of the Parliament is the replacement of the members' interests order with an act of the Scottish Parliament. Over the next few months, we will consider a series of issues papers to develop our proposals for the replacement legislation. Our objective will be to produce in the new year a set of initial proposals that can form the basis of a consultation paper. Today, we will begin by examining the existing categories of registrable interests.

Members will have seen the paper setting out some of the matters that we might want to review, together with a series of bullet points. I will start with paragraph 5 on remuneration, which asks:

"Should salaries/allowances arising from an MSP's membership of another Parliament or Assembly continue to be registrable?"

Paragraph 6 concerns election expenses. We are asked whether we should continue to exempt donations from political parties from registration and whether the 25 per cent threshold is appropriate. I invite members' comments on paragraphs 5 and 6.

Lord James Douglas-Hamilton: I declare an interest, as I am one of the three MSPs who can attend the House of Lords. My understanding is that the expenses that are claimed in the House of Lords are a matter of public record anyway. To register them therefore seems unnecessary—they can be looked up in any case in the House of Lords register.

On paragraph 6, the exemption from registration relating to donations from political parties should probably remain.

Tricia Marwick: Am I right in thinking that any remuneration from external sources would be a matter for the register?

The Convener: Yes.

Tricia Marwick: If a member were in paid employment, that would be a matter for the register. It follows that remuneration from any source, including that received as a member of another Parliament, should also be part of the register because it is part of the remuneration of the individual MSP—notwithstanding the fact that that information might be publicly available elsewhere. The point of the register is surely that all the information that relates to a member of the Scottish Parliament should be available for anyone who wants to see it.

Lord James Douglas-Hamilton: My understanding is that we are talking about expenses, not remuneration. Expenses are different. If you are suggesting a list of expenses, it should be considered under that category. A claim for expenses is not remuneration.

The Convener: As I understand it, salaries and allowances are both declarable—the clerk confirms that that is the case. Under current regulations, not just the salary but any allowance that you receive from the House of Lords is declarable, Lord James. Some members have expressed the view that that is a double declaration. I understand Tricia Marwick's point. I would like to hear what other members have to say on that, as there is a difference of view in the committee.

Patricia Ferguson: Tricia Marwick is right. The declaration of income from membership of other Parliaments is relevant to membership of this Parliament, so such income should be declared.

Mr Kenneth Macintosh (Eastwood) (Lab): I am relaxed about that. I am happy with the suggestion that the requirement should remain, but I do not feel strongly about it. I am content that income from other Parliaments is a matter of public record.

Lord James Douglas-Hamilton: My understanding is that Sir David Steel raised the matter a year ago and that the decision was that expenses claimed did not need to be in the register of interests. That is what I was informed.

The Convener: I do not want to delve into individual cases. However, the code of conduct for MSPs is clear:

“Key definitions:

1. ‘Remuneration’ includes any salary, wage, share of profits, fee, expenses, other monetary benefit or benefit in kind.”

Those forms of remuneration must be declared. That is the crux of the question. Lord James mentioned that there are three members with dual mandates at the moment. When there were more such members, many of them asked whether such registration was necessary. I have the impression that, apart from Lord James, the committee thinks that we should continue the requirement to register. Is that the case?

Members indicated agreement.

Tricia Marwick: Perhaps it would also be helpful to give guidance to members of other Parliaments that they should at the moment register all their allowances.

The Convener: You are a mind-reader, Tricia.

Mr Frank McAveety (Glasgow Shettleton) (Lab): If Lord James is correct about the Presiding

Officer's understanding, would it be helpful to give further clarification or guidance to the Presiding Officer on the rules?

Lord James Douglas-Hamilton: And to Mike Watson.

The Convener: The clerks will write to all dual members, just to be on the safe side.

Paragraph 6, on election expenses, asks:

“Should the exemption from registration relating to donations from political parties remain?

Is the 25% threshold appropriate?”

I ask for guidance from members.

Tricia Marwick: I find paragraph 6 quite difficult. People naturally assume that the election expenses of any member who stands as a representative of a political party will be met wholly or in part by that party. I did not see the requirement to register those expenses, although there is a requirement to register donations or support from any party other than a member's own political party.

The Convener: Do members have any other views?

Patricia Ferguson: We would get into difficulties of definition if we started to exempt people. What would “political party” mean in this context—a constituency party or the Scottish Labour party? It would be better to leave the paragraph as it is.

09:45

The Convener: The suggestion is that we leave the paragraph as it is. Is that agreed?

Members indicated agreement.

The Convener: The next section deals with the rules on sponsorship. The bullet points in paragraph 9 ask:

“Should the replacement legislation explicitly exclude constituency plan agreements ... from the rules on sponsorship?”

and

“Should support from Members' own parties be excluded from the provisions on sponsorship?”

The principle that Patricia Ferguson has just outlined might apply to this issue as well, but I do not want to put words into members' mouths.

Mr McAveety: Some Labour members are also sponsored by the Co-operative Party, in terms of constituency plan agreements, but their core party is Labour. Would that pose any difficulty?

Patricia Ferguson: That is why we worded this paragraph as we did when we considered the issue previously. A constituency plan agreement is

not sponsorship of an MSP.

Mr McAveety: Fair enough.

The Convener: Such support should not come under sponsorship. The clerk requires some guidance. Should we be explicit about the matter in a proposed bill?

Tricia Marwick: I confess that I do not know what a constituency plan agreement is. It is not common or even known of in the Scottish National Party.

Patricia Ferguson: It is when a trade union or the Co-operative Party makes an agreement with a constituency party—only Labour at the moment—to assist it with educational training and activity. It has nothing at all to do with the member, their election campaign or anything else. It used to be a very different animal when it involved sponsorship of an individual, but it has not involved that for quite some time.

The Convener: Are members content to make that explicit? That is what the clerk is asking.

Patricia Ferguson: When we discussed this previously, I provided written details of what a constituency plan agreement is and what it contains. I can do so again, if that would help.

The Convener: Are members content with that?

Members indicated agreement.

The Convener: The next section, paragraphs 10 to 15, deals with gifts. Currently, members must register all gifts of more than £250 regardless of their source. A gift from a spouse or other close family member therefore constitutes a registrable interest. I recall that we had much discussion on the matter previously. The committee and respondents to our consultation paper, which was published earlier this year, have argued that the requirement does not strike the right balance between transparency and the privacy of MSPs and, more specifically, their families. It is suggested that there are two possible ways for us to address the issue. The replacement legislation could explicitly exempt from registration gifts from close family members. Alternatively, we could take the Westminster approach, whereby only gifts that relate to an MP's membership of the House of Commons—or which could be construed to do so—are registrable.

The members' interests order currently requires members to register all gifts to spouses or partners of £250 or more, regardless of their source. We will consider the registration of the interests of family members in more detail at a future meeting, but today we could consider whether those should be registered only if they relate to an MSP's parliamentary role. We might also want to consider the £250 threshold and the

basis on which it should be reviewed in future. A summary of the issues is provided in paragraph 18. The floor is open.

Tricia Marwick: Of all the issues in the members' interests order, this is the most contentious and the one about which I feel most strongly. When Karen Gillon was on the committee, we had many words to say about it.

I believe that it is wrong that spouses or members of a family who give members a gift should have their gifts registered. It has nothing to do with anybody other than those who are giving and receiving the gift. I accept totally the need for transparency and accountability, but my only accountability for gifts to the value of £250 or more—if I was so lucky as to receive them—would be to my spouse or to my children who gave me the gift.

Mr Macintosh: I could not agree more. The original idea was that members should declare gifts because the giver would be able to exert influence over the member. However, if a wife or members of a family cannot exert influence over a member, that is a bizarre reflection on the state of his or her life.

Patricia Ferguson: I have my suspicions that the order has probably been flouted since day one. We should not be creating regulations that we know will be flouted.

Mr McAveety: I agree. Now that I know the going rate, I am looking forward to Christmas.

Tricia Marwick: We have been disappointed in the past.

Lord James Douglas-Hamilton: It seems sensible to exclude family members, otherwise the situation becomes a bit cumbersome.

In the House of Commons, the threshold of registration is set at 0.5 per cent of an MP's salary. One way of updating the threshold would be to take a percentage of the salary so that we do not have to use the committee every few months to update the figure from £250 to £260 or whatever it might be. Using a percentage system seems a neat way to do it.

The Convener: What about the question of registering gifts related to membership of the Parliament, or should we leave it as relating to all gifts? As far as I understand it, the MPs' system is that only gifts that can be construed as being given in the course of their duties should be registrable.

Mr Macintosh: If the Westminster system works, I would go for that. We are trying to introduce transparency to the system and the onus is on us to declare anything that might be construed in one way or another. Most members

are capable of exercising that judgment. I am happy to go along with that suggestion.

Mr McAveety: What difference would it make in practice?

The Convener: I am advised that the register would exclude any family gifts. We have just said that gifts from close family members such as spouses and partners would be exempted, but that should include any member of the extended family. It relates to gifts in general that are not related to parliamentary activities. Those gifts would be excluded.

Mr Macintosh: Indeed, which is why it is sensible. According to the document, members should declare gifts if there is any doubt. If a family member gives a gift that puts an MSP in a position where there might be an accusation of some sort of influence, the member should declare it.

The Convener: That is one of the reasons why we should leave the system as it is, because if we put the onus on members to declare all gifts, it removes any doubt. That is what I propose.

Mr Macintosh: I would put it the other way round.

Tricia Marwick: We need to exercise some judgment about what is a gift that has been given because we are MSPs and because of the job that we do. Gifts can be given by family members or others just because they like us. We must strike a balance between what happens in our private lives and what happens as a consequence of becoming members of the Scottish Parliament.

I support Lord James's suggestion that the threshold for gifts should be 0.5 per cent of the member's salary, but that that should apply only to gifts from those who are not close family members and to gifts that have been given to us because we are MSPs.

The Convener: We also need to clarify whether gifts to close family members of MSPs should be registrable. When the rules for this area were made, it was felt that organisations could give gifts to MSPs through their family members. However, there is no evidence that that has happened. Do members agree that the provision that requires such gifts to be registered is not necessary?

Mr Macintosh: I would be surprised to hear that people have been bribing our families behind our backs. I do not think that that is a common occurrence. It would be daft, therefore, to insist that gifts to close family members of MSPs be registered. If we were to retain such provision, it should cover only gifts that relate to our office as MSPs.

Tricia Marwick: The provision dealing with gifts to close family members or spouses should be

removed. If it is wrong to register gifts that MSPs receive from close family members, it is even more wrong to expect that any gift worth more than £250 that my daughter might get from a boyfriend should be registered. That is an outrageous invasion of privacy and I would not comply with such a provision. In any case, it assumes that my daughter would tell me if she got a big gift from her boyfriend.

The Convener: Are members content with that?

Members indicated agreement.

The Convener: Paragraph 19 deals with the rules relating to registration of overseas visits. We are asked to consider whether those rules are appropriate and, in particular, whether visits that are funded by the United Kingdom Government or the European Union should continue to be registrable, on the basis that they are publicly funded anyway. What are members' views?

Mr McAveety: I think that it makes sense to retain the provision.

Mr Macintosh: Have we received any feedback from members on those rules?

Lord James Douglas-Hamilton: I thought that free travel provided by a foreign Government should be registered, but that there was less need to register travel paid for by the Commonwealth Parliamentary Association or the British Government.

Mr McAveety: The United States consulate operates an international visitor programme. It identifies people from all walks of life, including parliamentarians, and meets the cost of their travel to the US and accommodation. That should be declared and registered. I see no difficulty with the provision.

The Convener: Paragraph 19 states:

"The MIO requires that Members must register overseas visits, whatever their purpose or nature, except where the travel and other costs are wholly met by the Member, the Member's partner, parent, son or daughter or the SPCB or Scottish Consolidated Fund."

In other words, travel paid for by the Scottish Parliamentary Corporate Body or from the Scottish consolidated fund does not have to be declared. Are members content with that?

Tricia Marwick: I do not understand what is meant by the statement:

"It does not apply to visits which are approved in advance by the SPCB."

On the one hand, we are saying that members must register overseas visits, even if the costs are wholly met by the SPCB or from the Scottish consolidated fund. On the other hand, we are saying that if travel is approved in advance by the SPCB, it does not have to be registered.

The Convener: I will take some advice from the clerks on that.

Patricia Ferguson: My reading is a little different. I thought that cases where costs were met by the SPCB or by the Scottish consolidated fund were exemptions.

The Convener: That is what I thought it said too.

10:00

Sam Jones (Clerk): The code sets out the exemptions, as the convener has just described. It also adds:

"It does not apply to visits which are approved in advance by the SPCB."

The interpretation of that is that, if a visit is funded by another organisation and has been approved in advance by the Scottish Parliamentary Corporate Body, the member does not need to register it, presumably because it is already a matter of public record with the corporate body.

Mr Macintosh: In other words, if the Parliament pays for the visit or agrees that someone else should pay for it, that is fine and it does not need to be registered.

The Convener: Yes.

Mr McAveety: But it is important that there is a record of that. We are perhaps less sure whether there is a formal record of that within the corporate body. If the SPCB is sending someone on a visit, that is fine, but we have come across a grey area.

The Convener: Members have asked why they need to declare overseas visits if they are funded by the UK Government or the European Union.

Mr McAveety: Because the public are entitled to know where members have been. If that information is on the public record, members have nothing to hide.

Lord James Douglas-Hamilton: There is no harm in ensuring that EU-funded visits are announced. It is not clear, however, whether ministers should have to declare their flights abroad. Presumably, the Scottish consolidated fund would cover those flights, so they would be exempted.

The Convener: That is correct.

Mr Macintosh: Even if the EU or the UK funded flights, would members not still seek approval through the SPCB?

Patricia Ferguson: Not necessarily.

The Convener: They do not have to. I think that the view of members is that we should keep things

as they are, because there is a feeling that such travel should be tracked. Is that agreed?

Members indicated agreement.

The Convener: The next section deals with heritable property and the paper highlights an anomaly: although members must specify the rental income from a property, they do not need to identify the tenant. That could be interpreted as inconsistent with the provisions on remuneration, as it could be argued that the receipt of rent from an individual or organisation might influence a member's participation in any parliamentary proceedings related to the interest of the tenant.

Paragraph 21 of the paper details another anomaly: members must register property that has previously been used as a residential home, even if that home is for sale and unoccupied.

Those two anomalies have been brought to my attention, and I wanted to bring them to the attention of other members. On the first anomaly, there is concern that we declare the rent, but do not identify the tenant. The worry is that the receipt of rent could be seen as cause for influence, but what about the privacy of the tenants? I would like us to address that issue today.

Mr Macintosh: I think that it is a bit over the score to have to identify tenants, much as I would like to be a huge landlord with a lot of tenants. It seems to be a step too far. The tenants are entitled to their privacy. In theory, a member may be very rich and own a property that a body rents out for inflated rent, but that seems a bit far-fetched. To adjust the whole register for some bizarre situation would be out of proportion. Such a problem is not that likely.

The situation arising under the second anomaly is just daft. I cannot believe that a member would ever have to register a property that they were in the business of selling.

The Convener: That has happened.

Mr Macintosh: I think that it is ludicrous.

The Convener: Are you recommending that we remove that?

Mr Macintosh: Absolutely. I do not think that members should be required to identify tenants.

Tricia Marwick: I agree with all of Kenneth Macintosh's remarks. It goes beyond the score to suggest that a tenant who is renting a flat from an MSP should be identified. That is wrong. It brings us back to the earlier matter of gifts, sponsorship and the rest of it. Can we not put in general guidance that any remuneration that an MSP believes might be of public interest or that could be regarded as an influence on his or her conduct should be registered? A catch-all clause like that would be a good substitute for the tiny, tiny detail

that may be suggested should be put in the register. Such a level of detail is not necessary, but in exceptional circumstances the MSP could decide to register an interest.

The Convener: I am worried about rules and exceptions. I have not thought through such matters. What do other members of the committee think of Tricia Marwick's suggestion?

Mr Macintosh: The principle of transparency under the members' interests order is good. I am trying to work out how to formulate a catch-all clause. That principle underpins most stipulations anyway so there is probably no need for another. However, as for whether MSPs should be required to identify tenants in the register, I think that the balance between someone else's privacy and transparency is going a little too far.

The Convener: I have something in mind that might go some way towards meeting the needs of Tricia Marwick. Let us consider the matter in practical terms. When people first become MSPs, they seek advice from the clerks about the members' interests order. The clerks advise them to err on the side of caution and declare. Naturally, that applies also to existing members. The advice from the clerks is very much in that mould. Is Tricia Marwick content with the practicalities of such action?

Tricia Marwick: Yes.

Lord James Douglas-Hamilton: Convener, I should declare an interest in the first item. I have a property in England that I let out to a tenant. However, I do not dissent from what was said by Kenneth Macintosh.

The Convener: We shall proceed. Paragraphs 22 to 24 deal with shareholdings. We need to decide, in particular, how the threshold for registration should be determined. It is dictated currently by the nominal value of the shares. Arguably, the market value of the shares would be a more realistic measurement. If we adopted that approach, we would need to develop means of updating it, not least because the value of shares can go down as well as up, as recent events have shown.

The paper suggests that updating could take place annually at the beginning of each financial year. It also notes that the House of Commons rules require MPs to state the nature of the company's business. We may want to consider a similar provision here. The members' interests order does not require unit trusts to be registered. The paper suggests that we may want to continue that approach, but go one step further by explicitly excluding such interests. What is the view of members of the committee?

Members appear to be silent on the matter.

Tricia Marwick: I think that that is because very few of us have shares, so we are not sure about such matters. Lord James, do you have any shares?

Lord James Douglas-Hamilton: I plead guilty to having shares, but nothing like as many as the late Donald Dewar. It is interesting that the paper refers to "in excess of £25,000". It should really refer to a nominal value, because that was contained in the House of Commons order. A nominal value of £25,000 can be different from £25,000. Does the committee wish to seek advice on the matter?

Part of the difficulty is that shares that were worth £26,000 before the World Trade Center was hit, for example, would not be declarable on the day after the incident. Shares can yo-yo hugely. In general, people do not know whether their shares are above or below the threshold from one day to the next unless one day a year is set on which to change the nominal threshold.

If the committee wishes to change the nominal shareholding, would it like to seek advice from someone who is qualified to give a view on shareholdings? The late Donald Dewar had no registrable shares, yet we know that he possessed shares that were worth almost £1 million. If the committee takes the view that that was not as it should have been, advice should be sought on the best formula to adopt. Our formula is that which the House of Commons has.

The Convener: I do not want to dwell on individual cases. That is inappropriate in an open session, although Lord James made a good point and has used that example. I did not view the members' interests order in the same light when it became obvious that an ex-member had had so much in shares. We are trying to operate a transparent system. The concern is that the system may not be as transparent as it could be.

Tricia Marwick: We are trying to identify influences on MSPs. We are not detailing every penny or every share that members have. We are interested in that only in so far as the ownership of shares or other interests influences the conduct of MSPs. We must hold on to that idea in our deliberations. We are concerned not about the value of loads and loads of shares, but about whether a sufficient amount is held to influence decisions. I agree with Lord James Douglas-Hamilton that we need advice on the matter. I would be happy to return to the issue, because I am not sure what I am talking about.

Mr McAveety: The essential issue is awareness not of the scale of holdings but of the fact of holdings. Registering means that members cannot be accused of being unduly influenced. The absurdity of the situation is, for example, in the

fact that I have £25 of shares in the Co-op. Irrespective of whether I held shares, I would support the principle behind the Co-op. However, I would still register those shares, in case something came up, particularly in a legislative debate, that impacted on the operations of the Co-operative movement at different levels. I would declare my interest at least, as I did when I was a local authority member and we considered planning applications. It would be inappropriate for members to update values every year or for someone to do a market analysis of the value of our shares. That would be a waste of time, because the principle is that we should be aware of share ownership rather than the scale of that ownership.

Like most other members, I would like further information on the processes involved with unit trusts. If they were registrable interests, how would an individual know what was happening with them in any part of the year? We must be careful on that. Often, those who have funds do not know what their fund managers are doing until they read reports at the end of the year or whenever fund managers submit their reports on their investments. I have experience of trying to change fund managers for a local authority and I know how difficult it is when a decision has been taken that fund managers have made investments with which investors are uncomfortable. The local authority involved did not achieve that policy change, because it was so difficult to deal with. I need further advice on that to help me before I make a decision.

Mr Macintosh: If there is no hurry and we can obtain further advice, I will be happy to wait to comment. I have views, but if we are to have further advice, there is no point in commenting now.

The Convener: If members are content, we will ask the clerks to propose suitable people to give the committee advice. We will proceed when we have received that financial and legal advice. Is that agreed?

Members indicated agreement.

The Convener: The final section is on ceased interests and in particular one-off interests, where it may be difficult to determine when, for example, a gift ceases to have an impact. The paper suggests a possible test.

Mr Macintosh: Is the register updated every year on a specific date? I would have thought that either the annual update or the end of every session, just before the election comes up, would have been the appropriate time to deal with that.

10:15

The Convener: Are members content with that?

Tricia Marwick: If the annual update were 1 April, a gift on 31 March would never be declared as an interest. It would be better if the interest could cease a year after it was officially notified to the clerks. Presumably information on past interests would be available to any member of the public who was interested.

Patricia Ferguson: Does that not suggest that a member has to put a value on the item or event that caused the interest to arise? Clearly, a larger or more expensive gift could be seen to have a greater interest for a longer period than a less expensive one.

The Convener: The current situation is that there has to be a monetary value. For example, I declared a bottle of whisky that I received recently. I put down a nominal value—it was a gift, so I had to guess.

Patricia Ferguson: Once you had drunk it—

The Convener: It was gone.

I declare everything. Although there is no requirement to do so, I consider it to be a safer approach. That is my preference. However, it clogs up the register with minor issues. That is why it is important to get ceased interests out of the way.

Mr McAveety: Should I declare that blue period Picasso?

The Convener: Perhaps Tricia Marwick's suggestion is best. Do we agree?

Members indicated agreement.

The Convener: We will ignore Mr McAveety's comments.

Mr McAveety: I am in ironic mode this morning.

The Convener: We will treat that as a joke.

Tricia Marwick: Even if he did have a Picasso, it would be sure to be a fake.

10:17

Meeting continued in private until 11:24.

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