

**PROCESSES AND CULTURE WITHIN THE LIBERAL
DEMOCRATS AND RECOMMENDATIONS FOR
CHANGE**

An Independent Inquiry

**Helena Morrissey
12th June 2013**

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INDEPENDENT INQUIRY INTO PROCESSES AND CULTURE WITHIN THE LIBERAL DEMOCRATS AND RECOMMENDATIONS FOR CHANGE

Background to this Inquiry

In March this year, I was asked to lead an independent inquiry into processes and culture within the Liberal Democrats and to outline a blueprint for change, after a series of high profile allegations that the Party failed to act on complaints of sexual harassment. I agreed to conduct the inquiry because I care deeply about improving working practices and cultures across all types of organisations, so that employees and volunteers can work in a fair and respectful environment. Problems do arise in even the best organisations, however, and when they do, there need to be clear processes for individuals to raise concerns in a safe environment. It is also essential for all parties involved (alleged victim, accused and the organisation) that these processes are adhered to every time.

'The Liberal Democrats exist to build and safeguard a fair, free and open society, in which we seek to balance the fundamental values of liberty, equality and community, and in which no-one shall be enslaved by poverty, ignorance or conformity. We champion the freedom, dignity and well-being of individuals, we acknowledge and respect their right to freedom of conscience and their right to develop their talents to the full. We aim to disperse power, to foster diversity and to nurture creativity...' Preamble of the Constitution of the Liberal Democrats

'The Party is no more sexist, I suppose, than wider society – but for a Party which champions equality, that's just not good enough.' Witness 29

'Following recent allegations it is clear that we in the Liberal Democrats failed to live up to our political ideals. We recognise that we need to adapt how we operate. As a political party which prides itself on equality, we must give everyone confidence they will be treated fairly and equally and that they will be listened to.' Tim Gordon, Chief Executive of the Liberal Democrats, announcing this Review.

The Liberal Democrats recognise that the allegations alone and the circumstances surrounding them mean that the Party failed to live up to its own ideology.

This independent review was conducted in parallel to and separate from the police inquiry into the allegations against Lord Rennard and the Party's internal investigation (currently suspended pending the outcome of the police inquiry). I made it clear in my call to evidence that I had no intention of making judgements in specific cases or making any assumptions regarding the guilt of individuals and I have not done so. Whatever the results of the police and internal inquiries, the fact that a number of women felt the need to make their complaints on public television many years after they had originally raised

concerns and as long as a decade since the incidences were purported to have taken place indicates a failure on the part of the Party. Ultimately, this has resulted in greater difficulties for all involved.

My review has revealed a number of people within the Party failing to properly investigate complaints in a timely and professional manner. However, the reasons for this have been varied and I found little evidence to suggest a conscious attempt to 'cover up' problems. Instead, there has been a tendency for the Party to try to 'handle' complaints rather than to fully and properly investigate them in a timely, professional manner. Individuals appear to have been generally acting in good faith but without realising the importance of adhering to process or being aware of the processes in place. While this may appear a benign mistake, it has caused problems to fester unresolved, to the detriment of all involved.

There are also some parts of the Party, such as local campaigning, where there has been a lack of process or gaps in the process for raising and addressing complaints.

My remit was to review the past and make recommendations to improve the future, to reduce the risk of grievances arising and to ensure that if they do, they will now be dealt with in a standardised, timely and appropriate manner without fear of recrimination.

Attitudes towards women, ethnic groups, LBGT and other 'minorities' have improved significantly across the whole of society over the twenty five years since the Liberal Democrats were formed. I have tried to strike a balance between avoiding looking at the past with reference to today's standards while also being clear that unacceptable behaviour should never have been condoned or ignored.

This review was not limited to the specific allegations that catalysed it or to concerns over sexual harassment; it has covered wider aspects of conduct and behaviour, such as possible bullying or other abuses of power. It was not limited to paid staff, who form a relatively small proportion of those working for the Liberal Democrats; it covers the whole Party including the large network of activists and volunteers at state, regional and local levels.

The review was fully independent. The Party did not seek to influence my findings. I was offered full access to any person or documents I wished to interview or examine. I am not a member of or affiliated to any political party. I am not apolitical but hold strong views around a number of issues that do not map neatly onto any one party's ideology; I am not attracted to the idea of subjugating my own principles to another set devised by others. I have told things as I see them; I have no motivation to do otherwise.

I received assistance from three people and this has been enormously helpful; their help was carefully considered to avoid any potential compromise of the independence of the review, including any perception of conflicts of interest.

Jane Smithard provided background information regarding the structure and history of the Party. Jane qualified as a barrister and is a former Chair of the Liberal Democrats Parliamentary Candidates Association. I received administrative support from Roxana Cimpeanu, Diversity Officer employed by the Liberal Democrats and working at their Headquarters. Roxana provided me with access to documents and people as well as guidance to current staff policies, training and diversity initiatives. Given their connections with the Party, neither Jane nor Roxana attended any witness interviews nor had access to written submissions of evidence, to ensure complete independence and confidentiality. Minutes of all meetings were recorded by my personal assistant at Newton, Claudia Kohler. I should like to thank her for her diligence and Newton and its parent company BNY Mellon for allowing us to spend time on this review.

To protect witnesses' anonymity, I have used unattributed quotes (with the permission of those quoted, to illustrate key points. These are italicised throughout the Report. The numbering of witnesses is entirely random. I should like to thank all the witnesses for their time and effort in helping me build an accurate picture.

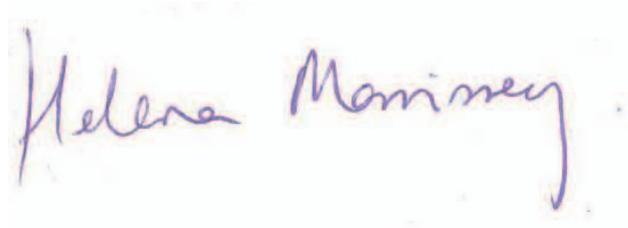
I have expressly avoided making judgements about specific individuals and have sought instead to draw from shared experiences and observations from a wide range of witnesses, including alleged victims, other complainants, Party officials, staffers and voluntary activists, to ascertain what they reveal about attitudes and behaviours and how these have evolved over the Party's history. While there were obviously differing views, including around specific incidences, I found a very clear consensus around a number of important themes. I have decided to publish my findings and recommendations relatively quickly to enable changes to be implemented as soon as possible.

The issues being considered here are not particularly mysterious or arcane; they relate to basic standards of behaviour between human beings, the need to treat people with respect and the best ways for organisations to achieve this. It has been suggested to me that it is easier to diagnose problems around these issues than to come up with robust solutions. Two main reasons are given. One is a general challenge: behavioural attitudes are the result of many influences in a person's life and are not easily changed. My work with the 30% Club, where I have witnessed a significant, real and accelerated change in mindsets around the issue of women on boards has made me confident that it *is* possible to shift both individual and collective approaches over a short timeframe if the efforts are concerted and focused.

The other key potential impediment to change is more specific to the Liberal Democrats. As detailed in the Report, the Party's organisation is very complex, with many different groupings. Decision-making and power is devolved through these layers, as befits its strongly democratic ideology. This complexity has undoubtedly prevented the suggestions from some earlier internal reviews being fully adopted. I have consciously sought to overcome the risk of this happening again by making a small number of recommendations that can work at every level of the Party.

I have deliberately not written an executive summary. The topics under consideration here require the full story. Our world is full of sound bites and the lost detail undermines our collective ability to understand context, analyse problems and develop answers.

To encourage action, I will conduct a subsequent Review in Autumn 2014 to assess progress.

A handwritten signature in blue ink that reads "Helena Morrissey". The signature is written in a cursive style and is positioned on a light-colored, slightly textured background.

Helena Morrissey

12th June 2013

1. HOW I CONDUCTED THE REVIEW

I was keen to seek ALL relevant inputs and was completely supported in this aim by the Party. No issue or person was off-limits. I made three open calls for written evidence plus targeted specific queries sent to individuals. The open calls were initially made on LibDem Voice, the most-read 'blogging' website for and by Liberal Democrat supporters, then posted on a new dedicated section of the Liberal Democrats' website. To encourage further submissions a private mailing address and a confidential voicemail number (to which only I had access) were provided.

The calls for written evidence asked three questions:

1. Do you have examples of specific incidences where processes around complaints were not followed or where there appeared to be gaps in policies or procedures for dealing with such complaints?
2. Can you provide examples which illustrate weaknesses in the Party's attitudes and culture, past and present? I am also interested in receiving examples of strengths in these areas; my review will be balanced and without prejudice. [this sentence was included in the second and third calls for evidence following feedback that there needed to be a clear commitment to balance]
3. Do you have ideas about what needs to change for the Party to look to the future with confidence that any form of harassment within the Party will be properly dealt with?

- 1.1 In total I heard from 42 individuals through these calls for evidence. Some of these related to over-lapping cases and some were observations or suggestions for improvements rather than complaints. There were 32 discrete complaints, although some related to generic observations rather than specific incidences. While there was an initial deadline for submissions three weeks after the original call, this was first extended and then the confidential email address kept open throughout my review. I accepted all late submissions.
- 1.2 I interviewed and consulted with 35 people, a combination of those who had submitted written evidence and others who wished to meet but not submit written material. I also proactively requested and was granted interviews from Party officials and parliamentarians, both past and present. In total, 60 people were involved.
- 1.3 I reviewed formal Party documents including the Federal Staff Handbook issued in 2003 and updated in 2007 and 2012, the Standing Orders for the Liberal Democrat Parliamentary Party, the European Parliamentary Party and Peers (these are three

separate documents), the Liberal Democrat Code of Conduct for MEPs and the Codes of Conduct for Members of the Parliamentary Liberal Democrat Party and for Approved Parliamentary Candidates (two separate documents). I reviewed the Constitutions of the Liberal Democrats (last updated in 2009), which includes separate Constitutions for the Liberal Democrats in England, Wales and Scotland.

- 1.4 I was also provided with organisation charts for both the Federal Party and Staff Headquarters, internal materials such as the July 2008 Report of the Party Reform Commission (the 'Bones Commission', an internal review of the Party's organisational structure), the January 2011 Review of Candidates, a report prepared by Baroness Brinton for Federal Executive, the Best Practices Manual for MPs devised by Hilary Stephenson, Director of Campaigns and Deputy Chief Executive (originally produced in 2000, updated in 2006 when she was National Best Practices Coordinator), the 2005 and 2008 Investors in People Assessment Reports for the Party and documents relating to the Party's Campaign for Gender Balance.

- 1.5 Other inputs included written material and an interview with Justin Davis Smith, Executive Director for Volunteering at the National Council for Voluntary Organisations, to review the NVCO's thoughtful work on volunteers' rights. I consulted an expert on employment law and gathered best practice guidelines for grievance policies, disciplinary procedures, whistle-blowing and best practice examples of policies for dealing with harassment and bullying from corporations, ACAS, the Equality and Human Rights Commission and Public Concern at Work. I reviewed the scope of services provided to MPs through IPSA, the Independent Parliamentary Services Association, set up in 2009 to oversee MPs' expenses. I am also very grateful to Emma Sanderson-Nash for allowing me to cite findings from her July 2011 University of Sussex doctoral thesis 'Obeying the iron law? Changes to the intra-Party balance of power in the British Liberal Democrats since 1988.'

2. FINDINGS RELATED TO THE NATURE OF PARTY POLITICS AND THE STRUCTURE AND HISTORY OF THE LIBERAL DEMOCRATS

There are aspects of party politics generally and a number of additional features specific to the Liberal Democrats that create an inherent risk that individuals will clash and problems will be hard to resolve.

2.1 The intrinsic nature of party politics

2.1.1 Party politics are intrinsically intertwined with the strong forces of personal power and ideology. Intense shared political beliefs, coupled with an overt hierarchy of power, which includes financial as well as personal support, create a situation where there is potential for that power to be abused. During witness interviews I was struck by the loyal and unswerving commitment of many individuals to liberal democracy, a commitment that in many but not all cases had withstood adverse personal experiences. The analogy that comes to mind is one of a religious community, where the belief set overrides personal disappointments and where the 'church', a complex organisational structure necessarily overseen by people with human failings, is inevitably weak compared with the belief that binds them together. I believe it is possible to mitigate the risks arising from this intrinsic feature of party politics but it would be naive to consider that such risks could ever be completely eradicated.

2.1.2 Party politics are also competitive in nature; the environment is also intense, harsh, open to public scrutiny, media intrusion and, increasingly, exposure to menacing social media commentary. Some individuals are left feeling badly

'I recently worked in an MP's office....and met this fellow [a councillor]. Everyone knew about his attitude to women, talked about it, but no one challenged it. One of the other female staffers was his absolute favourite. He followed her out to smoke...cornered her...acted irrational and angry when she tried to rebuff his advances. The males in the office kept us girls away as much as possible but there wasn't much they could do. It was just accepted, because he was a councillor and we weren't going to damage the party by making it 'a thing'. Since then I believe a fellow councillor in his ward resigned, partially because of his inappropriate behaviour towards her.' Witness 6

treated when in reality they have suffered career disappointments that may be harder to bear than in corporate life, largely related to the lack of alternative options for them to pursue their interests and ideals. It is an environment that will not appeal to everyone and as things currently stand, attracts fewer women than men. This in turn makes the culture more traditional, more masculine and at risk of falling short of the behavioural standards expected in modern society.

2.1.3 A number of people I interviewed alluded to the vulnerability of young researchers and interns, often straight out of university and working for powerful

men. These young people may sometimes also be physically attracted by this power, creating a dangerous environment for both parties. Again, this is likely to be prevalent to some degree across all political parties, although that does not make it right.

2.2 Characteristics of the Liberal Democrats

2.2.1 There are also features either unique to or exhibited more strongly by the Liberal Democrats than other parties, due to the history of the Party, its specific place in British politics and the way it has organised itself through a complex federal structure, reflecting its strongly democratic ideology.

2.2.2 When describing the Party's culture, witnesses repeatedly drew comparisons with an extended family, particularly in the earlier years. The vocational nature of the commitment of those involved means that their lives are often tightly bound together. Many have been activists since they were teenagers, share the same circle of friends and have married people they met through the Party. The relatively small number of people involved (for example, as recently as a decade ago only around thirty individuals were formally employed at the Party's Cowley Street Headquarters) has exacerbated this familial trait.

2.2.3 As in a family, strong relationships develop between individuals, but sometimes these become dysfunctional. When they go wrong there are far fewer routes for positive resolution than in the corporate world where ultimately people can leave and take employment elsewhere. It is relatively easy to move on. Liberal Democrats do not usually have the option of joining another Party. This means that when career disappointments occur or people fall out, grudges can develop. I heard from a number of people who felt they had been 'blocked' by others; while I can sympathise with their disheartening experiences, I also see that it is hard for them to be objective about the people involved. A vicious cycle has occasionally developed, with the grudge becoming overwhelming and destructive in some cases. Two episodes shared with me (unrelated to the events catalysing this review) were described as 'feuds'.

'The incident I experienced...is not a one-off in politics – or our own Party. They happen all over the place and remain unchallenged, or thought of as a bit of an awkward drunken advance. People in positions of power have a responsibility not to misuse them and when they do, they should be challenged. Otherwise boundaries slowly creep back and a tolerated awkward approach becomes a tolerated sexual assault and it's a slippery slope to tolerating far worse.' Witness 36

2.2.4 Where the relationships are more positive, this familial trait, in conjunction with ideological commitment, engenders a fierce loyalty and this can transcend other dynamics, which is not always helpful. For example, it was evident that some individuals I interviewed had felt conflicted between wanting to make a complaint when they felt badly treated and yet not wanting to undermine the

I emailed Mr F when this story first broke but didn't name any names and there's still a big part of me that wants to cover the Party on this – but I don't think it can continue, and you need examples of this to know it's real' Witness 6

Party by exposing problems (this was not, however, the only concern raised). Others who had become aware of such issues were also sometimes apparently torn between wanting to address them and at the very least, not wanting to create a drama. This creates the risk of a 'cover up' even if those individuals believe they are acting in good faith and with everyone's interests at heart (I was not, however, always convinced this was the case). This emotional dimension is hard to reconcile with professional, consistent and fair treatment for everyone involved in the organisation.

'I do not wish to make a formal complaint [concerning a male parliamentarian propositioning a young male researcher] or for this to become wider knowledge. The essential fact is that this is entirely inappropriate but in all probability the symptom of a much wider acceptance of such conduct'. Witness 9

2.3 History and organisational structure

- 2.3.1 In addition to these abstract features, a number of practical and historic facts about the Liberal Democrats have an important bearing on the evolution of its culture to the present day.
- 2.3.2 The Party's formation through the 1988 merger of the Liberal and Social Democrat Parties, an evolution of the preceding Alliance between them, fused two very different organisational styles – the SDP being 'top-down' in its approach, whereas the Liberals were driven forward by grassroots activists.
- 2.3.3 While the fusion of these two approaches was not always happy, it can also be argued that each predecessor Party contributed something to the combined entity that the other was lacking, strengthening the whole. So, the Liberals brought a grassroots organisation to the SDP and the SDP contributed internal discipline to the Liberals. However, combining both 'top-down' and 'bottom-up' organisational philosophies, along with shared democratic principles means that power is highly devolved. It is hard to see accountability and to apply consistency.

‘There is a tension between the democratic principles that guide the ideology of the Party and the bureaucracy necessary for it to function’

(Doctoral Thesis by Dr. Emma Sanderson-Nash)

- 2.3.4 The Liberal Democrats' federal structure is unique in British politics. The Party is constitutionally defined as a federation of three separate state parties: the Liberal Democrats in England, Scottish Liberal Democrats and Welsh Liberal Democrats. Each state Party has its own constitution and within it, considerable powers, including different membership rules, model local Party constitutions and each state Party also produces its own manifesto. They are sub-divided into regions and regions are comprised of local parties divided, broadly speaking, across Westminster constituency boundaries.

Table 1: The Federal structure of the Liberal Democrats

Federal Party		
English Party	Scottish Party	Welsh Party
English regions (11*)	n/a	Welsh regions (5**)
Local parties	Local parties	Local parties
Branch	Branch	Branch

Source: Doctoral Thesis by Dr. Emma Sanderson-Nash (updated)

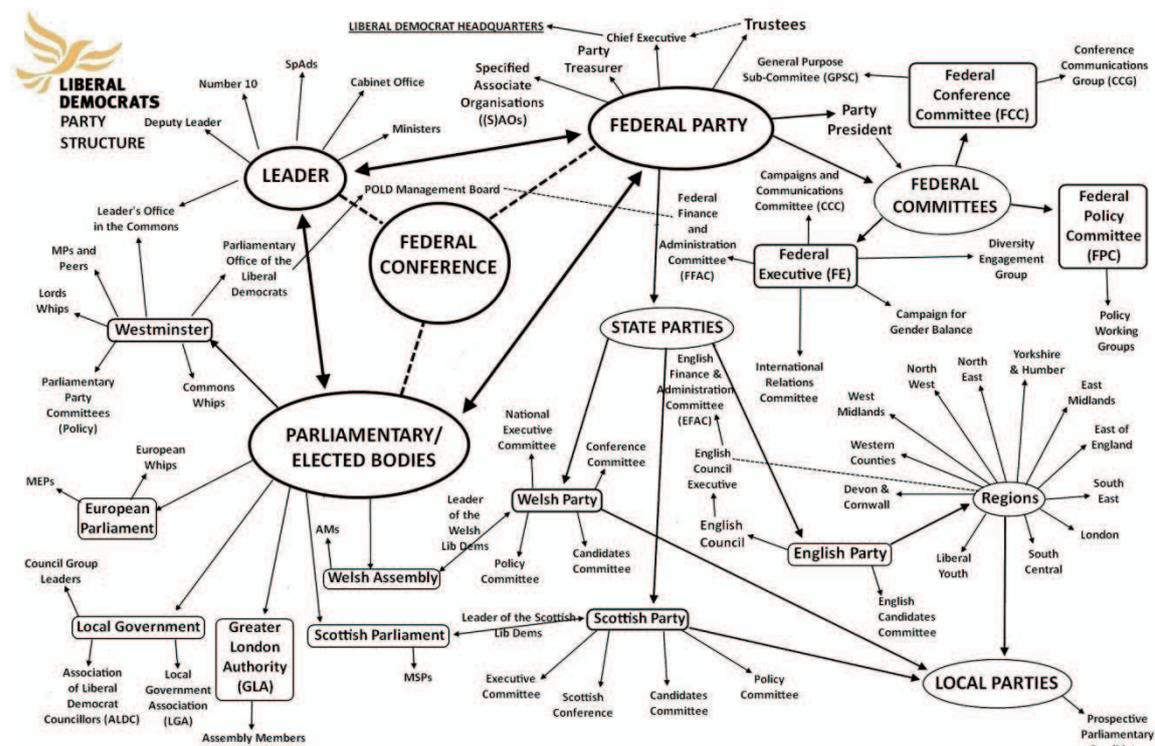
*English regions, comprise Devon & Cornwall, Western Counties, London, Eastern England, Southern Central & South East England, East Midlands, West Midlands, North West, Northern England, Yorkshire & Humber.

**Welsh regions are North Wales, Mid & West Wales, South Wales West, South Wales East and South Wales Central

2.3.5 The Party is bound by a Constitution that binds the Leader to a set of powerful, democratically-elected internal committees. Elected Conference is the supreme body on policy issues. The Constitution can only be amended by a two-thirds majority at Federal Conference.

2.3.6 The Party provided me with the organisational chart shown below; the picture alone tells the story.

Figure 1 – Federal Party organisation – a labyrinth



2.3.7 Within this byzantine structure, there are myriad ways in which an individual can have a voluntary or employment relationship with the Party. There are three main groupings: parliamentarians (MPs, MEPs, Peers and members of the Scottish Parliament and Welsh Assembly); employed staff (at Party HQ, within the Parliamentary Office of the Liberal Democrats or POLD, in MPs’ parliamentary and constituency offices and at state, regional and local levels) and volunteers or activists (within state and regional oversight structures as well as on councils, prospective parliamentary candidates and campaign volunteers).

Table 2: Responsibilities of different Party strata

Federal Party	UK-wide policy Federal Conference Parliamentary elections Fundraising
State Party	Operation of local parties State policy Day-to-day management of membership services
Regional Party	Oversee region-wide campaigns Regional conference Regional events and fundraising
Local Party	Local campaigns and fundraising Candidate selection Elect representatives to attend Federal Conference
Branch*	Fundraising and campaigning Choose Local Government Candidates

Source: Doctoral Thesis by Dr. Emma Sanderson-Nash

*Not all local parties are broken up into individual branches

2.3.8 Each group and sub-set has a different relationship with the Party and different terms governing that relationship – including an absence of terms for some, such as campaign volunteers.

2.3.9 The organisational construct of the Liberal Democrats, as well as the sharing of power has made it difficult to impose and then monitor a common set of standards including around personal behaviour and conduct. There have been several attempts to simplify or restructure (including through the Bones Commission, which Nick Clegg set up after his election to Party Leader) but the complexity remains and I have assumed it will continue and is integral to the Party.

*‘Dealing with volunteers and staff issues was like riding two horses simultaneously.’
Witness 45*

2.3.10 There are different Standing Orders for MPs, MEPs and Peers, and a Code of Conduct for each group.

2.3.11 Where there is reference to behavioural conduct this is generally 'high level'. I found reference to the need to treat others with respect and specifically not to bully or intimidate others in the Code of Conduct for Approved Parliamentary Candidates but not for those already elected to parliamentary office.

'Disciplinary action may be considered on the grounds of a) extreme or repeated disloyalty to colleagues in the Party, or b) conduct that is liable to bring the Party in the Lords or the Liberal Democrats seriously into disrepute.' The Liberal Democrat Peers Standing Orders July 2011

'As Liberal Democrats, Members will be expected to treat their colleagues – and all the staff – with proper consideration, as envisaged in the Preamble to the Party's Constitution, recognising that they will wish to be treated likewise.' Code of Conduct for Members of the Parliamentary Liberal Democrat Party

'You must treat others with respect, and must not bully or intimidate any Party member, member of Party staff, member of Parliamentary staff, Party Volunteer or member of the public.' Code of Conduct for Approved Parliamentary Candidates

2.3.12 In 2003, Norman Lamb, then a backbencher, who was an employment lawyer before becoming an MP in 2001, suggested that it would be good practice for the Liberal Democrat Parliamentary Party to adopt an anti-harassment policy within the Standing Orders. As he says now, *'I felt it was right to do it and I thought that MPs should have no problems signing up to it but it was probably ahead of the game – it's now obviously standard practice for employers to adopt this type of policy but this area of law has evolved so quickly. I felt it was a good thing to put in place, it had nothing to do with any specific issues but I was conscious of the imbalance of power across Westminster and the risks around the young researchers.'*

Norman Lamb proposed a set of procedures for dealing with harassment allegations. The sexual harassment policy he drafted dealt with all forms of sexual harassment including bullying behaviour. Draft procedures covered bullying as well as sexual harassment. The 'Harassment Complaints Procedure' outlined in the proposal included an informal stage given his experience that *'it's quite often the case that the person just wants the behaviour to stop'*. This suggested step set out a mechanism for alerting others so there could be an attempt to get the alleged behaviour to stop, with the proviso that if it continued, the procedures would become formal.

Lamb is unsure why the drafted procedures were not incorporated into the Standing Orders at the time. Shortly afterwards, he took on additional responsibilities and '*lost touch with where it had got to*'. This appears to have been a missed opportunity to take an early clear stance on the issue for Liberal Democrat Parliamentarians.

2.3.13 There are separate constitutions for local parties. These are typically modelled on the Model Constitution for Local Parties (outlined in the Constitution), but this is silent on the issue of behavioural conduct, complaints handling or disciplinary procedures. This is an overarching Disciplinary Procedure set out in the Constitutions for 'where there is a suspicion that any of the grounds...for revocation of membership...' but these offences are either broad ('bringing the Party into disrepute') or involve being convicted for an offence or in breach of electoral law. There is also a defined Appeals process relating to disputes over the selection of parliamentary candidates and one to cover Resolution of Conflicts between different parts of the Party or over unresolved state level appeals over candidates. As the Case Study below (at 2.5) illustrates, it can be unclear how to escalate a local level complaint around a personnel issue.

2.4 Professionalisation of Headquarters: outpacing and outclassing standards at local level

- 2.4.1 I heard quite different experiences from those employed at Staff Headquarters today compared with, say, local councillors. I also found a much sharper contrast between those employed at Headquarters more than a decade ago and those employed there today than at the regional or regional levels, where working practices often appear to have not been updated over that time.
- 2.4.2 Staff at Headquarters are subject to and protected by clear formal arrangements today. These have evolved significantly since 1988. The 1997 Mid-Term Review was the point at which the Party acknowledged the need to professionalise its Headquarters, 'topped-up' rather than run by volunteers. The evolution of this professional approach has been gradual, however, and the Human Resources department even today is considerably smaller than would be found in any corporation involving tens of thousands of staff or volunteers.
- 2.4.3 I am conscious of the Party's financial constraints. The Party has evolved from being in single figures in the polls and close to bankruptcy in 1988 to a peak of 22.7% of the vote and 62 MPs in 2005 to being in government in 2010. This journey has involved experiencing the 'growing pains' of a small Party in Opposition, dwarfed by the Conservatives and Labour Parties and struggling to achieve representation in parliament consistent with its share of electoral vote in our first-past-the-post system. The Party has understandably prioritised gaining more seats, meant that funding for staff and support services such as professional human resources, has been restricted.
- 2.4.4 As a consequence of these limited resources, focus on gaining more seats and rapid evolution, complaints handling has not always been a focus of attention.

'Beyond a very basic infrastructure, every penny has been devoted to campaigning.' Witness 47

- 2.4.5 Compared with modern approaches, this resulted in limited or even inadequate support, at times extending to a lack of awareness of basic employment legislation, such as maternity rights.
- 2.4.6 The more-than-doubling of the Party's numbers in Westminster following the 1997 general election enabled it to benefit from increased Short money (funding introduced by the 1974-6 Wilson government to help opposition parties with their costs) and to start to become more professional. A Mid-Term Review was instigated to review the management of the organisation.
- 2.4.7 The first real push towards a robust set of arrangements for staff was in 2003, when an employment law firm was engaged to write a Federal Staff Terms and Conditions Handbook. This included grievance and disciplinary procedures and a specific section on harassment.
- 2.4.8 Notwithstanding these efforts, the evolution of a professional, well-resourced organisational structure lagged the Party's electoral successes and also the ever-higher standards expected of Human Resources. I found that the organisation was somewhat haphazard as recently as five years ago, compared with its larger, better-funded political rivals.
- 2.4.9 The financial impact of the Liberal Democrat's move into government in 2010 caught the Party unawares and caused a setback in development of its resources. Somewhat ironically, the Party's success in becoming part of the Coalition resulted in the withdrawal of around £2m Short and Cranbourne money (the equivalent funding for opposition parties in the House of Lords). This was a significant dent in the £5m annual spend at HQ and thirty staff were made redundant. The Party has since replaced much of this resource through fund-raising activities, which have also become more professional over the Party's history, and re-built staff at or funded by HQ to around eighty-five people.
- 2.4.10 The move into government also partially reversed efforts to streamline and coordinate the two groups of staff within HQ and POLD. The Investors in People June 2008 Report for the Liberal Democrats refers to:

'I had become aware over the previous months that I was not the only member of staff to have been treated poorly following an announcement of pregnancy. Former members of staff had contacted me to relate their own experiences and those of others. These included cases of non-payment of maternity pay and other benefits; reduction in the role and responsibilities on return to work; changes to and unnecessary inflexibility over working hours that made it impossible to continue their employment. It appeared that not a single employee....had been treated in the correct manner.' Witness 10 (early 2009, a few months after Maternity Law was changed in October 2008)

'a unified press and policy team being brought together and a single management structure being established.....New joint budgets were agreed and POLD drew up an annual business plan modelled on the HQ plan. HQ took on the task of managing the human resources of POLD....and created the feeling and reality of a single organisation.'

2.4.11 While these aspects remain in place, the separation of the two sets of activities to serve Westminster and the 'rest of the country' is now reported to result in less interaction between them.

2.4.12 Staff based at (or funded by) Headquarters or POLD obviously have employment contracts and are subject to the terms and conditions of the latest version of the Staff Handbook published in April 2012. This Handbook includes clear policies around grievances, disciplinary procedures and contains clear guidelines on what constitutes unacceptable Harassment and Bullying. (Sections 13, 15 and 16). It sets out what to do if these standards are breached. There is also a clear commitment by the Party to deal with any complaints around these areas.

2.4.13 These are in line with best company practice and consistent with the ACAS guidance found in 'Bullying and harassment at work: a guide for managers and employers' www.acas.org.uk/index.aspx?articleid=1864

'The Party is committed to promoting a good and harmonious working environment, which is free from all forms of bullying and harassment and in which the dignity of employees is respected. Any kind of bullying or harassment of any employee by any other employee is unacceptable and can never be justified. All complaints of bullying or harassment will be taken seriously and may be grounds for disciplinary action, including dismissal for serious offences.' 'All complaints of bullying or harassment will be dealt with promptly, seriously and in complete confidence. Employees making complaints will be protected from retaliation.

Federal Party Staff Handbook April 2012

At the other end of the spectrum, at local level, reflecting the lack of formal procedures noted above as well as little provision for informal support, there is a degree of opaqueness around the standards expected of local councillors, candidates and party officers and how to complain if an individual is on the receiving end of poor treatment.

2.5 Council Groups

Case Study

'I represent XX ward and have done so for a number of years. I am the only woman Lib Dem member at a senior level. As regards the business of senior members – informal and formal briefings and meetings – my issues are that a) my colleagues' behaviour in Cabinet toward staff and me, and in front of me, is often appalling – aggressive, sexist, patronising and undermining and it is very alienating to women and b) a failure of local Leadership has allowed an increasingly toxic structural inequality in the group to develop, resulting in my being the only senior woman for YY years running. I have complained many times about all this – to two successive local Party chairs, to the [Lib Dem Group] Leader, to the [Lib Dem Group] Deputy Leader, directly to those responsible and most recently to the Group Secretary (a woman) who says that regrettably there is nothing in Lib Dem Group Standing Orders (modelled on the national Lib Dem model standing orders) that allows investigation of my concerns. ' Witness 38

This woman had written to the Group Secretary and I had sight of her letter. The letter highlighted the circularity of the existing complaints process: 'the [Lib Dem Group] Leader, Deputy Leader and Group Chair cannot investigate themselves'. She also shared the response given by email from the Group Secretary. That response concurred with the woman's frustrations, noting the issues that were making it hard for women to progress in a predominantly male senior group. The Group Secretary further noted the weakness of Standing Orders in that they did not appear to allow for investigation of Group-wide structural inequality and its causes.

My discussions with current Party management around this case and whether the women were right to have reached the conclusion there was nothing further that could be done revealed that in fact there is a way of escalating such issues, via the English Party. However, the fact that neither woman, both of whom have been involved with the Party for a long time in positions of responsibility, was aware of this shows that the process is not sufficiently transparent.

2.6 Local Offices

There was a pattern of witnesses coming forward to me with concerns about local offices:

'Working as a Party staff member in a constituency office there was a total lack of policy and procedure for dealing with issues of the kind that prompted this inquiry. I think it is important to draw out this distinction between headquarters and constituency-based staff because constituency campaigns staff often work in isolation, are often young and inexperienced and are put in positions with a large degree of responsibility – and so are particularly in need of supportive structures around them. In my time working for the Party I cannot remember being presented with a grievances policy or the raft of other workplace structures and supports that should be in place. This lack of basic structures extended to another member of campaigns staff in the office working without a contract for their entire employment. I received very little line management and pastoral support came only through the regional campaigns officer for my area – not from those in the local Party to whom I technically reported.... All this combined means that staff are more at risk and feel unable to raise grievances – this was my experience.' Witness 1

*'I would like you to consider the question of the preventive and responsive actions that **local** Parties should take in respect of harassment. I raise this issue in the context of my perception that local Parties are not fully up to the job of dealing with the routine, day-to-day matters that face all voluntary organisations. Put simply, policies and procedures appear to me to be shockingly underprepared and unevenly implemented, almost right across the board, with few local Parties likely to be fit for a new task of such sensitivity.'* Witness 4

'As a local activist for ten years I faced real problems handling an internal complaint as there were no standard procedures in the model constitution for local branches we had adopted (I assume this may be replicated nationally). I am attaching policies that I produced...based on ACAS guidance, to compensate...' Witness 16

2.7 MPs' Offices

2.7.1 I found a high degree of awareness around the potential issues involved with MPs being employers. The 'Bones Commission' was unfortunately prescient:

We recommend the adoption of a code of conduct covering all staff employed by the Party, regardless of who funds them, including staff employed by MPs in both parliament and in their constituency offices. We believe this is critical as it is only a matter of time before a very serious breach of employment rights occurs and the Party (and it will be the Party even if it is a single MP) appears in the dock.' Party Reform Commission Report, July 2008

and from the same report:

'We believe that for every member of staff, regardless of funder, there must be a clear single point of line management, recognised in any contract of employment and a clear route for each one to pursue grievances, formal or informal outside of this direct manager. We also believe that all organisers and campaign staff should have their 'functional' ownership confirmed as the Director of Campaigns who with her Deputy/regional support roles should take an active interest in development and annual performance reviews'

2.7.2 There have already been a number of attempts to provide guidance for MPs in running their offices, both by the Liberal Democrats and by Parliament.

2.7.3 The Liberal Democrats first appointed a National Best Practice Coordinator for MPs in 1999, Hilary Stephenson, who is now Deputy Chief Executive and as Director of Campaigns in 2008, was the person referred to in the Bones Commission recommendation above. Hilary wrote a Best Practice Manual for MPs in 2000, which at the time formed 'part of the Party's integrated approach to information and training.'

2.7.4 The Manual comprises some 230 pages with embedded additional reference guides and examples to help MPs run their offices. It contains some information on employment matters but these are mainly focused on how to recruit, pay staff, health and safety in the office and training office workers on matters such as dealing with aggressive behaviour and data protection law. It does not offer specific suggestions about dealing with grievances, disciplinary procedures and does not stipulate standards of behaviour around bullying and harassment. It does point MPs towards related sources of help:

'Even if you decide not to go for Investors in People status, a look at their requirements is a good indicator of best practice to aspire to.' Best Practice Manual 2006

The Best Practice Manual has not been distributed since 2007 and has since been superseded by Parliament's improved compliance and HR service to all MPs.

- 2.7.5 MPs and Prospective Parliamentary Candidates also undertake training weekends, but again these are mainly focused on running campaigns, dealing with constituency issues and topics such as media handling. Training is also an important part of the Conference programme; however recent ‘diversity and inclusion’ training has been focused on women and organised by the Campaign for Gender Balance, rather than training for the rest of the Conference about behavioural standards that can in turn foster greater diversity.
- 2.7.6 I can understand why at any one point other issues might be perceived to be higher priorities but believe the Party needs to urgently prioritise behaviour towards staff and volunteers working for MPs and in local offices so that more consistent, higher standards are found throughout the organisation, in keeping with the Party’s own principles.
- 2.7.7 IPSA, the Independent Parliamentary Standards Authority created by Parliament in 2009 to ‘independently oversee and regulate MPs expenses’ also offers guidance to MPs around managing their office but unsurprisingly this is focused on financial aspects and how to change staff employment terms, salaries or hours or make redundancies.

‘It is worth noting that as with any large organisation that requires good management, the Liberal Democrats are an enterprise like any other. Its size requires a degree of bureaucracy and process. Its goals require commitment and contribution from its members. To realise its potential it must align electoral goals with its core values, rather than treat the former as a reason to discard the latter.’ Witness 14

2.8 Volunteers’ Rights

- 2.8.1 Recommendations for improvement must take into account the wide range of employment and voluntary situations of those involved at local, regional, state or national levels. The high standards already existing at Staff Headquarters need to be the norm but of course it is not possible to impose these via employment contracts for large numbers of those working for the Party. Suggestions must be practical; unnecessary bureaucracy would be expensive, potentially unworkable and could discourage prospective volunteers.
- 2.8.2 In 2009 Volunteering England (now part of the National Council for Volunteer Organisations) set up an independent review of volunteer rights to look into the

problem of volunteers feeling maltreated and having no clear course of redress. The Volunteer Rights inquiry rejected the idea of a 'volunteering ombudsman', recommending instead a voluntary opt-in approach. This '3R promise', which voluntary organisations are encouraged to commit to, has three elements:

1. *Getting it RIGHT from the beginning through good practice, up to date policies, evidence that these are being followed and a culture of listening and giving due consideration to concerns of volunteers;*
2. *Achieving RECONCILIATION if things go wrong – and in particular to identify a trustee or equivalent as a champion for the volunteers; to appoint an individual to monitor volunteer complaints and encourage rapid resolution and to explore independent alternative conflict resolution when necessary and*
3. *Accepting RESPONSIBILITY for volunteers to work with the Call to Action Progress Group to share lessons and improve standards and to report publicly on the implementation of the promise. Volunteers' Rights 2011*
www.volunteering.org.uk3rpromise

2.8.3 This three-part framework, to prevent problems, deal with them and track progress to continuously improve, is robust and simple. I am keen to make recommendations that work for all individuals involved with the Party, whether volunteers or staff, and have adapted these to make my first three recommendations for change.

2.8.4 While they will involve some cost this is not excessive and is an important investment in the Party's future.

Recommendation 1

PREVENTING BULLYING AND HARASSMENT

All Standing Orders for Parliamentarians and Codes of Conduct should be modified to incorporate this wording:

'You must treat others with respect and must not bully, harass or intimidate any Party member, member of Party staff, member of Parliamentary staff, Party volunteer or member of the public. Such behaviour will be considered to be bringing the Party into disrepute.'

This wording will be incorporated into the main body of the Standing Orders rather than in an Appendix, to highlight its importance.

Model terms should be written for staff and volunteers in the offices of MPs, MEPs and state, regional and local party Chairs and Council Leaders and Deputy Leaders and elected members incorporating the above wording. In addition, a clear single point of line management and a transparent escalation process (to a named individual, see Recommendation 3) should be specified for each worker, for general day-to-day management and to pursue grievances.

These terms should be simple and widely publicised, including incorporating them into a new section of the Liberal Democrats website entitled 'Help for Party staff and volunteers'.

They are to be based on the relevant sections, 13, 15 and 16, of the existing Federal Staff Handbook.

Recommendation 2

ADDRESSING COMPLAINTS

A Pastoral Care Office should be established within Party HQ, with an experienced and authoritative person appointed (as a paid employee) to be the contact point for ANY complaints that cannot be resolved through informal or local level discussion. Their role will be to manage complaints. This person should not have any other connections with the Party.

The Pastoral Care Officer will report to the Party President. He or she will have a second line to the Chief Executive in the event of any complaints involving the Party President.

A phone line should be set up dedicated to this office and manned (not a recorded line apart from out-of-hours), so that any individual with a concern can escalate an issue, speak to someone and know what the next steps will be. The name of the individual appointed and number of this new service should be provided to every single person involved with the Party as part of the information on joining.

This information, along with a statement by the Party that harassment will not be tolerated should also be publicised on the Liberal Democrats' website. Searching for 'grievance', 'complaint', 'harassment' or 'bullying' will point website users to this service. It will be clear on the website that if people raise concerns through this channel their anonymity will be protected as far as possible but any serious complaint will be investigated, so that it may be resolved. This should encourage those who may be nervous about recrimination to come forwards but should discourage false complaints, since everyone will be aware that the issues will be investigated. Furthermore, it will be clearly communicated that false and malicious accusations of sexual harassment and bullying will be treated as gross misconduct.

The Pastoral Care Officer will have administrative resource, access to employment and volunteer legal advice and when necessary, access to Party Leadership. He or she will provide training on behavioural standards at Conference, MP and PPC training weekends and advice on how to address complaints. He or she will also be able to refer people to counselling services.

The Pastoral Care Officer will also become the internal whistle-blower.

I recommend that the current external whistle-blower, Public Concern at Work, is maintained only until this new in-house pastoral service is established. The annual survey (see Recommendation 3) will then monitor whether people feel there is a safe environment for raising concerns.

Recommendation 3

MONITORING PERFORMANCE AND CONTINUOUSLY IMPROVING STANDARDS

Confidential 'employee and volunteer engagement' surveys should be conducted annually throughout the Party. I am concerned that the Investors in People interviews did not reach a large sample of the population. Anonymous, arms-length feedback across the whole Party would be more useful to the Liberal Democrats' at this point.

An employee/volunteer engagement survey should be succinct. Technology makes a survey relatively easy to administer and track. The questions should focus on employee/volunteer experience of working conditions, behaviours in the office and culture (including possible discrimination or sexism) and whether respondents feel there is a safe environment for raising concerns. The survey should also ask respondents whether they receive feedback on performance and access to development opportunities. An optional section should invite people to give details such as age, ethnic background, gender, sexual orientation and whether they suffer from any disability so that the responses can be analysed to see if any group feels disadvantaged.

There should also be an open question inviting respondents to make any other comments including recommendations for change. A professional body experienced in conducting such surveys should be appointed to help with the first one and to establish a process for collating responses, interpreting the data, communicating the key messages to all involved with the Party and devising an action plan with targets in conjunction with Party HR staff based at HQ. Subsequent surveys can be conducted in-house, to save costs.

The Pastoral Care Officer should also review responses and the answers to the open question.

The survey should be rolled out at Conference in October 2013 and the timing of surveys orchestrated so that results can be shared at subsequent annual conferences.

The overall results from the survey should be shared via the Liberal Democrats' website along with an action plan devised by the human resources staff at HQ and the Pastoral Care Officer.

3. FINDINGS RELATED TO INFLUENTIAL PERSONALITIES

'Organisations evolve not just because of structures but because of the personalities' Witness 39

- 3.1.1 Organisations are obviously comprised of people and any organisational culture reflects the personalities of the dominant individuals within them. It is very clear that whatever the theoretical governance framework, individuals in charge can *de facto* override the intent of written rules, either consciously or because their power is perceived by others to be the dominant force.
- 3.1.2 In exploring the circumstances that led up to the high profile allegations in February 2013, I interviewed a number of individuals with significant influence within the Party as Leaders, past Chief Executives, Presidents and also those involved in running their offices now and in the past. I did not interview Chris Rennard on the advice of his lawyers, although he contacted me and was initially willing to be interviewed. I was aware that a number of those I spoke with are his friends. They were very forthcoming and presented me with balanced assessments.
- 3.1.3 I explored the power dynamic and how that has evolved within the Party over the past fifteen years, to understand why the recent allegations surfaced so publicly and so long after they were first raised, to determine how the Party had dealt with any concerns in the first instance and whether the issue was a one-off or symptomatic of a broader Party problem.

'The Liberal Democrats are not like the Tories or Labour. That's particularly true in the exercise of power. There are four important elements:

- 1. The Policy Committee (chaired by the Leader)*
- 2. Federal Executive (chaired by the President)*
- 3. The Leader's Office*
- 4. Party HQ. '*

Witness 39

- 3.1.4 The personalities of the key individuals involved in each of these areas and in particular the working relationship and personal dynamic between Party Leader, President and Chief Executive has had a significant bearing on the power-sharing between them as well as on the culture and the functioning of the Party at any point in its history.

3.1.5 I focused on the past 15 years, since it was soon evident that the issues under consideration reached a peak in the mid-2000's. I explored what had happened both prior to this period and subsequently, to consider how the problems had arisen, the self-diagnosis of issues, what actions have already been taken by the Party to improve the situation and any gaps remaining.

Table 3: Past & present Leaders, Presidents and Chief Executives

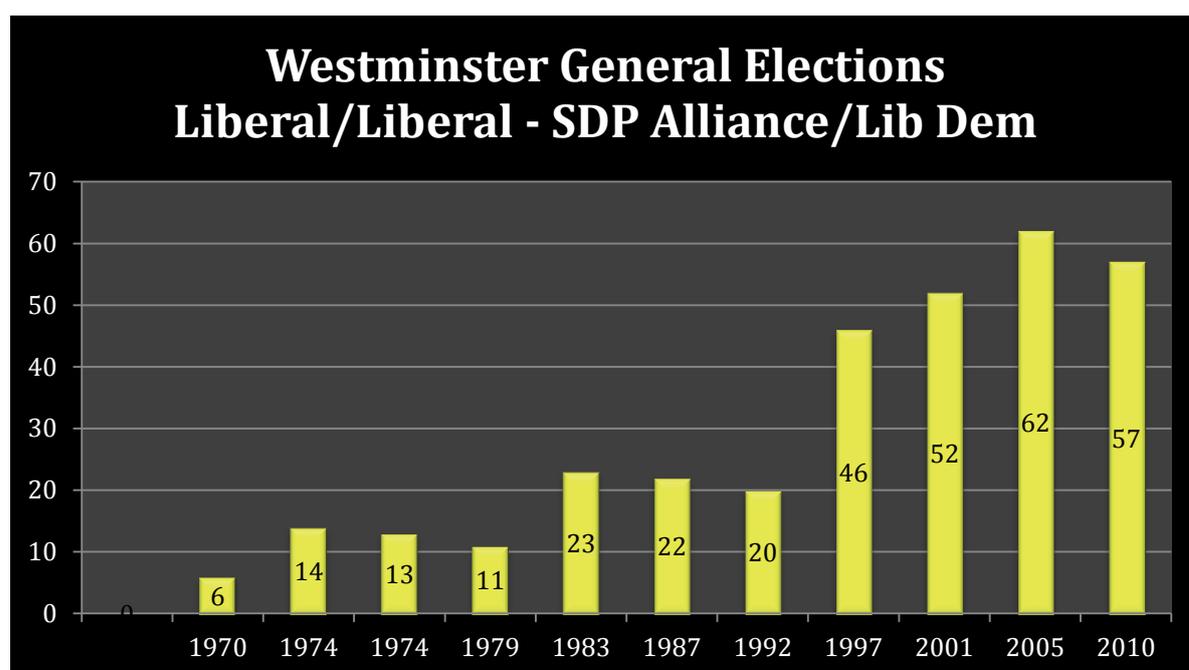
	Leader*	President**	Chief Executive
1998	Paddy Ashdown (July'88-)	Robert Maclennan '95/96 & '97-98	Elizabeth Pamplin
1999	Paddy Ashdown (Aug) Charles Kennedy	Diana Maddock	Elizabeth Pamplin
2000	Charles Kennedy	Diana Maddock	Ben Stoneham (acting) Alan Cole (acting)
2001	Charles Kennedy	Navnit Dholakia	Hugh Rickard
2002	Charles Kennedy	Navnit Dholakia	Hugh Rickard
2003	Charles Kennedy	Navnit Dholakia	Chris Rennard (Aug)
2004	Charles Kennedy	Navnit Dholakia	Chris Rennard
2005	Charles Kennedy	Simon Hughes	Chris Rennard
2006	Charles Kennedy (-Jan) Menzie Campbell (acting)	Simon Hughes	Chris Rennard
2007	Menzie Campbell (Mar-Oct) Vince Cable (acting) Nick Clegg (Dec-)	Simon Hughes	Chris Rennard
2008	Nick Clegg	Simon Hughes	Chris Rennard
2009	Nick Clegg	Ros Scott	Chris Rennard (-July) Chris Fox (acting)
2010	Nick Clegg	Ros Scott (-Nov)	Chris Fox (June-)
2011	Nick Clegg	Tim Farron	Chris Fox (-Dec) Hilary Stephenson (acting)
2012	Nick Clegg	Tim Farron	Hilary Stephenson (acting) Tim Gordon (end Jan-)
June 2013	Nick Clegg	Tim Farron	Tim Gordon

* The Party Leader is elected by the members of the Party

** Presidents lead Federal Executive Committee. Elected for a 2 year term, start 1 January and ending 31 December. They may serve a maximum of 2 terms.

3.1.6 The background to Chris Rennard’s appointment as Chief Executive is highly relevant to subsequent developments. Lord Rennard has been an active member of the Liberals and then the Liberal Democrats since the age of 12. He began working as an election agent for the Party when still a teenager. He was appointed Director of Campaigns and Elections for the Liberal Democrats in 1989 – at that stage, the only member of its campaigns team, as the Party’s financial problems after the merger resulted in the other twelve being made redundant. He is widely credited with developing and executing the Party’s target seat campaign, which was ‘ruthlessly’ employed in 1997 to great effect, more than doubling the Party’s representatives in Westminster, from 20 to 46 MPs. This was controversial at the time, although extremely successful.

Figure 2: 1970 – 2010 General Elections – Liberal/ Liberal-SDP Alliance/ LibDem



Source: Party Reform Commission Report, July 2008, updated for results of 2010 General Election

‘Rennard identified 50 target seats on top of the 18 [the Party had] identified as its ‘incumbency’ and to which the top 35 were assigned a full time agent. There were therefore three levels of targeting, the 18 being defended, then the 50 target seats divided into the top 35 Rennard believed it would win, and the remaining 15 which were not given priority but whose key personnel would be invited for training and sent target-seat mailings. The remaining 582 seats in the UK were given minimal support and no financial assistance from the central Party.’ Doctoral Thesis, Dr. Emma Sanderson-Nash

3.1.7 Alongside the 1997 general election, the Party conducted a ‘Mid Term Review’ of its staffing arrangements, which changed the reporting line of the Director of Campaigns from the-then General Secretary (CEO equivalent) Graham Elson to the Chair of the Party’s Campaigns and Communications Committee. Chris Rennard effectively became the ‘Chief Executive of Campaigns’ and a new Chief

Executive was appointed to run the administrative and human resources sides of the office. This first such appointment, also the first female CEO, Elizabeth Pamplin, was short-lived and she left office in August 1999. Her replacement was Rear Admiral Hugh Rickard, hired through a professional process using external recruitment specialists.

- 3.1.8 Rickard's 28 year naval career and support for Kennedy's stance against the Iraq War lent huge credibility to that policy. At the same time Chris Rennard's *de facto* power base was growing along with the success of his targeted campaigns strategy. As his reputation for being able to deliver success to the Party grew, so did his control over resources. There was no insinuation that these were misappropriated or misspent, but frustration was expressed that few people could keep track of how the money was being allocated. It was hard to challenge him in the context of the position he occupied in people's minds at the time. Lord Rennard (he was appointed to the House of Lords in 1999) was described by different people I interviewed as 'talismanic', 'totemic', 'demi-god', 'lionised', 'the spider in the centre of the web', 'guru' and 'campaign god'. His influence was considerable and this resulted in significant tension between Hugh Rickard and Chris Rennard.

"There was always tension; were you going to have a Chief Executive who was just a manager or a Chief Executive who was also a campaigner?" Witness 41

- 3.1.9 Rickard stepped down in 2003 and Chris Rennard applied for the role. It was recognised by Federal Executive that his appointment was almost inevitable (it would be hard for someone else to run HQ other than nominally while Lord Rennard was in charge of Campaigns) and yet potentially a step backwards in the journey towards a more professional office since he did not have management experience or a broader skill set. Ben Stoneham, who was interim CEO while the Party went through the appointments process, was maintained as Operations Director at HQ to work alongside Chris Rennard and to manage the office.
- 3.1.10 The relatively relaxed management style of the Party Leader, Charles Kennedy, compared with Paddy Ashdown who has a military background, also contributed to Chris Rennard's power base.

'Paddy got up at 6am in the morning and wanted to know how many pen nibs there were. Charles let a thousand flowers bloom. A gap opened up which Chris [Rennard] filled.' Witness 39

3.1.11 This concentration of power was, I believe, both unintended and unique in the Party's history; it was certainly not envisaged within or created by the Constitution. In the course of the interviews, there was some debate over the degree to which this power was real and the degree to which it was perceived; however I have concluded that the difference was academic in terms of the impact on the organisational culture that prevailed at the time.

'I can't think of one example where I was surprised that a seat was on the target list or one example where I was surprised that it wasn't.' Witness 47

3.1.12 I asked some of those who had worked with or for Chris Rennard whether they had experienced or were concerned about unreasonable demands or a bullying culture at the time. The general view was that the environment was intense and tough but not bullying.

'Chris was a demanding manager who expected results. He was respected for this (as our Investors in People reports confirm) and his style was certainly not bullying. Everyone knew we had to make best use of our limited resources and Chris did. But he inevitably had to take tough decisions on such issues as funding of candidates and indeed redundancies...and that did not make him popular with those affected.' Witness 44

3.1.13 Undoubtedly, however, a situation prevailed during mid-2000s in which individuals said that they experienced problems of various types and found it difficult to raise concerns. In short, all roads were perceived to lead back to one individual – and while that was not technically true, with other routes available to people wishing to make a complaint (the Chief Executive reports to the President and also to the Chair of the Federal Finance and Administration Committee), there was a fear of retribution in the context of this perception of omniscient power. Interestingly, it was hard to find examples (only one was alleged to me) where this power was actually used against anyone who complained – rather, the inference was made that this might happen.

- 3.1.14 That anyone should occupy such a position of power in any organisation is clearly unhealthy and raises the risk of issues not being escalated and dealt with appropriately.
- 3.1.15 The problem of a dominant CEO is clearly not unique to the Party; corporate governance structures have been tightened up considerably in the financial sector since the crisis of 2007/8 highlighted the danger of powerful CEOs exerting too much control.
- 3.1.16 The difficult circumstances surrounding Charles Kennedy's departure and the ensuing scandal-rocked leadership election meant that Sir Menzies Campbell's first priority when he became leader in March 2006 was to steady a Party badly shaken by those events. Meanwhile, with Prime Minister Blair expected to step down at some point during that parliament, preparations continued for a near-term general election and Campbell appointed Chris Rennard to lead his campaign. While Chris Rennard was the obvious choice, Sir Menzies says, *'I was not aware of any allegations surrounding Chris – I would not have appointed him to lead my General Election Campaign if there had been any hint of allegations.'* Campbell was also aware of the Party's organisational challenges and the limits of the targeted seat campaigns strategy. In April 2007, a paper was brought to Federal Executive by Robin Teverson, one of its directly elected members, which praised the successes to date of that strategy but suggested its future application was limited and that an alternative strategy was needed to give the Party its next electoral breakthrough. 'Rennardism' was now being questioned.
- 3.1.17 When Blair stepped down but no general election was called, Campbell resigned as Leader – whether fair or not, his age had continually been raised as an issue. Nick Clegg was elected Leader in December 2007 and he immediately instigated a wide-ranging and 'future-focused' internal review of the Party's organisational structure; the Party Reform Commission, led by Professor Chris Banes.

'We have to understand how to make our next step change in terms of our electoral impact and just as importantly, how to build the organisation to support it.' Terms of Reference, Party Reform Commission

3.1.18 It included reviewing the Party's organisational complexity, assessing its professionalism, budget process, the campaigns strategy and the way key decisions are taken by top level committees.

It was hard-hitting in its commentary:

'Today it is not clear where responsibilities stop, indeed there are places where there is a clear competition for responsibilities. This generates a culture where accountability is difficult to ascertain.' Party Reform Commission Report, July 2008

'Clear management accountabilities and performance management; a single management structure and removal of multiple reporting lines and a focus on communication effectiveness are all essential to drive a greater chance of success.'

'To be a coherent political movement, to demonstrate what is best about our liberal democratic values and to persuade voters that we are best for Britain, the Party itself has to be clear on why it is structured as it is, what roles are allocated to each part and whether the current sum of the parts increases or diminishes the value of the whole. Generally speaking, small organisations work best when they are simple, have few layers and ruthlessly exclude duplication.'

'The setting of Party budgets best illustrates the complexity. We were told that it takes six committees [Federal Executive (FE), Federal Finance and Administration Committee (FFAC), Federal Conference Committee (FCC), General Purposes Sub-Committee (GPSC), Parliamentary Office of the Liberal Democrats (POLD), English Council Executive (ECE)] to set up the Federal Budget taking up to fifteen meetings to do it!! It was unclear to us how the Party's organisational and political strategies are delivered through the current budget-making process.'

3.1.19 Against this diagnosis, the Bones Commission was greatly limited in what it could do, as it set out to introduce changes without recourse to the constitution. It couldn't take things away and therefore added in new layers such as the short-lived Chief Officers' Group, a sub-set of Federal Executive in an attempt to narrow down decision-making. Some of its recommendations have been enacted upon – for example, the Party HQ moved from the unpopular 'rabbit warren' of Cowley Street to Great George Street, a more modern, open plan space, but many fell by the wayside.

While the Bones Commission was ostensibly supportive of and supported by Chris Rennard, it can be read as a challenge to his decisions and approach as Chief Executive.

4. THE SEXUAL HARASSMENT ALLEGATIONS THAT CATALYSED THIS INQUIRY AND THE PARTY'S RESPONSE

4.1.1 Many people who worked very closely with Rennard during his time as Director of Campaigns and then as Chief Executive were adamant that they knew nothing about the sexual harassment allegations that later surfaced, and were greatly surprised by them. This included a number of people right at the top of the Party. As recently as November 2010, when Tim Farron was running for President of the Party, he included testimony from Rennard in his campaign leaflets and as he put it '*I would never have done that if I'd had any knowledge of the allegations*'.

4.1.2 There were a number of senior people who did become aware either of general or specific allegations over a period of almost two years. It is not my remit to forensically investigate events but the actions taken by individuals at each point helps to convey the approach towards handling the issues and in turn the prevailing culture. Overall it is clear that formal processes existed but were not followed, largely due to the sensitive nature of the allegations and the position of the person to whom they were directed.

I outline key milestones below, with relevant excerpts from interviews and statements to help explain the conclusions I reached.

- i. Paul Burstow MP, then Chief Whip, was the first 'senior person' aware of specific allegations, when two women came to see him in May 2007. He did not believe that the women were seeking formal action and believed that they wished to remain anonymous. He now deeply regrets that he did not ask them to make a formal complaint or discuss the allegations with the then Party President. He has apologised to the woman who has since suggested she always wanted to make a formal complaint and she has accepted his apology.

'I believed they were not making a formal complaint, I did not keep a contemporaneous note. Miss G told me that 'they wanted me to be aware' but I did not form the impression that they wanted to become personally involved in a formal process. There was no request for a follow up meeting, or any form of report back, nor did I offer such. It was the first and only time, until I read the letter from Channel 4 News, that such allegations were made to me...I was not aware of any non-specific rumours circulating within the Party before or at that time. I did not discuss what I had been told with anyone else at the time. I did not feel empowered to take the matter any further. I was led to believe that the women were not looking to be part of a formal process and as such I felt there was nothing I could do with the allegations. In 2009 the then Chief of Staff, Danny Alexander, asked me if I was aware of any allegations...he indicated that he had been made aware...I said that I was only aware of the one set...and related the account given to me in 2007....There is some disagreement about some aspects of my meeting in 2007, Miss H is reported as saying that she said to me that she was willing to take her complaint all the way and even take the matter to the Police. That is not my recollection of the meeting, had it been made clear that a formal complaint was being made, I would have felt able and obliged to take the matter up with the Party President and speak to the then Chief of Staff, Archie Kirkwood. I deeply regret that I did not ask Miss G and Miss H to make a formal complaint. This was a lapse of judgement on my part. I should have discussed the allegations with the then Party President ..and sought independent advice about how to proceed. I spoke to Miss H in February 2012, apologising to her for my part in the failure to act on her allegations.'

Statement provided to me by Paul Burstow, May 2013. The names have been disguised.

'He listened carefully and then asked how we would like to proceed. I told him that I did not know what the options were regarding disciplinary procedures, but that the matter was of great concern to me and I was therefore willing to do whatever it took to resolve the matter, up to and including going to court. We left believing we had started a grievance process of some kind but I never heard back from Paul Burstow until he called me in February 2013 (at the time of the media frenzy) to apologise unconditionally for not taking the matter forward. I accepted his apology.'
Witness 20 (Miss H above)

Conclusion:

The fact that no one wrote any of this down was a mistake right from the beginning – by all. This was a missed opportunity to investigate the allegations very early on. It also shows that no one really knew quite what to do in this sensitive situation. The Chief Whip is obviously a key disciplinarian in the Party and I believe that Paul Burstow genuinely did not think the women wanted him to take the matter further and that they wanted to remain anonymous. Otherwise, given the nature of his role at the time, I see no reason why he would not have explored it through the appropriate channels. However, even if that was his read of the situation at the time, given the seriousness of the allegations and Rennard’s role in the Party, for the sake of all concerned and as he subsequently realised, Burstow should have proactively taken the issue to the President.

- ii. The timings of the next meetings are not agreed amongst the witnesses, showing the difficulties involved in considering these issues years later, when no notes were kept. The same two women then went to see Jo Swinson 'a few weeks' after their meeting with Paul Burstow. They were disappointed they had not heard back from him. Jo Swinson was the youngest MP in the House at that time but *'had long been a vocal campaigner on women's issues'* (witness 20). She was also chair of the Gender Balance Task Force at the time. She listened and then made further discreet enquiries; she asked several women who were her friends if they had ever experienced anything along the lines that were being reported and followed up more widely with any 'referrals' to others she knew less well.

Jo Swinson appreciated that these women wanted her to help them and she in turn wanted to do something to help; she thought they were asking her to ensure that the alleged behaviour stopped and she also believed that the women wanted to remain anonymous. Explaining the lack of notes of these meetings, Jo Swinson said

'I did not want to write this all down and then have the women's names discovered when they had asked me to respect their confidentiality'. She put *'sticky notes in my Filofax'* to remind her to follow up with the individual women by phone. None of the women put their complaints in writing at this point or subsequently.

I believe Jo Swinson handled the matter in good faith. One problem was that she was something of a confidante to the women rather than taking on a formal role in a process. She was not trained or expert in the subject but did consult with Norman Lamb to get advice, given his employment law background. Lamb recalls that she wanted a legal view of the behaviour the women were complaining about. Lamb told Jo Swinson that the allegations were serious and encouraged her to pursue the matter.

In Spring 2008, Jo Swinson went to see Danny Alexander, then Nick Clegg's Chief of Staff. Danny Alexander was not aware previously and was surprised by the allegations. He in turn raised the matter with Nick Clegg and Paul Burstow (the timings are not quite consistent with Paul Burstow's statement but everyone interviewed – including the women – struggled to be precise about dates) to determine what action should be taken. It was decided that Danny Alexander would confront Lord Rennard with the allegations. Jo Swinson had a number of brief subsequent conversations with Danny Alexander to find out if he managed to speak to Lord Rennard.

Jo Swinson also told Alison Suttie, Deputy Chief of Staff about the allegations, but again did not mention any names.

Jo Swinson did not tell Danny Alexander the names of the women involved as she believed that they wanted to remain anonymous. Therefore Danny Alexander could not tell Nick Clegg who they were.

'I did not mention any names but I made it clear what the women said was happening and emphasised that it needed to stop' Jo Swinson

Danny Alexander then spoke to Lord Rennard in the summer of 2008, when he categorically denied the allegations. Danny Alexander told him that it was a serious matter and warned him not to put himself in situations where his behaviour might be questioned. Danny Alexander went back to Jo Swinson and reported what had taken place; she in turn went back to the women and told Danny Alexander that they had been satisfied with the actions taken and would report back to her if they encountered or heard of further problems.

'The natural course of action had been to challenge Chris in respect of the allegations and this was duly done. He then denied any wrongdoing and the affair was dropped since none of the complainants wished to come forward and substantiate their allegation.' Nick Clegg

The matter resurfaced in October 2008 when Jo Swinson was contacted by a Campaigns Officer who had worked closely with Chris Rennard over a nine year period. The Campaigns Officer says he had never witnessed anything himself but 'heard' of a complaint and discovered others after asking another colleague. The Campaigns Officer said that a number of women then contacted him over a 3-day period. He was keen 'not to be the middle man' and passed these along to Jo Swinson. He and Jo Swinson spoke over the phone and without sharing names, she realised that there must be some new women making the allegations in addition to those known to her. There was no suggestion that any alleged incidences had occurred subsequent to the earlier conversations that same year. Jo Swinson passed on this information to the Leader's office. Danny Alexander raised the issue again with Nick Clegg and Rennard himself. However, Danny Alexander did not pick up on the point that there might be growing numbers of claims. Again, the lack of specific information about individuals appears to have obscured this.

'After my conversation with Mr W I did let Nick's office know that there seemed to be some women who I had been unaware of that... but that I did not know their names. I explained the nature of the email he had sent (them), along the same lines as the personal phone calls I had made to the women, to let them know what action had been taken and our strong wish to hear if there was any suggestion of any further incidents occurring.' Jo Swinson

'My recollection is that there were 2 or 3 conversations with Lord Rennard but that the subsequent conversation(s) were not prompted by new allegations....' The fact that the allegations continued to surface *'certainly caused me to return to the issue with him and with Nick and formed part of 'the background' to his departure. Alarm bells certainly were ringing but without specifics to go on and in the light of the feedback received from those affected via Jo, I think we took the right course at the time'*. Danny Alexander

The Campaigns Officer is now of the view that he should have escalated the issue through more formal channels, though he thought the Party's processes were not clear on where this type of issue should be reported:

'When looking back I should have insisted on processes being implemented and should have acted and gone to Ros Scott [Party President].' Campaigns Officer

Conclusion:

The issues were 'handled' informally, principally by Jo Swinson and Danny Alexander, because that is what they thought the women wanted – primarily to protect their identities. While their actions were, I believe, in good faith, this approach was ultimately not sufficient. Informal handling of complaints is the recommended initial step but the serious nature of these allegations and the fact that a number of women had come forward from separate sources warranted a full investigation. Certainly, the issues should also have been escalated to the Chief Executive's line managers, the Party President and the Chair of the Federal Finance and Administration Committee. While the circumstances were obviously sensitive, and will always be so if senior staff are accused of sexual harassment, no one is 'above the law' and an organisation has a duty of care to all employees (and volunteers) to investigate, in order to protect the interests of everyone – alleged victims, the accused and everyone else. In this case, the ambiguity now over whether all the women did in fact want to remain anonymous would not exist if a proper and prompt investigation had been instigated.

- iii. One of the women involved did make a verbal complaint to her line manager at the time of an alleged incident in 2003. This woman was relatively senior in the Party, and like the others I spoke to, intelligent, educated and articulate. In her interview she told me that she was *'sinking into a cynical acceptance about all this'* at the time (2003) and *'realised that promotion was given on the basis of who you knew, so I was careful not to annoy anyone.'* After having reported the incident and hearing nothing further from the person she reported it to, she *'got on with her life'* and *'kept her eye on the job'*. Her inference was that her line manager was not quite sure what to do about her complaint – primarily because of its sensitivity. Later, when this woman received an email from the Campaigns Officer in October 2008 as outlined above, she said that the *'process had been neither here nor there'* and she asked for a formal process or none at all. She told me that she felt that the Party should have taken responsibility to investigate at this point.

Conclusions:

It was wrong that the line manager concerned did not follow up on the initial complaint.

Again, given the nature of the allegations, the Party should have taken on the responsibility to investigate in 2008, irrespective of the desire of some of the women to remain anonymous.

- iv. A small number of other people in the Party were also aware of rumours or allegations by 2008. There are also many examples where people outside this small group carried on clearly completely unaware of even any rumours.

One person who did try proactively to deal with the issue via a separate attempt at this point was Ros Scott, described as 'the most hands-on President'. Ros Scott was approached towards the end of her Presidential Campaign in 2008 by a man and a woman anxious to speak to her about the allegations. She knew that *'passing stories around was part of the political world'* but she decided to speak to Rennard once she had heard allegations from two sources – one before and one after her election. She decided to speak first to Alison Suttie and was told about the meeting with Rennard when he had been confronted about the allegations. Ros Scott was still concerned.

A year after Rennard's resignation, she met two of the women at their request. She suggested that they could make use of the Party Disciplinary procedure, which would require them to make their complaints in writing. She stressed that if they made such a complaint, it would be acted on. The women did not want to go down that route, although at the same time requested that Rennard was 'barred from all activities'. This was impossible since *'without a formal process to establish the facts, the barring of Rennard from Party activity would have been impossible in practice and wrong in principle'* (Ros Scott)

Ros Scott subsequently set up a whistle-blower function when Chris Fox became Chief Executive. However, this only applied to staff, not volunteers.

Conclusion:

Again, there was no way of resolving these issues without a full investigation.

- v. At the same time, Chris Rennard's health was undoubtedly poor, and he was dealing with an investigation into his expenses (he was later cleared of any wrongdoing) and an employment tribunal relating to an unfair dismissal suit. It appears that Nick Clegg had accumulated doubts about him, which included the harassment allegations and the expenses issue, but also the fundamental concern that 'Rennardism' was not the way forward for the Party. Both Rennard's supporters and detractors spoke to me about the visible deterioration in his health around this difficult time.

Rennard resigned as Chief Executive in May 2009. This seemed superficially at least a satisfactory result for all, including the women who had made allegations. One told me she *'breathed a sigh of relief when I heard he had resigned'*. However, since those allegations had never been properly investigated, they remained a 'secret'.

The News of the World had attempted to run a story on the complaints around the time of the Spring Conference in 2009; the Party did involve lawyers to prevent the unsubstantiated story running. Some of the women involved were being hassled by the media by this point and a subset of these contacted the Party's press officers looking for help, which they tried to provide. The 'rumbling' continued, with a dossier of allegations reportedly being circulated to the media by a disaffected former employee. I am convinced that even at this point, the 'story' was known more in certain media circles than in the Party at large.

As noted above, Ros Scott was aware of the allegations and was careful, along with the next Chief Executive, Chris Fox, not to involve Rennard in Party activities. However, a lack of broader awareness about the allegations or a conclusion either way meant that Lord Rennard was perfectly entitled to seek other influential roles in due course. He was a popular person within the Party and many people wondered why he was not being 'used more'.

I believe that the complainants would not have pursued their allegations further had Rennard not subsequently returned to an active role, including being elected to the Federal Policy Committee (he received more than twice the number of votes as his nearest contender). The final straw was when he accepted an invitation to attend a Campaign for Gender Balance training weekend in September 2012. This invitation was directly extended to him by the Campaign for Gender Balance group and shows that there was no widespread knowledge about the allegations. It was not the type of invitation that anyone would have considered as needing to be run by the Leader's, President's or Chief Executive's offices.

Even though this was an innocent mistake, the women who had raised their concerns previously were understandably dismayed at this development and felt betrayed. They felt they had no choice but to escalate the issue, ultimately via Channel 4 News.

Conclusion:

The resignation from office of someone accused of unacceptable behavior does not mean that the issue has been resolved. The potential for further problems for the accused, the alleged victims and the Party was strong.

- vi. I have deliberated over whether there was a conscious cover-up, which would suggest a more corrosive culture. One of the women involved has specifically alleged a blatant cover-up. I understand her frustration, anger and suspicion but I did not find evidence to support this regarding these events.

Certainly, it can be argued that more questions should have been asked and I had a sense that everyone wanted the issue to 'go away'; while that is not right, it is a natural human reaction to a difficult problem. These difficulties were compounded by what may have been an erroneous judgement around what the women actually wanted to happen at the time and the understanding, again perhaps erroneous, that they wanted to remain anonymous.

- vii. I have looked carefully at the media coverage in the week of the Channel 4 News programme in February 2013, which obviously coincided with the run-up to the Eastleigh by-election called as a result of Chris Huhne's resignation. Again, I explored this for evidence of any deliberate 'cover-up'. Classic 'crisis media' handling is to tell the whole truth right away. It will come out and any obfuscation at the start compounds the damage. In this situation, the Party was limited in what it could say as it had not conducted a proper investigation and did not know the truth. Nick Clegg was therefore not in a position to 'cover-up'.

Mistakes were made, though, particularly in the first three days after the first Channel 4 programme on Thursday, 21st February, when Nick Clegg was away and officials seemed to downplay even his general (and therefore limited) knowledge of the matter. When Clegg returned on the Sunday, he then made it clear that he had been aware of concerns about Lord Rennard's conduct in 2008 but not the specifics, either of the alleged incidences or the identities of the women. He acknowledged their seriousness and announced investigations. There was an attempt to have 'no further comment' until those investigations were complete but ahead of the by-election, several newspapers were relentless in their coverage. Attempts to create the perception of a cover-up, however, do not mean that there has been one.

- viii. A self-interested approach would have actually suggested a much quicker response from the Party when it was given three weeks' advance notice of the 'controlled explosion' of the Channel 4 News programme. A proactive statement

explaining what the Leadership had and had not been aware of and announcing proper, albeit belated investigations might not have defused the bomb but would have been better for the Party than the damage limitation that followed. While it is not clear why this opportunity was missed, the Party appears to have been anxious not to pre-empt or prejudice the positions of anyone involved.

- ix. During the Eastleigh by-election week, the Daily Telegraph also revealed that it had sent details of specific allegations to Jonny Oates on 30th April 2010. At that time, Oates had been Director of Electoral Campaigns. Following the election, he became Nick Clegg's chief of staff. According to the newspaper itself *'After taking legal advice, the Daily Telegraph did not publish details of the allegations [in 2010] as none of the women wished to make public their concerns at the time...'*

Oates' denial of Clegg's awareness was more black-and-white than the reality of the situation. While it was technically true that Clegg was unaware of the specific alleged incidences as detailed by the newspaper in their correspondence with him, Oates could have made it clear that Clegg was aware of several anonymous, 'non-specific' allegations.

The timing of the Telegraph's approach to Oates in 2010 looks very conscious. The General Election was imminent and by 11th May the Liberal Democrats had entered into a Coalition Agreement and formed part of Government. The Party was distracted by events but I do not believe it sought to cover-up problems. With Clegg less than satisfied with Rennard's performance as Chief Executive in 2008-9, it could be argued that he had incentive to pursue the allegations further at the time they were first raised, were it not for the understanding (echoed by the Daily Telegraph) that the women did not want their identities exposed.

'Events got in the way, the European elections, the General Election, the by-election, the expenses scandal. Energy and mental capital are needed to change this.' Witness 45

Conclusion

Overall, this is a salutary lesson in what can go wrong if due process is not followed. Unresolved issues fester and come back to haunt everyone. It is not fair on the women, not fair on the accused and causes great propensity for misunderstanding and further accusations. I do not believe that these mistakes were deliberate or malicious or that the leadership at the time did not take them seriously, but it is evident that much more could and should have been done. In particular, the addressing of complaints needs to be a higher priority for the Party and not just something to be dealt with in a crisis. There will always be something else competing for attention. Media interest will often peak when other issues are preoccupying the Party.

- x. During my inquiry, I only once felt perturbed that there might have been an attempt to cover-up an incident, wholly unconnected to the above. A man had been told to stop attending a certain type of event following concerns about possible inappropriate behaviour. The woman who spoke to him told me '*we had contained it*' and I found that phrase troubling: while ambiguous, it could imply an attempt to restrict knowledge about a problem. My further inquiries confirmed that human resources had, in fact, been involved in this case. Even so, the language used by the witness reinforces the need for the Party to repeatedly communicate about the importance of transparency and a thorough investigation of issues, however uncomfortable.

5. WHY WERE THE ALLEGATIONS NOT INVESTIGATED PROPERLY AT THE TIME?

- 5.1.1 The people I interviewed who have now made public complaints and those who are said to have been aware of the allegations at the time are generally agreed on a large number of points. There was definitely some reticence on the part of several women to make a formal complaint, particularly when the alleged incidences first occurred. Six reasons were put forward, in varying degrees by any one of the alleged victims: 1) the complaints were against the very same person to whom such a complaint should normally be made 2) they were concerned about the impact on their careers 3) they did not know who to complain to 4) they felt embarrassed about the incident 5) they wanted to retain their anonymity and 6) they did not want to harm the Party. All these reasons suggest a failure on the part of the Party to have created a safe environment for complaints to be raised.
- 5.1.2 Where the women say that they wanted to make a formal complaint, or in one case did report the alleged incident to their line manager, there appears to have been either a total misunderstanding or in the latter case a failure to follow due process and escalate. This suggests a failure on the Party to either have the right processes and procedures in place or to have properly communicated these to both complainants and managers.
- 5.1.3 I have also considered whether these issues were symptomatic of broader problems. I heard from a number of people about 'low level sexism' and 'a reluctance to investigate' on the part of those they complained to. One witness came forward to tell me about his experience in trying to deal with a sexual harassment complaint made against another individual working part-time in Party HQ in the early 2000's. The complaint had been escalated to this witness since he was in a clear position of authority at the time as Chair of one of the main Federal committees.

'I informally interviewed the complainant but she was unwilling to formally register a complaint, even though she realised that that might mean nothing could be done to progress the issue. I interviewed the accused but he completely denied the allegation. I took formal advice from an HR expert as to what my options were (though this was the HR facility of a company I am associated with, the Party did not really have such people available at the time), but was advised that if there was no formal complaint there was little that could be done. I reported this situation back to the person making the allegations and that there was no way to move this forward if there was no formal complaint and it could not be investigated because no one was prepared to come forward with evidence. After this another member of staff (on the Parliamentary side) came forward to say that she was very unhappy that nothing would happen as she felt there was a real problem with the accused person but again would not give formal evidence or make a formal complaint. This made any formal solution impossible. Clearly in a party that believes absolutely in innocence until proven guilty it is not possible to condemn someone with no tested evidence. As I now had two people making allegations I certainly could not leave the matter unresolved. The solution in the end was for me to end the short term contract that the volunteer had and to make sure that he was not admitted to the Party HQ again. However the only reason I could do this was because he was not an actual member of staff...however when he asked me whether if asked I would be able to provide him with a good reference, then I had to agree that I would – there was no case against him (though clearly I thought it very unlikely that any such reference would be requested and it was not).' Witness 30

- 5.1.4 I am very grateful to this witness for bringing this case forward; it is a powerful reminder that while there may have been an unusual confluence of factors surrounding the high profile allegations raised in February 2013, the dilemmas incurred by those involved in that case are not unique. The account also shows that several people may be involved, all of whom need to be treated fairly.
- 5.1.5 I consulted an employment lawyer about the particular issues associated with a) situations where a complainant wishes to remain anonymous and b) where the complainant is insistent that they do not wish to make a formal complaint.

Both situations cause problems for any organisation.

- 5.1.6 If someone really wants to remain anonymous, there is generally a limit as to how far an investigation can go without compromising his or her anonymity. In situations where a serious complaint is made, however, the organisation has a duty of care to other staff to investigate. It must warn the complainant that their anonymity may be compromised but should still proceed with the investigation. One interim step while discussions are being held with the complainant about options is to send a broadcast email to remind everyone of appropriate standards of behaviour. This can be a 'shot across the bows' to the alleged offender and reminds everyone both of the need to conduct themselves well but also to report any wrongdoing.
- 5.1.7 As well as concerns about protecting the anonymity of complainants, organisations may be deterred from conducting proper investigations by the threat of counter-claims by the accused, for example, they may claim racial discrimination. While worrying, such threats should never prevent an issue from being fully investigated. Only then can justice be done and an organisation's culture continue to improve.

Recommendation 4

PREVENT ISSUES FESTERING

The Party should err on side of encouraging formal complaints. If an informal route does not deliver quick resolution, complainants should follow formal processes. They should know who to turn to and what to do if there is still no resolution (refer to the Pastoral Care Officer, Recommendation 2).

Dissuade false accusations by making clear that all serious complaints will be investigated and that malicious false claims of sexual harassment or bullying constitute gross misconduct. This extends to volunteers as well as paid staff; while they can't be 'sacked', they can be asked to leave.

Fictitious case studies should be developed and posted on the Liberal Democrats' website to show managers what to do if someone makes a complaint. Examples are available from the Equality and Human Rights Commission.

Online training should be introduced for everyone, and accessible via the Liberal Democrats' website. This is inexpensive. There should be an access code for all staff and volunteers.

The Party needs to 'protest too much' to drive the message home. There is a risk that these efforts will be perceived as a short-lived attempt to 'lock the door after the horse has bolted'. Complete commitment and periodic communications should be delivered from the Leader, President, Chief Executive, Chairs of National, Regional and Local parties and Council Leaders.

Recommendation 5

ADDRESS COMPLAINTS AS A HIGHER PRIORITY

It is clear that people who could have taken additional steps in the above cases often had other priorities such as leadership battles, by-election campaigns, general elections as well as significant 'day jobs'. However it is vital that complaints handling is not seen as an afterthought. As well as the dedicated Pastoral Care Officer suggested in Recommendation 2, and training around procedures (online and at Conference), I suggest a call for pro bono expert lawyers to provide 'peripatetic' additional resource and advice to time-strapped staff and volunteers.

Recommendation 6

MONITOR COMPLAINTS-HANDLING

This is relatively straightforward; those who have addressed complaints should complete a simple form, even if this is in relation to a complaint that has been handled informally. The form will outline what was alleged to have happened, who was involved, how the issue has been investigated (or not) and how it has been resolved.

There is too much margin for error in the current system where few notes are taken. All involved with the Party should be encouraged, as part of the training process, to write notes of meetings and always to log issues and follow up actions. These should be collated and sent to the Head of HR at Liberal Democrat HQ. Emails can be encrypted to ensure confidentiality. The team there should review these and follow up if there is any indication of a gap in processes or outstanding issues.

If someone is found to have been guilty of gross misconduct, their file should be clearly marked to ensure that HR is aware and that appropriate actions are then taken – for example if he or she applies for another role or asks for a reference. If the person is a volunteer this information should also be recorded at HQ, but in a protected area.

6. LIBERAL DEMOCRAT WOMEN – THE NEED TO INTEGRATE THIS CAMPAIGN WITH THE PARTY’S DAY-TO-DAY APPROACH TO WOMEN

6.1.1 While tangential to my remit, I noted throughout the investigation that a gap appears to exist between the efforts of the Campaign for Gender Balance (recently renamed Liberal Democrat Women) and a) the day-to-day experiences of women in the Party and b) the lack of actual progress made towards better gender balance within Liberal Democrat MPS, even though the initial Gender Balance Task Force was established in September 2001. Encouragingly, that Task Force was created and ‘owned’ by Federal Conference and the topic has since featured at subsequent Conferences.

Table 4 Women Liberal Democrat MPs in general elections since 1992

	1992	1997	2001	2005	2010
Women*	2	3	5	10	7
Men*	18	43	47	52	50
Women	11%	7%	11%	19%	14%
Men	89%	93%	89%	81%	86%

Source: <http://www.ukpolitical.info/FemaleMPs.htm>

* in numbers

6.1.2 This gap is not uncommon – there have been enormous efforts to improve the representation of women at senior levels in the corporate world over many years and to date, these efforts have exceeded results.

6.1.3 The unfortunate circumstances surrounding this inquiry provide the Liberal Democrats with a particular incentive to accelerate their own progress. There is now both an opportunity and an imperative to improve the experience of women in the Party. We have seen in the financial industry that the dislocations there created an opportunity to take a different path, although this is still work-in-progress. A positive result from this inquiry would be for all Liberal Democrats to re-consider their personal role in encouraging women and other under-represented groups, to truly fulfil the Party’s own vision.

6.1.4 Often ‘low level sexism’ is the result more of unconscious rather than conscious bias. There is undoubtedly a generational element too, which is unsurprising as attitudes have evolved quickly in this area and continue to do so. I recommend unconscious bias training at Conference to help people recognise and counter the biases we all suffer from.

- 6.1.5 As far as more women MPs are concerned, I appreciate this is a major challenge in that the Liberal Democrats have relatively few 'safe seats' and there are (typically) male incumbents in these. I know that Conference has robustly debated and rejected all-women shortlists and concur that this is an unappealing route.
- 6.1.6 The Leader and President formally requested that Federal Executive review the failure to progress with the diversity agenda for Westminster seats at the 2010 General Election. Baroness Brinton was asked to do this work and her Report, published two and a half years ago, included many helpful suggestions and observations. Since then, a mentoring scheme has been developed, for example, along with a Leadership Programme for potential Parliamentary candidates from under-represented groups.
- 6.1.7 The Report also emphasises 'Diversity is an issue for everyone, not just candidates' and recommends 'Diversity Champions should be mainstream throughout the party and training provided regularly at Federal, State and Regional Conferences to empower them to work with members to encourage under-represented groups to become more active within the party and to become council, assembly and parliamentary candidates'.
- 6.1.8 These recommendations are excellent and there is evidence that some are underway, but I found that people in the Party were not always aware of the initiatives. The efforts should be much more intensive and a higher priority for the Party.
- 6.1.9 In particular, most of the training currently provided seems to be focused on the women rather than on the Party itself. There is too much segregation of these groups rather than integration into the whole. The training programme at the Spring 2013 Conference, for example, included two sessions orchestrated by the Campaign for Gender Balance - both open to women only.
- Discussions with the Campaign for Gender Balance's leader of training revealed that there has been a reduction in the time allocated to diversity topics over recent Conferences. Again, I recommend that the Party raises this as a priority and ensures that there is diversity training provided to men as well as women.
- The 30% Club experience, where chairmen of leading British businesses (and of course they mostly are men) have led the campaign for change, has taught me that it is much more effective to encourage men and women to work together to develop balanced teams than to treat this as a 'special interest' issue.
- 6.1.10 The Liberal Democrats have acknowledged this in the involvement and approach taken by Federal Executive but there needs to be more evangelising and advertising throughout the Party. For example, many people do not seem to be aware that a regional diversity effort is underway, including witnesses who complained about their local Party culture.

- 6.1.11 At present there is a circularity: it is hard to change cultural behaviour without having a more diverse group (beyond simply more women) and it is hard to attract a more diverse group without improving the culture!
- 6.1.12 The Leader should take personal ownership of this, driving it forwards as 'everyone's issue' - simply because it lies at the heart of liberal democracy. Real progress will require many concerted efforts at every level of the Party. Local councils, for example, should set themselves the 30% goal – the point at which critical mass is reached. They may claim it is impossible to 'find good women' but that excuse is not credible. It may well be that they struggle to *attract* good women but resolving that is an issue within their own grasp. Women will be more interested in running for positions if they feel they can make a useful impact and the environment will be welcoming. In turn that may encourage more women to vote for the Party.

Recommendation 7

PREVENT WOMEN AND MINORITIES FEELING UNDERVALUED

Introduce unconscious bias awareness training at Conference.

Continue to develop a more 'joined up' programme where men and women are working together on this issue rather than in silos.

Use 'beacons' of success – women and minorities blazing a trail within the party. Follow their careers and highlight success stories. Ask those people to be involved in training and media opportunities.

Recommendation 8

ADDRESS SITUATIONS WHERE THERE IS UNDER-REPRESENTATION OF WOMEN AND OTHER GROUPS

Set objectives at all levels of the Party. Merit remains the over-arching criteria but ensure there is lateral thinking around what makes a good candidate – showcase great examples. Celebrate successes!

Ensure that the efforts involve everyone, men and women, young and old, black and white: the most effective ambassadors for minority causes can be those in the majority group – a white, heterosexual, middle-aged man can be a very effective proponent of diversity as it then moves beyond special interest groups into the mainstream.

Recommendation 9

MONITOR THE EFFECTIVENESS OF THE EFFORTS

Keep measuring progress at all levels and advertise it. Aim to create a virtuous circle where the positive impact of balanced, diverse teams is genuinely experienced, fuelling appetite for further progress. Measure the pace of change.

Conclusion

I do not believe that cultural change can be legislated; instead, it needs to be 'owned' by those involved. I also believe that we are in the midst of a paradigm shift in societal attitudes, attributable to a number of broad factors, including such varied powerful forces for change as the internet and the fall-out from the financial crisis, as well as specific scandals such as those embroiling the BBC. These and other factors are catalysing a move away from 'command and control' to more fluid power structures. People are cynical of hierarchy and intolerant of hypocrisy. This should be an environment in which liberal democracy thrives.

The disruption in society and specifically in the Liberal Democrats following the allegations raised in February 2013 creates an opportunity to accelerate change around attitudes towards women and minorities and what constitutes acceptable behaviour. I am conscious that not everyone will adapt or accept the need for change and play their part. Comments made in the immediate aftermath of the Channel 4 programme in February by a few senior political figures suggesting that women need to 'toughen up', with the implication that a certain low level of sexual harassment is either inevitable or acceptable were very disappointing. I do not think these represent the views of most people; the comments may also have been influenced by the circumstances in which the complaints were made. However, this is also a familiar pattern for a paradigm shift; those resisting change for the better will become a smaller proportion of the whole and their influence will erode, to the point where the change is complete.

Many I spoke with did, however, suggest that the Party (and politics generally) is struggling to genuinely develop an encouraging environment for women.

While political life will obviously not appeal to all women (just as it does not appeal to all men), there are aspects of the working environment and culture that can and need to change, to be relevant to the society politicians represent. The problem, as always, is 'how'.

There is always challenge involved in trying to drive change when power currently resides in the group that needs to embrace that change but may feel less than motivated to do so. The key is to improve that motivation level. With the drumbeat around the importance of diversity and inclusion becoming ever louder (and not just for 'political correctness' but for effective decision-making), it is in politicians' interests to be tuned in. They in turn can make a big impact: the leadership and commitment of more men, in particular, to encourage different types of people to participate at the most senior levels of politics as well as business can and will accelerate the pace of change.

The events that catalysed this inquiry were very traumatic for all involved and I feel great empathy for those whose lives have been disrupted and disturbed. I hope that the parallel investigation underway will eventually provide resolution to that situation. The Liberal Democrats have already made considerable progress towards improving the professionalism of their organisation over the recent past. During my inquiry, I was

conscious of a real intent on the part of all the senior people I interviewed to accelerate this change and to be able to demonstrate complete commitment to their own ideology in the actions and experiences of those involved with the Party.

The immediate objectives of the recommendations made in this Report are to mitigate the risk of any future allegations arising within the Liberal Democrats and to encourage speedier, better resolution if they do. I hope they will resonate with other political parties and help improve the overall environment in Westminster, in turn encouraging more women and other 'diverse' groups to become involved with politics. This will benefit society and create better opportunity for all.

SUMMARY OF RECOMMENDATIONS

The recommendations are aimed at creating a better environment for individuals working in the Party in either a paid or a voluntary capacity. Things do go wrong, however, and they are also aimed at helping individuals to feel safe to raise issues when they occur and for both complainants and accused to have fair treatment without fear of victimisation. They are designed to enable the Party itself to move forward with confidence that there will not be a recurrence of the problems.

Taken together, the recommendations form a suggested blueprint for change over both the immediate and longer term future.

PREVENT	ADDRESS	MONITOR
<p>1. Bullying and harassment by making it clear such behaviour will not be tolerated; modifying all Standing Orders and writing model terms for volunteers and staff to include anti-harassment and bullying provisions. Clarify a single point of line management. Publicise these.</p>	<p>2. Complaints by setting up a Pastoral Care Office, appoint a paid, dedicated Pastoral Care Officer to be contact point for all complaints that can't be resolved locally. Advertise this service on the website. Publicise a simple escalation process.</p>	<p>3. Performance and standards by conducting annual employee and volunteer surveys. Publicise and act on the feedback. Set annual objectives for the survey results and for addressing problem areas.</p>
<p>4. Issues festering by encouraging formal complaints if informal efforts do not achieve resolution. Post fictitious case studies on the website to show managers what to do. Introduce online training. Drive the message home.</p>	<p>5. Complaints as a higher priority by devoting enough resources to it to be able to deliver speedier, clearer resolutions. Besides the new Pastoral Care Office, create a pool of advisors who can offer advice and additional resources.</p>	<p>6. Complaints-handling by introducing simple forms to record complaints and their resolution. Ensure records are kept, including for issues involving volunteers.</p>
<p>7. Women and minorities feeling undervalued by developing a joined up programme, involving men and women. Deliver unconscious bias training. Frame the topic to be an imperative as well as an opportunity for Liberal Democrats.</p>	<p>8. Under-representation of women & others by setting goals at all levels of the Party. Involve senior men as advocates, aim to move issue from 'special interest' into mainstream. Follow through at Conference. Personal ownership of Leader.</p>	<p>9. Progress & create a virtuous circle by measuring and advertising progress and the pace of change. Create a virtuous circle, where the positive impact of balanced teams is genuinely experienced, fuelling appetite for more progress.</p>

