

# Tory minister Baroness Warsi broke rules by failing to declare thousands of pounds from renting out flat, says Parliament watchdog

The Daily Mail



Tory minister Baroness Warsi was today censured by Parliament's standards watchdog for failing to declare income from renting out a flat.

A complaint against the senior Foreign Office minister was upheld by the Lords Commissioner for Standards, Paul Kernaghan, for receiving thousands of pounds from tenants in her Wembley flat.

After being made a minister in May 2010, she moved out of the flat on security advice but could not sell it because of a dramatic fall in house prices. Some £30,000 had been wiped off the property's value.

Instead Baroness Warsi, who was Conservative party co-chairman at the time, rented the flat out.

She received £6,937 in rent during 2010-11 and less than £5,000 in 2011-12.

As minister without portfolio she told the Cabinet Office about the flat, but did not notify the House of Lords authorities where the income should have been recorded on the register of interests because it was more than the £5,000-a-year threshold.

In evidence to Mr Kernaghan, she blamed 'an oversight, for which I take full responsibility'.

In today's ruling, the Commissioner said: 'Baroness Warsi was not engaged in any comprehensive scheme to obscure her property interests and it should be noted that her failure to register her rental income did not result in any financial loss to the taxpayer, or additional monetary gain to herself.

'Nevertheless, the Code seeks to promote openness and accountability and the absence of monetary gain does not absolve members of the requirement properly to register relevant interests.'

The peer has apologised and the matter is now regarded as closed, said the House of Lords Privileges and Conduct Committee in a report.

Baroness Warsi said: 'Throughout this process, I have endeavoured to ensure that relevant authorities have been notified at all times. The fact that I owned, and was letting out, the flat was known to Cabinet Office, the Leader of the House, and HM Revenue and Customs. As soon as I became aware that the flat was not included on the Register of Lords' Interests, I immediately informed the Registrar.

'I would sincerely like to apologise for any failure to disclose my personal interests in accordance with the rules of the House.'

Mr Kernaghan cleared Baroness Warsi of a more serious allegation that she improperly claimed overnight subsistence allowance while staying in the spare room of a flat in Acton, west London, which was being rented by Tory official Naweed Khan.

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Lady Warsi referred herself to the Commissioner over the allegation, which relates to a six-month period in 2007-08 after she was made a peer and was waiting to move into the Wembley property.

At the time, peers were allowed to claim £165.50 a night for the cost of staying in London to attend the House of Lords.

Lady Warsi told Mr Kernaghan that she spent part of that time staying in hotels but also spent around 12 nights at the Acton flat and paid an 'appropriate' amount of £1,200 to Mr Khan.

In today's report, Mr Kernaghan said he had interviewed both Mr Khan and the property's owner Wafik Moustafa, and concluded: 'There is an arguable case that she was entitled to claim a night subsistence allowance towards the cost of maintaining a residence in London from the point where she took on contractual liability for her flat in Wembley and incurred financial costs by reason of paying a deposit.

'She has also put forward evidence of expenditure in relation

to her interim accommodation arrangements, even if some of that expenditure might not always be viewed as necessarily incurred. In any event, I cannot be satisfied that on the balance of probabilities that she breached the Code of Conduct.'

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more: <http://www.dailymail.co.uk/news/article-2239296/Baroness-Warsi-broke-rules-failing-declare-thousands-renting-flat.html#ixzz2DVeifeAc>

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