

The Report

A Decade of the Lobbying Act **The need for new regulations**

Influence by numbers What do the statistics tell us about the status quo?

Ending the cycle of scandal
How lobbying can be done ethically

Global perspectives
The case of the European Parliament

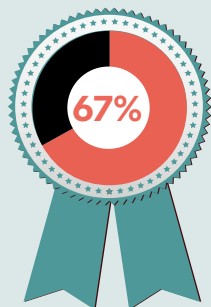
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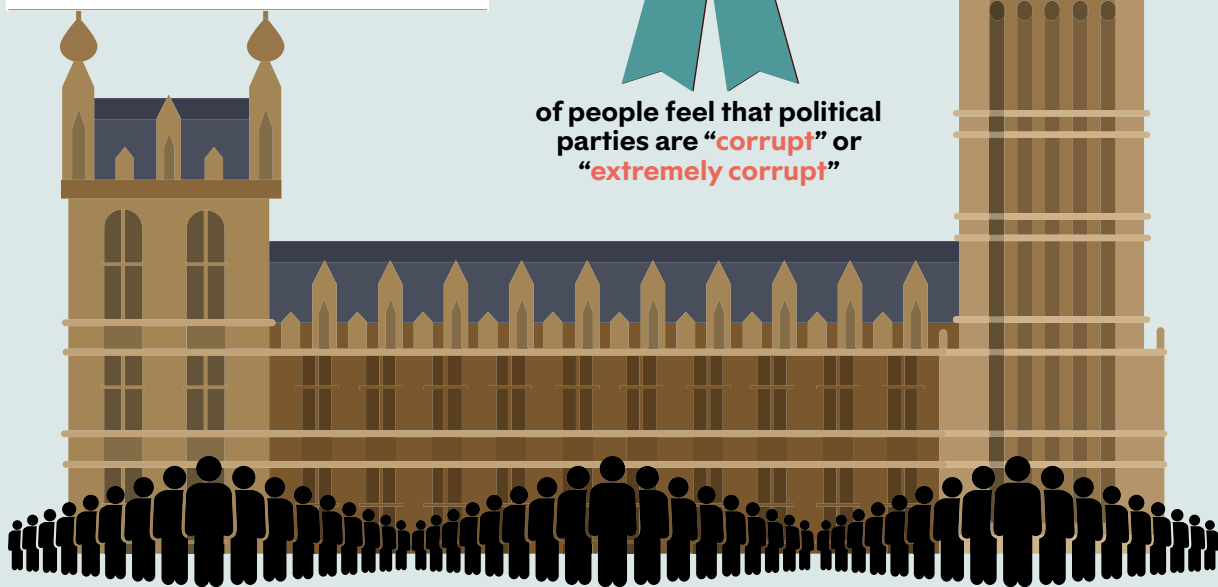
Scandals are harming trust and the democratic process



of people in the UK feel that parliament is **"corrupt"** or **"extremely corrupt"**



of people feel that political parties are **"corrupt"** or **"extremely corrupt"**



14,000

number of people in the UK employed in government relations and public affairs roles – commonly known as “lobbyists”

£1.8bn

value of the UK public affairs industry in 2008

4%

the percentage of lobbying activities captured by regulation, according to Transparency International

264

number of lobbying firms listed on the Register of Consultant Lobbyists

SOURCES: Office for the Registrar of Consultant Lobbyists, registrarofconsultantlobbyists.org.uk/; Friend or Foe? Lobbying in British Democracy – A discussion paper, Philip Parvin, Hansard Society (2007); Lifting the Lid on Lobbying: The Hidden Exercise of Power and Influence in the UK, Dr Elizabeth David-Barrett, Transparency International (2015).

Introduction



Rachael Clamp
President of the Chartered
Institute of Public Relations

“The Lobbying Act has failed. We need urgent reform.”

At the Chartered Institute for Public Relations (CIPR) we are lobbying against the 2014 Lobbying Act, at least in its current form. This year marks a decade since it was introduced by the government of David Cameron, not long after the MPs' expenses scandal, apparently to improve public trust. There's scant evidence that it has succeeded in doing so.

Lobbying has a bad reputation. People think it's all about shady deals and backroom whispers, “a quiet word in the ear” as Cameron, who later would become embroiled in scandal himself, would put it. But essentially it describes any instance in which a private company, a trade union, a charity, individual, academic or campaigning organisation seeks to influence government policy outside of election time. It's an essential part of the democratic process, ensuring MPs and ministers have a well-rounded view of complex, multi-faceted policy issues on which, to be frank, they are not always experts. It's vitally important that before voting on legislation, our representatives seek expert input from a range of stakeholders before coming to a decision.

However, it's clear that the rules as they currently stand are not fit for purpose. The 2021 Greensill and Owen Patterson lobbying scandals, among countless other examples over the past decade, are illustrations of the gaping holes in the current set-up. Faith in Westminster and Whitehall has never been lower and a decade since the Lobbying Act passed, with its shortcomings

exposed, the consensus on the need for wholesale reform is clear.

We don't just need an expanded register of lobbyists, we need a register of all lobbying activity. At the moment, the regulations only require external consultant lobbyists (people who are paid by a third party to lobby on their behalf) to enrol with the Office of the Registrar of Consultant Lobbyists (ORCL). In-house public affairs teams are exempt, meaning major corporations or multinationals could employ whole teams of people seeking to influence policy, with none of them covered by the legislation.

The current piecemeal system satisfies nobody. There is currently a Public Administration and Constitutional Affairs Committee enquiry into the effectiveness of the act, and to hear the testimonies of those involved is to hear frustration from all sides borne of the limitations they are working under. Public affairs practitioners are tired of getting tarred with the negative connotations that the lobbyist tag bears. New CIPR research highlights that the industry would welcome change, with over 85 per cent of lobbyists saying there should be greater transparency to their work. Two-thirds of the public want to know more about lobbyists seeking to influence MPs and ministers, according to the CIPR's research; and parliamentarians are equally encumbered by accusations that “they're all in it for themselves”.

Restoring faith in our political institutions and the democratic process requires fairness, adherence and compliance with the rules, and, crucially, transparency.

By international standards, lobbying in Britain is an extremely opaque industry. Research from Transparency International shows that the current register only captures around 4 per cent of the industry's activity.

With a public perception that MPs can be bought, it is clear the legislation has failed. The current laws around lobbying need urgent reform, bringing accountability to the fore and shining a light on an essential industry. We believe the implementation of a register of lobbying activity will go a long way to ensure that. ●

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How to end the cycle of scandal

Lobbying needn't be a dirty word. But the way it is practised is undermining faith in our institutions

By Hannah White

Lobbying is often seen as a dirty word. But without lobbyists our politics would grind to a halt. Whatever experience and knowledge politicians bring to government, it is simply impossible for ministers, their shadows and back-bench MPs to be across all the detail, drawbacks and implications of every domestic and international policy issue. The interconnectedness and speed of our 21st-century world, and the resulting complexity of modern government, make it impossible for any single individual to understand the full range of issues facing the UK, their nature, causes and potential solutions.

This is where lobbyists play a vital role. Politicians and civil servants are perfectly capable of doing their own research, but lobbyists can help inform our political process by allowing business, unions, charities, academics and NGOs to highlight and explain issues from different perspectives. Done openly, lobbying informs the thinking of policymakers and of those who scrutinise them, enhancing the policymaking process.

However, the positive contribution that lobbying can make to our democracy is often undermined by scandal and mired in suspicion due to a lack of transparency about who is meeting whom and what they are discussing. Institute for Government research in 2021 found that too often government is failing to adhere to the standards it has set itself for publishing information about who ministers, civil servants and special advisers are meeting, though things have improved in recent months. Confidence in politics is undermined by concern that certain individuals and organisations are able to buy secret access to ministers and institutions, and that politicians are motivated by financial reward for facilitating that access.

Examples that validate such concerns are not difficult to come by. December 2023 alone saw two high profile cases. First that of Baroness Mone, who is alleged to have used her privileged access to ministers to gain financial benefit by advocating on behalf of her husband's company, PPE Medpro, which won government contracts for PPE during the pandemic. And second, that of Scott Benton MP, who lost the Conservative

whip and looks set to be suspended and potentially recalled after offering to lobby in return for payment – in the Commons Standards Committee's view giving the message that "he was corrupt and 'for sale' and that so were many other Members of the House".

Meanwhile, the return to front-line politics of David Cameron reminded voters of the scandal around the former prime minister's lobbying on behalf of the failed finance firm Greensill. Despite the public outcry caused by the original revelations, which was ironic given Cameron had predicted ahead of the 2010 election that lobbying was "the next big scandal waiting to happen", the most significant point to emerge from the case was that Cameron had not in fact broken any lobbying rules. As he had left office, he was no longer bound by the rules on disclosure of financial interests that govern MPs, or by the ministerial code. Two years had passed since his resignation so he was not required to bring his Greensill role to the attention of the Advisory Committee on Business Appointments (Acoba). And because Cameron was employed by Greensill, rather than contracted as a consultant, he was not required to register his lobbying activity with the Office of the Registrar of Consultant Lobbyists (ORCL), set up during Cameron's own premiership.

For many, this raised the question of whether the UK's rules around lobbying are fit for purpose. The supposed intention behind the Transparency of Lobbying, Non-Party Campaigning and Trade Union Administration Act 2014 (the Lobbying Act), which established the ORCL, was to ensure there is always clarity about on which client's behalf consultant lobbyists are speaking to policymakers. It was Cameron and Nick Clegg's answer to the "next big scandal". In reality, the Lobbying Act was a fudged compromise between the Conservative and Liberal Democrat coalition partners which relied on thorough disclosure of ministerial meetings (too rarely the case).

More fundamentally, it also avoided the trickier questions of how to draw a line around the much larger category of people who lobby government from within organisations – ranging from charities, to think tanks, to businesses



Public trust in the democratic process is undermined by malpractice

– rather than just external political consultants, and how to distinguish behaviours that should be categorised as lobbying from their wider activities. In July 2023, the government announced that ministers would be required to sign a "legal deed" that they will not break the conditions set down by Acoba after leaving government, such as not to lobby the government, but those conditions will still only apply for two years. It is also not yet clear whether any ministers have yet signed such a deed.

These questions might be trickier but other countries have managed to answer them, and the inadequate answer provided by the Lobbying Act does not attempt to cover in-house lobbyists, often working under the rubric of "public affairs". As with many aspects of the UK's regulation of standards in public life, the incomplete regulatory picture allows at best for confusion and at worst for gaming of the system. The government's commitments in July also included more comprehensive requirements for the reporting of meetings between external organisations and

policymakers, but these have not yet come into force. As and when they do, they could increase public confidence in who is influencing ministerial and civil service decision-making. Broadening the scope of the Lobbying Act to include in-house public affairs teams should also help those in public life avoid making inadvertent mistakes that lead to damaging scandals.

But rules alone will not restore public faith in the system. Lobbying regulation needs to be underpinned by a stronger culture of compliance by ministers and across the civil service, with senior civil servants giving priority to the timely and comprehensive publication of transparency data, and being held to account for doing so – including by parliamentary committees. It is in the interests of everyone in public life that public confidence in our democratic processes is increased. Both lobbyists and those being lobbied need to take responsibility for ensuring this happens. ●

Dr Hannah White OBE is the director of the Institute for Government



Richard Corbett
Former leader of the
Labour Party in the
European Parliament

How the European Parliament reacted to the biggest corruption scandal in its history

Dubious lobbying practices have been among the many scandals in Westminster these last few years. But Britain is not alone in wondering how to deal with this.

A year ago, the European Parliament was rocked by the so-called Qatargate scandal, as several MEPs, including one of the parliament's vice-presidents, were accused of having taken money from Qatar in return for speaking up for its interests and reputation. Suitcases stuffed with cash were found by the Belgian police, causing considerable consternation within the institution.

As a result, the European Parliament amended its rules of procedure and its mandatory code of conduct for MEPs to include some far-reaching requirements. Many of them bear a resemblance to some of the rules for UK members of parliament, but there are some key differences. There are six main elements to the new rules.

First, all MEPs must make a detailed declaration of private interests, listing their memberships of company boards, associations and public bodies (including those held during the three years prior to their election), for publication on the European Parliament website.

Second, if their total external income exceeds €5,000 (£4,350), then they must list (also for publication on the parliament website) all the entities from which their income is received, the

amounts, and the nature of the work for which they are remunerated. They must declare any support, whether financial, or in terms of staff or material, granted by third parties in connection with their political activities, and disclose the identity of that third party.

Third, they must resolve or declare any potential conflicts of interest – held to exist where they may be improperly influenced for reasons involving their family, emotional life, economic interest or any other private interests. They may not be elected to a post within the parliament (such as committee chair) unless the body concerned explicitly decides that the conflict of interest does not prevent them from exercising their mandate in the public interest.

Fourth, MEPs are prohibited from engaging in paid lobbying activities linked to the EU's decision-making process. They may not receive any reward, in cash or kind, for influencing parliamentary processes or voting in parliament. They are barred even from receiving gifts (other than minor courtesy gifts worth less than €150). If they cannot decline courtesy gifts when officially representing parliament, they must give them to the president (Speaker) for processing (they are entered into a register and stored or, occasionally, displayed on parliament's premises).

Fifth, and perhaps most crucially departing from the kind of rules already in place in the UK, MEPs may only meet interested representatives if the latter have signed a transparency register (which itself imposes ethical obligations on the signatories). They must also publish online all scheduled meetings they have had with them, as well as any they have had with representatives of third countries, including their diplomats. (All this applies equally to meetings held by the MEP's assistants.) If publication would endanger the life, physical integrity or liberty of an individual, or where there are other compelling reasons for maintaining confidentiality, disclosure is in confidence to the president.

Finally, members must also make a declaration of all their assets and liabilities at the beginning and end of every term of office. These are not public but are available to the relevant authorities in the event of an investigation.

There are, of course, still questions: how effectively will this be enforced? Shouldn't there be an external enforcer, rather than the parliament's Speaker and a committee of MEPs? Is the range of sanctions (a suspension of up to 120 days, forfeiture of allowances, and removal from positions held within parliament) strong enough?

But overall, these new requirements are a significant improvement on the looser rules that went before, and puts the European Parliament, in some respects, ahead of Westminster. ●

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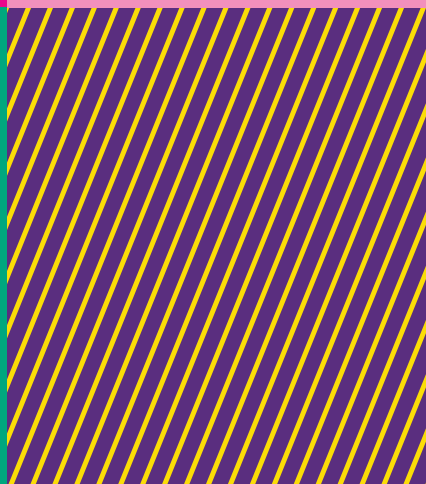
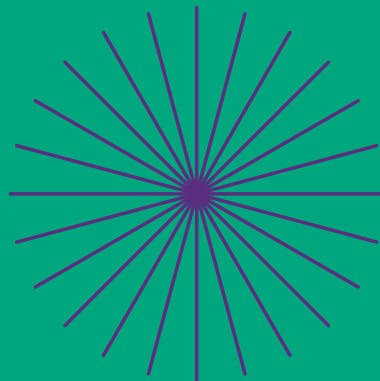
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It's time to rebuild trust

Lobbying is a vital part of any democracy if done in an ethical and transparent way, open to challenge and scrutiny by citizens. The Transparency of Lobbying, Non-party Campaigning and Trade Union Administration Act 2014 (The Lobbying Act) fails to legislate for that and recent scandals have exposed it as not being fit for purpose.

Our Lobbying for Good Lobbying campaign looks to reform the interplay between our democracy and external interests, to ensure transparency and accountability is at the heart of our politics.

Find out how you can support the campaign
cipr.co.uk/good-lobbying