



House of Commons
Committee on
Standards and Privileges

Lobbying and All Party Groups

Ninth Report of Session 2005–06



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*Report and Appendix, together with formal
minutes*

*Ordered by The House of Commons
to be printed 23 May 2006*

The Committee on Standards and Privileges

The Committee on Standards and Privileges is appointed by the House of Commons to oversee the work of the Parliamentary Commissioner for Standards; to examine the arrangements proposed by the Commissioner for the compilation, maintenance and accessibility of the Register of Members' Interests and any other registers of interest established by the House; to review from time to time the form and content of those registers; to consider any specific complaints made in relation to the registering or declaring of interests referred to it by the Commissioner; to consider any matter relating to the conduct of Members, including specific complaints in relation to alleged breaches in the Code of Conduct which have been drawn to the Committee's attention by the Commissioner; and to recommend any modifications to the Code of Conduct as may from time to time appear to be necessary.

Current membership

Rt Hon Sir George Young Bt MP (*Conservative, North West Hampshire*) (Chairman)
Rt Hon Kevin Barron MP (*Labour, Rother Valley*)
Rt Hon David Curry MP (*Conservative, Skipton & Ripon*)
Mr Andrew Dismore MP (*Labour, Hendon*)
Nick Harvey MP (*Liberal Democrat, North Devon*)
Mr Brian Jenkins MP (*Labour, Tamworth*)
Mr Elfyn Llwyd MP (*Plaid Cymru, Meirionnydd Nant Conwy*)
Mr Chris Mullin MP (*Labour, Sunderland South*)
The Hon Nicholas Soames MP (*Conservative, Mid Sussex*)
Dr Alan Whitehead MP (*Labour, Southampton Test*)

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The constitution and powers of the Committee are set out in Standing Order No. 149. In particular, the Committee has power to order the attendance of any Member of Parliament before the committee and to require that specific documents or records in the possession of a Member relating to its inquiries, or to the inquiries of the Commissioner, be laid before the Committee. The Committee has power to refuse to allow its public proceedings to be broadcast. The Law Officers, if they are Members of Parliament, may attend and take part in the Committee's proceedings, but may not vote.

Publications

The Reports and evidence of the Committee are published by The Stationery Office by Order of the House. All publications of the Committee (including press notices) are on the Internet at: www.parliament.uk/sandp. A list of Reports of the Committee in the present Parliament is at the back of this volume.

Committee staff

The current staff of the Committee are Dr Christopher Ward (Clerk), Miss Libby Preston (Second Clerk) and Miss Michelle Owens (Secretary).

Contacts

All correspondence should be addressed to The Clerk of the Committee on Standards and Privileges, Journal Office, House of Commons, London SW1A 0AA. The telephone number for general enquiries is 020 7219 6615.

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Lobbying & All Party Groups

1. We have received a memorandum from the Parliamentary Commissioner for Standards regarding a complaint made by the Editor of the Times, Mr Robert Thomson, that six named All Party Groups (APGs) had breached the rules requiring groups for which secretariat services are provided by a public relations company to name in their entry in the Register of APGs the ultimate client of the company which is meeting the cost of this assistance. The Commissioner's memorandum is reproduced as an Appendix to this report.

2. We agree with the Commissioner that the complaint should be upheld in relation to three of the groups—those on Intellectual Property, Patient Safety and Pharmacy. We note that in each case the omissions were remedied by the public relations company concerned as soon as The Times had drawn attention to them in an article.

3. We also agree with the Commissioner that the complaints should not be upheld in respect of the APGs on Export, Fire Safety and Rescue and Mobile Communications, although we note that as a result of the Commissioner's inquiries, it has been revealed that the Mobile Communications Group failed to register two areas of financial support which were not the subject of the complaint. Both of these have also now been registered, and the public relations firm concerned has apologised to the Commissioner for the failure to do so at the correct time.^{1]}

4. We take this opportunity to remind all APGs of the importance of strict compliance with the rules laid down by the House for declaring their sources of financial support. This is an important element in preserving transparency in their affairs, thus enhancing confidence in them both inside and outside Parliament.

5. The complaint from The Times also suggested that the cause of the alleged breach might lie in an apparent discrepancy between the wording of the Rules and guidance issued by the office of the Parliamentary Commissioner for Standards.

6. In the light of this, the Commissioner has sought views on the APG regulatory regime generally, and the need for any change in this. The Commissioner has also included in his memorandum an account of the responses he received, and has made seven specific recommendations.² Taken together, the Commissioner believes that these recommendations represent a proportionate approach, which will improve transparency and accountability without imposing undue fresh burdens on APGs.

7. We share the Commissioner's view that APGs fulfil a valuable role as forums in which Members of both Houses and those interested in a particular subject may meet to exchange information and views and to advance a particular cause. Assistance from outside interests frequently has a part to play in helping such groups to achieve their objectives. It is,

1 WE 17, p. 56-7.

2 See Appendix, paras. 42 to 98.

however, important that outside interests should not control them, or be perceived as doing so. We are pleased to note from the Commissioner's memorandum that there appears to be no evidence that any APGs have been suborned by outside interests.³

8. Before we take decisions on the Commissioner's recommendations on revision of the rules applying to APGs, we would like to give APGs and others the chance to comment on his proposals. Submissions should be sent to the Clerk of the Committee on Standards and Privileges, Journal Office, House of Commons, London SW1A 0AA, or by e-mail to sandp@parliament.uk, to arrive before the House rises for the Summer Recess. We shall then take any such representations into account when we give further consideration to the Commissioner's recommendations.

3 *Ibid*, para. 97.

Appendix: Memorandum from the Parliamentary Commissioner for Standards

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Lobbying & All Party Groups

The Complaint

1. On 13, 14 and 17 January 2006, “The Times” of London published a series of articles reporting the outcome of an investigation by its reporter, Mr Sam Coates, into All Party Groups (hereafter, Groups or APGs).¹ On 20 January, the Editor of “The Times”, Mr Robert Thomson, wrote enclosing the relevant articles and alleging that six named groups:—

- The Export Group
- The Fire Safety and Rescue Group
- The Intellectual Property Group
- The Mobile Communications Group
- The Patient Safety Group, and
- The Pharmacy Group

had breached rules laid down by the House in 1985 (the 1985 Rules), which require Groups for which secretariat services are provided by a public relations company to name in their entry in the Register of APGs the ultimate client of the company providing the assistance. The text of Mr Thomson’s letter and of the articles which appeared in his paper is attached as WE1-4 respectively.

2. In his letter, Mr Thomson suggested (reflecting the article published in some editions of the paper on 17 January at WE4) that the cause of the alleged breach of the 1985 Rules might lie in an apparent discrepancy between the wording of the Rules and guidance issued by my office. The Rules state:

“Where a public relations agency provides assistance [to a Group], the ultimate client should be named.”

In his article of 17 January, Mr Coates wrote:

“. . .the guidance provided by the Office of the Parliamentary Commissioner for Standards suggests that the client needs to be listed only if the benefits are the direct request of the client.”

Mr Thomson suggested that this difference might have created a loophole which had allowed the 1985 Rules to be circumvented in these cases.

¹ For a description of what constitutes an APG, see paragraph 7 below.

3. Mr Thomson also suggested that his paper's investigation raised a number of wider questions about the adequacy of the Rules relating to Groups:—

- a) Whether declaring the name of the organisation backing a Group is sufficient or, where this is an umbrella body or association, whether the names of individual companies or organisations within that body or association should also be named;
- b) Whether it is appropriate for lobbying organisations to write reports on behalf of Groups and, if it is, whether the role of the lobbyists and of any client funding them should be made more transparent when reports or public statements are made by groups;
- c) Whether it is possible for an all party group to be compromised by the commercial or charity/non-profit backing it may receive.

My Inquiries

4. In view of the breadth of the issues raised by “The Times”, I thought it would be most helpful to the Committee if I not only made inquiries of the six groups alleged to have breached the 1985 Rules (both of their chairmen and of the company or individual providing assistance to them) but more generally of bodies representative of those who assist such groups. As I shortly illustrate, a significant number of groups are assisted by public affairs or public relations companies but many more are assisted by trade organisations and charities or not-for-profit organisations. I therefore contacted a range of individuals, companies and organisations and have corresponded or met with a number of them. A full list of all those contacted or with whom I have corresponded is at WE5.

5. In the remainder of this report, I give some relevant factual information about APGs as a whole, as background to:

- Setting out the history, purpose and content of the 1985 Rules and the associated guidance issued by my office.
- Summarising the evidence relating to the six groups named by “The Times”.
- Setting out my findings of fact and conclusions on the complaint against the six groups.
- Considering the general issues raised by the editor of “The Times”, in the light of the wider submissions I have received.

Whilst I have focused my inquiries on the six groups named by the editor of “The Times”, the issues raised are relevant to the activities of many others.

6. Before embarking on this task, I wish to record my thanks:

- a) To the Editor of “The Times” and Mr Coates. I set out below my conclusions as to whether or not their allegations about the six named Groups were justified.² Irrespective of these, there is no doubt of the public importance of the wider issues relating to the regulation of Groups which they have raised.
- b) To all those listed at WE5, who have contributed openly and constructively to my inquiry.

APGs and Opportunities for Lobbying

7. APGs are one of many ways in which Members of both Houses interact with each other and outside interests on particular subjects. Self-selecting in membership and, with the exception of the British–American Parliamentary Group³, having no official status, they have over the years become subject to a light-touch regulatory regime (the nature of which I describe below), inspired as much by concerns over their growing number, and consequent impact on the facilities of the House, as by concerns about their penetration by lobbyists. In essence they are groups of Members, usually drawn from both Houses of Parliament, with an interest in a particular subject or country. They provide a forum outside the formal institutions of the House in which such Members can, on an all-party basis, meet outside individuals or organisations who share their particular interest, with a view to gaining knowledge and to identifying ways of advancing action on the subjects of particular concern to them. In some cases, the outside organisations or individuals may be given some sort of membership status.⁴

8. There is no doubt of the value both Members and outsiders attach to such Groups, as a number of the letters I have appended to this report attest. For Members, they provide access to outside sources of information and committed assistance. To those outside Parliament, they give access to Members and through them to the Parliamentary and Governmental process, with all the potential for influence this affords.

9. Given their attractions to both Members and those outside Parliament, it is not surprising that the number of Groups has grown inexorably over the past 20 years, as the table below indicates.

Date	Country Groups	Subject Groups	Total
1986	68	80	148
1996	93	142	235
2006	121	321	442

2 Paragraphs 40-41.

3 The Group has the Lord Chancellor and Mr Speaker as its joint Presidents and receives a grant-in-aid to support its work.

4 If outside organisations or individuals are given voting rights, the groups concerned are known as Associate Parliamentary Groups.

Within these totals there are significant clusters of Groups with a focus on a particular subject area. For example, there are 64 Groups on health-related subjects and 13 Groups on transport-related matters.

10. The Groups are not part of the official structure of the House, and are not therefore staffed and resourced by it, although provided they are on the ‘Approved List’—see paragraph 23 below—they may have the use of House meeting rooms as well as stationery.⁵⁶ In consequence many Groups have looked to outside organisations to provide this support. Currently some 214 Groups have registered the receipt of such assistance. In the case of 44 Groups, the assistance is provided by a public relations or public affairs consultancy. In the case of the remaining 170, the assistance is provided by a named individual, a trade organisation or a charity or not-for-profit organisation. Many of the health-related groups, for example, are assisted by a charity or patient support group working in the same field. Examples of this are the APG on Asthma, assisted by Asthma UK; the APG on Multiple Sclerosis, assisted by the MS Society; and the APG on Stroke, assisted by the Stroke Association.

11. Whilst the articles published by “The Times”, to which I have earlier referred, understandably focused on the opportunities assisting APGs provide for those who offer professional services for reward as lobbyists, these figures indicate that the provision of such assistance is attractive to a wide range of organisations or individuals who want to maintain links with Members likely to be sympathetic to their aims and, if they can, thereby to advance a particular cause. So the discussion of lobbying in relation to such Groups should not simply embrace the activities of those who provide professional public affairs or public relations services in return for reward, but needs to range more widely. Such an understanding also underlay the introduction of the present regime for regulating such Groups, which I now describe.

The Present Framework of Regulation of APGs

The 1985 Rules

12. The Rules adopted by the House in 1985 followed an inquiry into parliamentary lobbying undertaken by the Select Committee on Members’ Interests. In its First Report of Session 1984-85 (HC 408), the Committee did not question the principle of lobbying but found evidence of a considerable recent increase in professionally assisted lobbying of various kinds. It considered several forms of possible regulation, against the background of the principle that:

5 Registered Groups that are not on the Approved List may use stationery but have lower priority for room bookings.

6 Both the Inter-Parliamentary Union and Commonwealth Parliamentary Association allow country groups affiliated to their organisations the use of their function room. Such groups may also apply to the IPU for financial assistance to facilitate inward and outward parliamentary visits, subject to various conditions (not least the availability of funds in the IPU annual budget). The maximum amount a group is granted is £5000 in any given year.

*“A Member who is approached on any matter should be told or be able to ascertain the true nature of the approach and the standing of the person making it. At the same time the House should know what use is made of the facilities of Parliament by those to whom it affords privileged access to the precincts.”*⁷

13. Noting that there had been a substantial rise in the number of All Party Groups, the Committee recommended that:

*“. . . Commons officers of All Party and Registered Groups be required to register the names of the officers of the Group, the source and extent of any benefits, financial or in kind from outside sources which they may enjoy, together with any other gainful occupation of any staff which they may have. Where a public relations agency provides the assistance, the ultimate client should be named. A copy of this Register, also, should be placed in the Library for the use of Members.”*⁸

14. On 17 December 1985 the House approved the Committee’s report. Details of how the new regime was to work were given in the First Report of the Select Committee on Members’ Interests of Session 1985-86 (HC 261). The new Register of Parliamentary Groups was intended:

*“to enable Members readily to know what groups there are, who are their officers, and what outside support they receive.”*⁹

15. Appendix 3 of the Committee’s report contained a model letter of guidance to the officers of Groups and a model form on which officers were invited to record the name of their own group; its officers; benefits (financial and non-financial) it received from outside sources (including the source and amount or nature of the assistance and, where appropriate, the name of the ultimate client); and the remunerated occupations of any staff of the group who were passholders, which might be advantaged by the privileged access to Parliament afforded them by their pass.

Subsequent Developments

16. The regime thus established has continued in being to the present time, with modest amendment and without significant challenge. On 29 July 1998, the House agreed a Resolution allowing public access to the Register for the first time. A copy of the Register was put in the Committee Office of the House for inspection by appointment. In July 2000 following a recommendation by the Committee on Standards in Public Life in its Sixth Report,¹⁰ the Register was also put on the internet, where it is more readily accessible to the public as well as to Members.

7 First Report of Select Committee on Members’ Interests, Session 1984-85 (HC 408), para 3

8 Ibid, para 17.

9 First Report of Select Committee on Members’ Interests, Session 1985-86 (HC 261), para 3

10 Cm 4557

17. More generally, the Committee on Standards in Public Life commented in that report:

“We do not believe that there is any major cause for concern over standards in the operation of All Party Groups. They appear in many cases to work effectively and to the benefit of MPs and Peers. Where there are difficulties, we are confident that the Standards and Privileges Committee in the House of Commons will monitor and undertake improvements that they may judge to be necessary.”

“We do not see any need for new structures for funding or organisation, or for any new regulations.”¹¹

Consistent with that view, until the present inquiry, no complaint about Groups has been the subject of a report by the Committee on Standards and Privileges (or its predecessor, the Select Committee on Members’ Interests) during the twenty years since the 1985 Rules were adopted.

Guidance issued by the Office of the Parliamentary Commissioner for Standards

18. Administration of the Register (and of the “Approved List” of Groups—see paragraph 23 below) rests with my office. The office issues a Guide to the Rules on All-Party Groups,¹² intended to assist officers and staff of Groups to comply with the Rules. Registration is compulsory for all Groups which include Members of the House of Commons from more than one party and which have at least one officer who is from the Commons.

19. On the subject of registering financial and material benefits received by a Group, the Guide repeats the requirement of the Rules that the source and value of any financial or material benefits received from the same source in a calendar year which (individually or in aggregate) are worth £1,000 or more must be registered. If the benefit is administrative assistance, what this covers should be stated. It continues:

*“Where a consultancy provides benefits (eg secretarial services) **at the request of a client** [emphasis added] you must state the name of both the consultancy and the client.”*

20. I examine the question of how my office has interpreted and applied the “ultimate client” Rule later in this report.¹³

Role of the Administration Committee and the ‘Approved List’

21. To complete the picture relating to the regime for regulating the activities of All Party Groups it is appropriate to mention the role of the Administration Committee. The

11 Ibid, paras 7.69-7.70

12 The Guide is published on the House of Commons website at www.parliament.uk

13 Paragraphs 48-54 below

Committee on Standards and Privileges, as the successor to the Select Committee on Members' Interests, advises the House on the Rules relating to the registration of such Groups and oversees the administration of those Rules by the office of the Parliamentary Commissioner for Standards. The Administration Committee's interest in such Groups derives from the demands they make on the facilities of the House.

22. The Administration Committee has the lead interest in relation to such issues as the number and designation of Groups; the number of Members attending meetings of Groups who together constitute a quorum; and the nature of the facilities of the House (such as meeting rooms and official stationery) which should be made available to Groups and the conditions on which they should be made available. A number of those who offered me evidence have commented on such issues, but they fall outside the scope of my inquiry. I am, however, ensuring that a copy of all the evidence submitted to me is made available to that Committee.

23. The mechanism through which the Administration Committee applies its controls is the 'Approved List'. This was set up under a Resolution of the House of 31 October 1984, which resulted from concern that:

*"Some of the groups were believed to be using the House's status, as well as its heat, light and space, for purposes which were non-parliamentary; and the pressure of so many bodies (groups and others) on limited accommodation for meetings demanded some ordering of priorities which would favour the more parliamentary at the expense of the less parliamentary."*¹⁴

24. Being on the 'Approved List' is not compulsory but confers certain benefits on a group in terms of recognised status and access to facilities. Before it can be included on the Approved List a group must provide certain information about itself and sign a declaration undertaking to adhere to various rules laid down by the Administration Committee. The distinction between the Register and the 'Approved List' is frequently the source of confusion and proposals to end the distinction and amalgamate the two documents were put forward by my office and approved by the Administration Committee towards the end of the last Parliament, but the Dissolution intervened before the approval of the Committee on Standards and Privileges could be sought. This matter will be taken forward in the present Parliament.

25. In practice the distinction is of limited significance as all but 6 of the Groups currently on the Register are also on the Approved List, in each of those 6 cases either because they do not have enough Members to qualify for inclusion or because they chose not to be on the Approved List. The administration of the List, as of the Register, falls to my office, acting in respect of the List as an agent for the Administration Committee.

26. It may be relevant to add at this point that my office has traditionally seen its role as being to apply the Rules relating both to the Register and the Approved List and, where it

14 Second Report from the Select Committee on House of Commons (Services), Session 1983-84 (HC 256), paragraph 2.

has become aware of problems, to seek guidance from the relevant Committee on their resolution. Where it has become aware that the Rules may not have been observed, it has intervened to encourage their observance. Where, for example, it has been made aware of the wish of Members to set up a new Group on a subject which appears already to be within the purview of an established Group, it has encouraged dialogue to establish whether the new Group is necessary. It has not, however, been empowered to take a more proactive stance—for example, provided the Rules appear to have been complied with, it has not been authorised to reject a Group’s application—nor, given the sheer number of Groups, has it been staffed to do so. I return to the role of my office in relation to the APG Register later in my report.¹⁵

The Allegation of Breach of the Rules by Six Named Groups

27. Given the allegation by the Editor of “The Times” that six Groups he named had not complied with the requirement of the 1985 Rules that, where a public relations (or public affairs) company assists a Group, the ultimate client should be named, I wrote to the chairmen of the six groups and to the companies assisting them inviting their response, as well as their comments on the wider issues raised by the complaint. The text of my typical letter of approach is at WE6.

28. The six Groups are in fact serviced from 3 different sources:—

- a) The Export Group and the Fire Safety and Rescue Group—by Mr Douglas Smith. Mr Smith was formerly a director of Parliamentary Monitoring Services Ltd and remains Chairman of Westminster Advisers Limited, Chairman of Political Intelligence Limited and a director of Parliamentary Perceptions Limited.
- b) The Intellectual Property Group, the Patient Safety Group and the Pharmacy Group—by Luther Pendragon (Mr Simon Whale).
- c) The Mobile Communications Group—by Political Intelligence Limited (Mr Nicholas Lansman).

In the following paragraphs, I summarise in the order set out above the responses to the complaint I received from the chairman of each Group, followed by the response of the person servicing the relevant set of Groups.

1.(a) The Export Group

29. Mr Ken Purchase (the Member for Wolverhampton North East) wrote on 7 February saying that the allegations made by “The Times” were wrong:

“The Export Group has declared all it is required to do and I have the assurances of Mr Douglas Smith of PMSL [Parliamentary Monitoring Services Limited] that

there are no outstanding matters relating to interests needing his further attention.”

The text of Mr Purchase’s letter is at WE7.

1.(b) The Fire Safety and Rescue Group

30. Mr Michael Clapham (the Member for Barnsley West and Penistone and joint Chairman of the Group) replied on 14 February. Mr Clapham also took issue with “The Times”. It was not his Group’s policy to be funded by any single trade group or commercial concern. The Group only received sponsorship in relation to specific events and, where this happened, the names of sponsors were listed in the Register. The Members of the Group had long been aware that the Fire Safety Development Group (FSDG, a trade association) and the Fire Brigades Union (FBU) were clients of one of Mr Douglas Smith’s companies, Westminster Advisers Limited, but:

“...see nothing whatsoever suspicious or dangerous in such an arrangement since our concern is for widespread and significant discussion.”

Both the FSDG and the FBU were listed among the clients of Westminster Advisers on the company’s web-site, and information about the members of the FSDG was also publicly available. The text of Mr Clapham’s letter (but not the enclosure) is at WE8.

31. Mr Smith helpfully added to the explanation of the position in relation to both Groups serviced by him in a separate letter of 14 February (the text of which is at WE9) and in a meeting with the Assistant Registrar and me on 28 February (a note of which is at WE10). In essence, he said that neither the assistance he gave the Export Group nor that offered the Fire Safety and Rescue Group had been given at the request of or paid for by a client of any of his companies. On his understanding of the 1985 Rules (reinforced by advice he had previously received from my office) he was not therefore obliged to include the names of relevant clients of his companies in the Register. Where a client of one of his companies (such as FSDG) had sponsored an event put on by a Group, that sponsorship had been registered.

2.(a) The Intellectual Property Group

32. Ms Janet Anderson (the Member for Rossendale and Darwen) replied as Chair of this Group on 6 February. The text of her letter is at WE11. As Chair of the Group, she was responsible for running the Group, setting its agenda and deciding its work programme. Luther Pendragon provided administrative assistance, and received funding from the Alliance against IP Theft in order to provide this support. The omission from the Register of reference to the Alliance as ultimate client of Luther Pendragon “was solely an administrative error rather than anything else.” Immediately “The Times” had brought it to attention, the omission had been rectified. Ms Anderson has subsequently confirmed that she was aware of the identity of Luther Pendragon’s relevant client prior to the appearance of the stories in “The Times”.

2.(b) and (c) The Patient Safety and Pharmacy Groups

33. As Chair of both these Groups, Dr Howard Stoate (the Member for Dartford) wrote on 13 February. The text of his reply is at WE12. Both Groups received administrative assistance from Luther Pendragon, as set out in the Register. The omission of the ultimate clients of Luther Pendragon from the Groups' Register entries was "entirely accidental". On previous occasions, the entry for the Pharmacy Group had listed Luther Pendragon's ultimate clients, of whose identity Dr Stoate was well aware.¹⁶ There had been no intention to mislead:

"Quite the contrary, I run both of these Groups in an open and transparent manner. Both have web-sites, and both state clearly and explicitly the organisations that provide support."

34. Immediately after the first article in "The Times" appeared, Mr Simon Whale of Luther Pendragon contacted my office to correct the Register entry for the three Groups concerned and subsequently wrote underlining his company's commitment to transparency. He apologised for the "entirely accidental" omission of details of his company's ultimate clients in relation to these three Groups. In the case of the fourth Group also assisted by his company (the Flood Prevention Group), information about the client had been given in the Register. Mr Whale also made a number of suggestions for strengthening the rules to improve openness and transparency. I return to these proposals later in this report.¹⁷ The text of Mr Whale's letter of 16 January is at WE13.

3.The Mobile Communications Group

35. The Chairman of this Group, Mr Phil Willis (the Member for Harrogate and Knaresborough) replied on 2 March. The text of his letter is at WE14. In accepting the importance of the issue of transparency raised by "The Times", Mr Willis said that he had sought to set up the Mobile Communications Group as one whose membership was only open to Members of the House, rather than as one of which outside companies could be members, precisely in order to ensure that the Group was not overly influenced by outsiders. He and others had approached Political Intelligence to provide administrative support because of its recognised expertise in the mobile communications sector. Political Intelligence was not paid either by the Group or by its clients to provide the Group with support: it was providing a 'pro bono' service. Where sponsorship was obtained for individual events, this was listed in the Register. Political Intelligence had never sought to influence the agenda of the Group or to propose events where their potential or actual clients could be perceived as having an advantage. All events (though not their sponsors) were listed on the Group's web-site. The one major publication the Group had produced—

16 When the Group was first registered in 2000, its entry stated that it received administrative assistance from Bell Pottinger Public Affairs, on behalf of the following clients: Royal Pharmaceutical Society, National Pharmaceutical Association, Company Chemists Association and Pharmaceutical Services Negotiating Committee. The reference to clients was omitted when the Group re-registered after the 2001 General Election.

17 Paragraphs 85-89.

on mobile phone mast planning—had been written by an independent academic with no input from Political Intelligence.

36. Mr Nicholas Lansman of Political Intelligence rang me and then wrote on 26 February to give his account of the position. The Mobile Communications Group was given a strong lead by its officers and chairman. The Group's seminars were open to a wide range of people in addition to parliamentarians. His company had raised some modest sponsorship for a seminar and for the Group's report on mobile phone mast planning in 2004, but had had no input to the report itself. The sponsorship had come from two companies which were not clients of his own company. No details of clients of his company had been included in the Register because none had requested or paid for his company to resource the Group. The text of Mr Lansman's letter (which includes some suggestions for changing the 1985 Rules which I take into consideration later) is at WE15.

37. Whilst Mr Lansman's letter explained why none of the clients of his firm had been named in the Register in relation to the secretariat support offered by his company to the Mobile Communications Group, it did not explain why the sponsorship to which he had referred of a seminar and of the Group's mobile phone mast planning report in 2004 had not been registered. I asked Mr Lansman to give more details of the two donations made, and to explain the failure to register them. Mr Lansman replied saying in effect that his company's interpretation of the 1985 Rules had been at fault, and apologised for the failure to register the two donations. My letter to Mr Lansman on this point and his reply are at WE16 and 17 respectively.

Findings of Fact

38. In the case of three of the six Groups which failed to include in the Register details of the ultimate clients of the consultancy firm providing them with administrative assistance—that is, the Groups listed under section (2) above which were assisted by Luther Pendragon—the assistance was being provided by them at the request of a client or clients and the company was being funded by those clients to provide it. The Chairmen of the Groups have said that the omission of information about the consultancy's ultimate clients was due to an administrative oversight and have insisted that it did not reflect any intention to mislead. Mr Simon Whale of Luther Pendragon has apologised for the oversight and omission. In each case, the Chairman of the Group was aware of the identity of Luther Pendragon's relevant client(s) prior to the appearance of the articles in 'The Times' and the relevant information was added to the Group's Register entry as soon as the matter was brought to the Group's attention.

39. In the case of the other three groups—those listed under (1) and (3) above which were respectively assisted by Mr Douglas Smith and by Political Intelligence Limited—the administrative assistance they received was not, according to those providing and receiving the assistance, being provided at the specific request of, or being funded by a particular client or clients. They were acting in accordance with the guidance issued by my office about the 1985 Rules (quoted in paragraph 19 above) in not including the name of any ultimate client in the Register. The Mobile Communications Group, however, failed to register the financial contributions it received through the agency of Political Intelligence

from third parties who were not among that firm's clients, in connection with a seminar and its inquiry in 2004 into mobile phone mast planning.

Conclusions on the Complaint

40. **I conclude that the complaint by the Editor of "The Times" relating to six named Groups should be upheld in respect of the Groups on Intellectual Property, Patient Safety and Pharmacy.** In each case the Group failed to meet its obligation under the 1985 Rules to register the name of the ultimate client or clients at whose request and with whose financial support the Group was receiving assistance.

41. **The complaint should not be upheld in respect of the Groups on Export, Fire Safety and Rescue, and Mobile Communications.** In these cases the Groups were not receiving assistance at the request of or with the specific financial help of a particular client, and under the guidance issued by my office they were not as a result obliged to list the names of clients of the consultancy by which they were being assisted. **The Mobile Communications Group did, however, breach the 1985 Rules in failing to register financial support it received in connection with a seminar it held in 2004 and with its inquiry and report in relation to mobile phone mast planning.**

The wider Issues raised by "The Times"

42. I turn now to consider the wider issues raised by the Editor of "The Times", and other suggestions for amending the regulatory regime for APGs which have been made in the course of my inquiry. When my inquiry began I sought views from a number of outside bodies (see the specimen letters at WE19 and 20). In response I have received submissions from:

- The Association of Professional Political Consultants (APPC)
- The Chartered Institute of Public Relations (CIPR)
- The Public Relations Consultants Association (PRCA)
- The Charity Commission
- The National Council for Voluntary Organisations (NCVO)
- The Association of Medical Research Charities (AMRC)

The text of these submissions is at WE21-26 respectively. Together with a letter which the Chairman of the Committee on Standards in Public Life, Sir Alistair Graham, sent to the Chairman of the Committee on Standards and Privileges, Sir George Young, shortly after publication of "The Times" articles (the text of which is at WE27) and the letters from Members and others appended to this report, these submissions have helpfully informed what follows.

General Observations

43. I begin by setting out some general observations which set the context for the analysis and recommendations which follow.

44. There is nothing wrong with the representation of *interests*. Indeed Parliament was arguably primarily concerned with the representation of interests before it was concerned about the representation of individuals. The effective representation of interests—whether defined economically, socially or in any other way—is a vital ingredient in a healthy democracy. And it is perfectly proper for Members themselves to have particular interests, provided these are appropriately registered and declared.

45. Nor is there anything wrong with *lobbying*: indeed it too is a key part of any successful democratic process. As the distinguished Chief Political Commentator of “The Times”, Peter Riddell, wrote in the paper on 13 January:

“Lobbying has developed a pejorative image, but it is a necessary, even desirable, part of a pluralist democracy for outside groups to argue their case.”

46. Lobbying is an activity in which many, not just those who provide professional public relations or public affairs services, are engaged. APGs in particular afford opportunities for influence not only to those engaged in such professional consultancies but to a wide range of others—academics and other individuals, trade unions and trade associations, companies (many of which now have their own public affairs departments), charities and not-for-profit organisations. Any discussion of lobbying in relation to APGs must recognise such widely divergent circumstances. To be effective, any regulatory regime must be capable of embracing these widely diverse possibilities in a fair and equitable way.

47. It is important also that any system for regulating such Groups is *proportionate*, both to the need and in terms of the demands it imposes. As the Committee on Standards in Public Life noted in its Sixth Report:

“...it is important to keep a sense of proportion in debating the issues that are raised by All-Party Groups”

That some regime is necessary to avoid Groups being covertly ‘captured’ by particular interests has been recognized by the House for a considerable time. The House has also recognized that the constraints it places on those involved in the running and support of Groups must not be so severe as to wipe out the benefit such Groups provide to Members and to the democratic process more generally. As the Chairman of the Fire Safety and Rescue Group put it (WE 8):

“the key to much of this discussion lies in ensuring full transparency in a realistic way.”

48. Two factors are critical. The first is that *Members must remain in control* of Groups. These are, after all, Parliamentary groups. The Rules must assist Members in this and Members must be prepared to take responsibility themselves for the way in which each Group of which they are a part operates, including for any reports that it produces.

Members must in turn be accountable to the House for the proper operation of such Groups.¹⁸ The second is indeed *transparency*. The arrangements must be such as to lay bare the influences playing on Groups, so that Members and the public can draw their own conclusions.

49. With these considerations in mind, I turn to the first of the general issues raised by the Editor of “The Times”, that is whether the interpretation adopted by my office of the 1985 Rule on naming the “ultimate client” should be amended in the light of what the paper uncovered. As we shall see, it, like other issues raised by The Times, had arisen before.

Interpretation of the 1985 Rule on naming the “ultimate client”

50. As noted in paragraph 19 above, the Guide to the Rules on All-Party Groups issued by my office expresses the requirement that where a consultancy assists a Group the “ultimate client” should be named in the following terms:

“Where a consultancy provides benefits (eg secretarial services) at the request of a client you must state the name of both the consultancy and the client.”

51. The approach embodied in the guidance has been followed consistently since the Rules were introduced. When, for example, a question was raised in the autumn of 1999 as to whether Mr Douglas Smith of Parliamentary Monitoring Services Ltd should have listed the clients on behalf of which the company was assisting, among others, the Export and Fire Safety Groups, my predecessor replied:

*“I understand that PMS Ltd is not a lobbying company or public relations consultancy and **it is not providing a benefit to the group on behalf of a client of PMS.** [emphasis added]. Mr Smith is not required to mention other clients of PMS Ltd in these circumstances.”*

This approach was carried over into the first edition of the Guide, which was published in June 2001.

52. Given the focus of the 1985 Rules on establishing the source and nature of any assistance received by a Group (see paragraphs 12-15 above), it is not surprising that the requirement to name the “ultimate client” should be assumed to be limited to the client at whose request and with whose financial help the Group is being assisted. Indeed the phrase “ultimate client” implies an assumption that the assistance is being provided *on behalf of* a particular client.

53. The question raised by “The Times” investigation is whether that interpretation, though understandable, is too narrow. Taking the example of the Fire Safety and Rescue Group, it is apparent that while Mr Douglas Smith does not service the Group at the specific request of any of his clients, a number of them, including the Fire Safety

¹⁸ I return to this issue in paragraphs 90-93 below.

Development Group and the Fire Brigades Union, are understandably interested in the activities of the Group. Similarly, a number of the clients of Mr Nicholas Lansman of Political Intelligence Limited are no doubt properly interested in the activities of the Mobile Communications Group, although they do not directly fund Political Intelligence to assist it.

54. As I have noted earlier, those with a special interest in a particular issue have the potential to gain considerably from access to an APG which focusses on that issue, and the opportunities to inform, influence and generate action through parliamentarians which such groups afford. The fact that a public affairs or public relations consultancy services a particular Group is both an immediate benefit to the consultancy in advancing the interests of its clients and a potential selling point in attracting new ones. Similarly, the fact that a special interest group, such as a health-related charity, helps to staff an APG may be seen as an effective means of advancing the charity's interest, and consequently, act as an incentive to its supporters to go on supporting it.

55. Unless provided purely voluntarily on a personal basis, any assistance provided to Groups has to be funded from somewhere and if a consultancy is not being funded directly by a particular client to support a Group, it must in effect be drawing on its general fee income to support this activity. It would in my view be inappropriate if the requirement to identify clients of a consultancy with an interest in a particular Group assisted by the consultancy could be intentionally circumvented simply by the device of funding the assistance out of the general fee income of the firm, rather than by a specific grant from or at the specific request of a named client.

Recommendation 1

56. **I therefore recommend that the interpretation of the “ultimate client” rule should be amended. In future, where a Group is assisted by an outside consultancy, the names of any clients of the consultancy with a direct interest in the work of the Group should be listed in the Register. Similarly, where assistance is provided by a charity or not-for-profit organisation, the name of any commercial company with a direct interest in the work of the APG which contributes materially (say more than £5,000 or 5%, whichever is the lower) to meeting the central costs of the charity should be listed.** The aim of the change would be to ensure that any relationship that could reasonably be viewed as presenting a potential conflict of interest should be recorded in the Register. If this recommendation is accepted in principle by the Committee, I would propose to amend the Guide to the Rules on APGs accordingly.

How far should Transparency go?

57. In the wake of “The Times” articles, both Members and bodies involved in assisting APGs have emphasised the importance of transparency and their commitment to

achieving it. Mr Phil Willis, Chairman of the Mobile Communications Group, wrote, for example:

“...it is crucial that any Group with influence within Parliament is transparent about where it receives support.”¹⁹

The Director General of the PRCA wrote:

“...like the APPC, the PRCA believes transparency to be the essence of confidence both in our members and in their dealings with democratic representatives.”²⁰

The AMRC said:

“...we would be very supportive of any moves to make the running of All Party Groups more transparent and open to public scrutiny.”²¹

58. It should be noted that the extent of the information already in the public domain about those who stand behind those who assist APGs is considerable, though variable. Members of the APPC and the PRCA list the fee-paying clients they represent. The APPC, representing approximately 80% of the UK political consultancy and public affairs industry, produces a register of political consultants, together with a list of their fee-paying clients, which is published on the APPC’s web-site and regularly updated. The practice of consultancies not within either the APPC or the PRCA varies, however: some voluntarily name their clients, others do not. **Transparency would undoubtedly be assisted if all consultancies named their clients, and when considering whether or not to accept assistance from a consultancy, officers of APGs may wish to check whether or not the consultancy does so.**

59. As regards trade associations, most publish the names of their members because they are anxious to demonstrate their representative credentials. But there is no requirement that they do so. The position in respect of charities and not-for-profit organisations is similar. Charities must, of course, act to further their stated objects and not for any other purposes. But, as the letter from the Charity Commission at WE24 confirms:

“The accounting regime for charities does not require them to disclose information about the source of funds received either as grants or sponsorship.”²²

The Health Committee noted in its report on “The Influence of the Pharmaceutical Industry”:

“Patient groups, which often depend on funding from the pharmaceutical industry, are not required to make their sources of income, or funding policies, public. We

19 WE14

20 WE23

21 WE6

22 WE24

recommend that patient groups be required to declare all substantial sources of funding, including support given in kind, and make such declarations accessible to the public.²³

In its reply, the Government commented:

“The Government recognises the concerns raised by the Committee about the possible influence donors may have on charities or voluntary organisations. Where a charity enters a commercial relationship, it is the duty of the charity’s trustees to ensure that entering such a relationship is in the best interests of the charity, consideration that would include both financial and reputational risks. Charity trustees may also refuse to accept a donation where to accept such a donation would not be in the charity’s best interests.

The Government believe that self-regulation should be the first resort in improving fundraising standards and practice, with a reserve power for the Home Secretary to introduce statutory regulation, should self-regulation fail (which the Charities Bill provides for). It is expected that the voluntary self-regulation scheme will be established by April 2006, and we will ask that they consider the Committee’s recommendation with a view to promoting best practice.²⁴

It appears that there is substantial support for greater transparency generally, and that this is not confined purely to the activities of professional lobbyists.

60. As regards transparency specifically in relation to APGs, the recommendation I have already made to re-interpret the “ultimate client” requirement in the 1985 Rules should considerably enhance the position. But in his letter of complaint the Editor of “The Times” raised a related issue, viz whether declaring the name of an organisation supporting (or paying for others to support) a Group is sufficient or whether, where this is an umbrella body or association, the names of individual companies or organisations within that body or association should also be named.

61. Some respondents (including the CIPR) thought that they should be. Others, however, noted the impracticality of considerably extending the Register by listing all trade association members. Mr Michael Clapham, Chairman of the Fire Safety and Rescue Group, for example, wrote:

“Frankly we cannot see that every member of a trade association should, or could, realistically be listed on the APG Register. In some cases their membership includes scores of companies, if not hundreds. As we have said, such information is invariably and readily revealed in websites.²⁵”

23 Fourth Report of Session 2004-05 (HC42-1), para 383.

24 CM 6655

25 WE8

The NCVO noted that the membership of umbrella bodies can alter rapidly and that any list in the Register could rapidly become out of date.²⁶

62. Many respondents noted the value of the web as a source of information relating to organisations supporting Groups, and in particular the value of the web-sites some Groups have themselves established, on which information about their activities and those assisting them is given. Dr Howard Stoaite, Chairman of the Patient Safety and Pharmacy APGs, stated:

“I run both these Groups in an open and transparent manner. Both have websites, and both state clearly and explicitly the organisations that provide support.”

63. Mr Simon Whale of Luther Pendragon, the body supporting these two Groups, went further and suggested that while it should not be a compulsory requirement that all Groups establish a web-site, guidance issued by my office should make clear that this was desirable.²⁷ Others felt this would impose too great a burden on Groups. The APPC commented:

“Ironically this proposal would make APGs even more dependent upon third party support than currently, not less.”²⁸

64. Whilst I do not wish to endorse Mr Whale’s specific proposal, the point he and many others made about the accessibility of information via the web provides, I believe, a manageable solution to the question about trade associations raised by the Editor of “The Times”. The APGs Register is published on the parliamentary web-site. It would, I understand, be entirely feasible to insert in the Register URLs which at one click of a mouse could take the reader to the web-site of any consultancy, trade association, charity or other body providing secretariat assistance to a Group. The NCVO made a similar suggestion in recommending:

“..... a requirement for trade and umbrella organisations to include in the Register of APGs the link to the relevant section of their website that outlines their full membership.”²⁹

Recommendations 2-5

65. I recommend that those providing secretariat assistance to APGs be required to provide information to enable a URL to be inserted in the web edition of the Register of APGs, which would create a link the reader could follow to the relevant company’s, charity’s or other body’s web-site, from which published details of the organisation’s objectives, clients, membership or supporters as appropriate may be obtained.

26 WE25

27 WE13

28 WE21

29 WE25

66. I further recommend that:

- a) Where a body has listed in the Register, in accordance with Recommendation 1, the name of a client or commercial company, a URL should also be provided from the Register to the web-site (if any) of that named client or company.
- b) Where an APG itself has a web-site, the Register should provide a link to the Group's web-site.
- c) Web-sites of APGs should themselves be explicit about the relevant Group's sponsors and administrative support.

67. I believe that, taken together, these steps will significantly enhance the accessibility of information about those who stand behind particular APGs. Together with the search facilities available on the web, there should then be few corners of the APG world into which anyone who wishes cannot easily penetrate.

The Authorship and Status of APG Publications

68. The third question raised by the Editor of "The Times" concerned whether it is appropriate for lobbying organisations to write reports on behalf of Groups and, if it is, whether the role of the lobbyists and of any client funding them should be made more transparent when reports or public statements are made by Groups.

69. There is, I suggest, a question prior to this, which is who sets the agenda for a Group's work and who owns any publication it produces. The short answer to this is that under the House's Rules, responsibility rests on the officers of the Group to ensure that they, and not anyone assisting the Group, do so.

70. The Chairmen of the various Groups with whom I have corresponded in the course of this inquiry have firmly upheld this position. For example, Mr Phil Willis (Chairman of the APG on Mobile Communications—Ap Mobile): said:

*"The work of 'Ap Mobile' is decided by the officers of the group with a very strong steer from me as Chairman and there has never been any attempt by 'Political Intelligence' to influence the agenda or to propose events where their potential or actual clients could be perceived as having an advantage."*³⁰

Ms Janet Anderson, Chair of the Intellectual Property Group, wrote:

*"As Chair I am responsible for running the Group, setting its agenda and deciding its work programme."*³¹

30 WE14

31 WE11

71. The APPC noted that it is not uncommon for an organisation providing secretariat support to an APG to draft correspondence, reports or materials for officers of the Group to consider and approve:

“Indeed, we are aware that APG officers expressly request this kind of support. MPs or peers, however seriously they may take their APG obligations, simply do not have the time or resources to draft their own reports.”

However, the APPC continued, it would be concerned:

“..... if any non-parliamentary secretariat....sought to issue reports in the name or under the auspices of an APG—without the parliamentary officers having seen or approved the content. All APG—related materials, correspondence and reports should be vetted and approved by the parliamentary officers before being published or circulated.”³²

72. So long as the present reliance of APGs on outside resourcing continues, provided the subject matter and content of publications are specifically approved by a Group’s parliamentary officers, I see nothing improper in them being drafted by an outside body or individual assisting the Group. It is, of course, important that Members carry out their role in vetting and approving draft material diligently, but I have seen no evidence that this does not happen. As Mr Nigel Evans, Chairman of the APGs on Beer and on Identity Fraud noted:

“I certainly would never be bamboozled by an industry person on any issue, report or campaign—and people would quickly see through it if we were seen to be puppets.”³³

73. I believe, however, that transparency would be strengthened if those who had authored and/or sponsored APG publications (other than routine administrative material such as invitations to meetings) were named in the documents themselves and in any associated press release. This could be done in a report in simple fashion, either in a Foreword by the Chairman of the Group or in a prominently displayed rubric such as “[name of political consultancy, charity, etc.] assisted [name of Group] in the preparation of this report. The production of the report was sponsored by [name of client/funding body].” The client/funding body named would be any body which funded the Group’s secretariat (if that had produced the report) or which had otherwise financially sponsored the exercise.

74. I do not believe it is necessary to lay down precisely how this ‘badging’ of publications is achieved, so much as the principle that Groups be required to achieve it. I therefore respectfully agree with the line of thought of the Committee on Standards in Public Life on

32 WE21

33 WE18

this issue, as reflected in the penultimate paragraph of Sir Alistair Graham's letter of 24 January 2006 to the Chairman of the Committee on Standards and Privileges at WE27.

Recommendation 6

75. Publications (including reports and press releases) produced by APGs should carry the name of their author(s), the organisation(s) which provide secretariat services to the Group and any relevant client or sponsor.

76. Concerns have from time to time been expressed about the scope for confusion between reports produced by APGs and by Select Committees of the House. Whilst the number of reports produced by Groups is not large, it can lead to confusion if such reports are described in the media as having been produced by “an influential, cross party group of MPs”.

77. It is no disrespect to Groups to say that their reports are, on the whole, far less influential than those produced by Select Committees of the House. APGs cannot require the appearance of Ministers and other witnesses before them and their reports do not automatically evoke a Government response. As the APPC put it in its submission:

“APGs fulfil a valuable function, acting as important forums for cross-party discussion, debate and information—sharing. They do not, however, fulfil the same policy-making or scrutiny functions of the Select Committees, nor do they exert anything like the same degree of influence as the Committees do.”³⁴

78. The CIPR suggested that the confusion about the remit of Groups and Committees was part of a broader problem:

“.....namely the fact that most members of the public have a very limited understanding of how Parliament functions. As we argued in our submission to the Puttnam Commission, we believe that this gap could be at least partly closed by the creation of a dedicated Parliamentary press office. It is time that Parliament showed a willingness to explain its activities, and to protect and enhance its reputation using modern, professional methods.”³⁵

79. Such a proposal goes far beyond the scope of this inquiry. More immediately, I suggest that both Groups themselves, when publicising their publications, and the media when reporting them have a responsibility not to over-claim and to make clear the precise status of the Group which has authored them. **It may be that the matter is one which the Liaison Committee would wish to consider, perhaps with a view to Mr Speaker being invited to write to the Chairmen of all APGs asking them to make sure that they do not, through their activities and the language they use, give the impression that they have some institutional status in relation to the House.**

34 WE21

35 WE22

Can APGs be Compromised by Outside Funding?

80. The final question Mr Thomson posed in his letter of complaint was whether it is possible for an APG to be compromised by the commercial or charity/ non-profit backing it may receive. The short answer to this question is, of course, ‘yes, it is possible’. How is such an outcome to be avoided?

81. Some who made submissions to my inquiry argued that the solution lay in introducing public funding, cutting out private means of support for such Groups. The CIPR urged the House to be bold:

“...it is time consideration were given to providing dedicated, state-funding for APGs and for the existence and operation of the groups to be justified in terms of the work they do for the public benefit....If the groups do not work for the public benefit, they should not exist.”³⁶

82. Slightly less ambitiously, Mr Derek Wyatt (the Member for Sittingbourne and Sheppey) suggested in a discussion with me that a portion of the Short money made available to political parties should be made available to Groups, to bid for in connection with particular projects. Other Members were more sceptical. Mr Michael Clapham wrote:

“For the CIPR to suggest that public money be provided to All Party Groups is hardly practical given their number, variety and the extent of control required to do so, not to mention the cost.”³⁷

83. The introduction of public funding of Groups is a question only the House itself could resolve. I will only comment that such a step would not merely carry significant budgetary implications but would completely alter the status of such Groups. It would institutionalise them and, given the need for proper accountability in the expenditure of public money, bring a bureaucratic system of control in its wake. The risk is that the flexibility and adaptability of the present position would be lost, without commensurate benefits to Members or others involved in such Groups. Mr Wyatt’s more modest proposal needs to be distinguished from full-blown public funding of groups, but it too would bring additional accountability requirements in its wake.

84. If public funding is not available, Groups will inevitably be dependent on seeking resources from outside and those resources are likely to come from those who have a concern or interest (whether commercial or otherwise) which they believe is likely to be advanced through the work of the Group. As I have noted earlier (paragraph 44), this is not in itself a bad thing. APGs are not neutral surveyors of a particular area of public policy but conduits for information, the exchange of views and the application of pressure to change public policy. Provided the right safeguards are in place, giving assistance to a Group is not an automatic means of advancing one’s own ideas; nor is the receipt of

36 WE22

37 WE8

external assistance by a Group in itself a step which compromises the integrity and independence of that Group.

85. Earlier in this report (at paragraph 48 above), I referred to the two key requirements for avoiding Groups being compromised. They are:

- The vigilance of Members, and
- Transparency.

I believe that the recommendations I have made—which as a reading of the written evidence will show, would appear likely to carry the support of most of those who have offered me their views—will lead to greater transparency about the influences playing on Groups. Provided Members ensure that they retain control of Groups and are vigilant to the possibility of being compromised, there should be no need of further controls. Moreover if a Group were to be compromised, those who suffered would be not only its Members but all those external parties interested in its work. The court of public opinion should be the final control. Mr Nigel Evans put the matter succinctly;

“As long as we know the funding source then people can make their own minds up.”³⁸

Other Proposals for Change

86. In his letter of 16 January,³⁹ Mr Simon Whale of Luther Pendragon made a number of specific suggestions for changes to the 1985 Rules designed to strengthen openness and transparency. These were:

- a) Additional information should be required of Groups when registering.
- b) There should be an appendix to the Register listing organisations that provide support to more than one APG.
- c) There should be an alphabetical index of all organisations that support APGs.
- d) The office of the Parliamentary Commissioner for Standards should have power to vet Register information and refuse admission to the Register where this is incomplete or incorrect.
- e) Sources of outside support should be named in all communications by Groups.
- f) APGs should be encouraged to establish their own web-site.

87. I invited views on these suggestions when consulting Members and others. Whilst some Members endorsed the suggestions, other correspondents suggested that they should

38 WE18

39 WE13

be adopted only if they demonstrably added value which would outweigh the extra burden they would impose.

88. I have already examined proposals (e) and (f). The registration form for APGs will need to be reconsidered in the light of whatever decisions the Committee reaches on the basis of this report: proposal (a) can be picked up as appropriate at that point. Proposals (b) and (c) may add some marginal value to the Register—but might they be seen as a form of self-advertisement by the organisations involved? Creating and maintaining the suggested appendices would certainly involve additional work, and almost certainly additional resources, for the office of the Parliamentary Commissioner for Standards. On balance, I am inclined to doubt that they are a priority in terms of making the current regime more effective.

89. Proposal (d) raises an important question about the role of my office in vetting applications by Groups to be registered. A number of those who responded to my inquiries rightly paid tribute to the work of the Assistant Registrar in maintaining the current Register and advising and assisting Groups in respect of their obligations under the House's Rules. Mr Whale suggests that a more proactive stance by the office would have prevented the omission of Luther Pendragon's clients from the relevant Register entries.

90. The APG Register is, like the other Registers of Interest maintained by my office, built on the information supplied by others. Whilst the office checks entries carefully and, where it spots inaccuracies or inconsistencies, will follow these up with the officers of the Group concerned, it is not staffed proactively to research the accuracy of every Register entry it receives. Moreover I would be concerned by any development which might be interpreted as removing from the shoulders of the officers of Groups and those who assist them the responsibility for honestly and fully meeting their obligations in respect of the disclosure of information under the Rules. In short, while my office must be vigilant in discharging its duties and must be empowered and resourced accordingly, it should not assume the responsibilities which rightly rest on others. I note that this is also the view of the APPC.⁴⁰

Responsibility for Complying with the Rules of the House

91. Before concluding my report, it may be helpful if I identify clearly where responsibility for ensuring that a Group complies with the relevant Rules of the House rests, lest there be any uncertainty on this score. Of course those who provide secretariat assistance to a Group need to be familiar with the Rules and alert to ensure that the Group is compliant. The primary responsibility for ensuring compliance, however, rests on the Members of the House of Commons who are officers of the Group. The Resolution of the House carried on 17 December 1985 pinned the responsibility for registering the required information in respect of each Group explicitly on its Commons officers.

92. When a responsibility is shared among a number of Members in this way, it can be easy for it to be overlooked by any particular Member. In the last Parliament the

40 WE21 paragraphs 3.8-3.9

Administration Committee accepted a recommendation by my office that an officer of each Group should act as its registered contact (ie the person to whom my office addresses correspondence and forward general enquiries about the Group). The purpose of this was to ensure that Members remained directly aware of any significant matters relating to the Register and the 1985 Rules affecting the Group.

93. In order to ensure that officers of Groups are themselves clear precisely who is responsible for ensuring each Group's compliance with the Rules, and to secure the accountability of Groups to the House, I suggest that in future the Officer of each Group who is its nominated point of contact should be a Member of the House of Commons and that that person should also be the officer responsible for ensuring the Group's compliance with the relevant Rules of the House. In suggesting this, I am not imposing a new responsibility: it is one such a person carries already along with the other Commons officers of the Group. I am suggesting that the responsibility should be focussed on a nominated officer from the Commons, in the interests of the effectiveness of the House's arrangements as a whole. And I am suggesting this particular officer because, for example, the Chairman or Secretary of a Group is not necessarily always a Member of the House. In practice, of course, I would expect the nominated officer to liaise closely with the Chairman of the Group about such matters.

Recommendation 7

94. An officer of each APPG from the Commons should be the nominated point of contact of each Group and should also be the person ultimately responsible for ensuring the Group's compliance with the relevant Rules of the House.

Overall Conclusion and Summary of Recommendations

95. APGs fulfil a valuable role as a forum in which Members of both Houses and those outside Parliament interested in a particular subject may meet to exchange information and views, and to advance a particular cause. As such Groups are not publicly funded—and there would be disadvantages in terms of flexibility and adaptability, as well as significant budgetary implications, if they were—they will inevitably seek assistance and other resources from outside to undertake their work. There is nothing intrinsically improper in external sources providing, or Groups accepting such assistance.

96. What must be avoided, in the public interest, is the provision of such assistance enabling outside bodies effectively to control such Groups or to advance their concerns in covert ways. The keys to preventing this are vigilance by Members in ensuring that they maintain control over the Groups' agendas and activities, and transparency about the influences playing on Groups.

97. Neither the investigation of APGs conducted by "The Times" earlier this year nor my enquiries have suggested that APGs have been suborned by outside interests. They have, however, suggested that the Rules introduced by the House in 1985 could helpfully be strengthened to increase transparency. I have recommended that this could be achieved by:

- A more demanding interpretation and application of the "ultimate client" rule, so that the APG Register carries the names not only of those who provide secretariat assistance

to Groups but of any client (or in the case of a not-for-profit organisation, any commercial supporter) with a direct interest in the work of the Group.

- Linking the web edition of the APG Register to the websites of those providing secretariat assistance to Groups; of any associated clients or commercial supporters with a direct interest in the work of the Group named in the Register; and, where they exist, of Groups themselves, so that information about who stands behind Groups is much more readily available through the Register than it is at present.
- Requiring publications produced by APGs to carry the name of their author(s), the organisation(s) which provide secretariat assistance to the Group and any relevant clients or sponsors of the publication.

I have also recommended focussing responsibility for ensuring each Group's compliance with the relevant Rules of the House on the Commons officer who is each Group's nominated point of contact.

98. Taken together, I believe that these recommendations represent a proportionate approach, which will improve transparency and therefore accountability without imposing undue fresh burdens on Groups. I hope that they provide a helpful basis on which the Committee (itself consulting further on the matter if it thinks this desirable) can consider how best to advise the House on the way forward.

18 May 2006

Sir Philip Mawer

Written evidence received by the Parliamentary Commissioner for Standards

1. Letter to the Commissioner from Mr Robert Thomson, 20 January 2006

In the Course of a *Times* investigation into all party groups, a number of issues came to light which are no doubt of interest and which you may have already noted in the pages of the newspaper.

Firstly, a number of all party groups list only the name of a lobbyist or public affairs consultant, and do not specify an ultimate client. This would appear to be a clear breach of parliamentary 1985 rules that state: “Where a public relations agency provides the assistance, the ultimate client should be named”

Those identified by *The Times* are the Intellectual Property group, the Patient Safety group, the Pharmacy group, the Export group, the Fire Safety and Rescue group and the Mobile Communication group.

There appears to be a discrepancy between the 1985 rules and the guidance provided by your office, which may create a loophole which allows a company to benefit from the work of all party groups without having to declare their interest. The all-party group of Fire Safety may fall into this category. Doug Smith from lobbyist Parliamentary Monitoring Services provides assistance for the group because “I believe in all party groups” and says this is unrelated to his client, the Fire Safety Development Group, despite the latter listing the APG on its website.

Secondly, you may wish to consider whether declaring the name of the organisation which provides the backing to an all-party group is sufficiently transparent. For instance, the Town Centre group is funded by the Association of Town Centre Management. This lists Boot Group Plc, Land Securities, Marks & Spencer, Prudential and English Partnerships as its “corporate champions.” The Obesity group is supported by the National Obesity Forum. In January, the President of the National Obesity Forum, Dr Ian Campbell, quit claiming it had become too dependant on drug company funding. The forum lists GlaxoSmithKline UK Ltd, Slim Fast Food Ltd, Tanita UK Ltd, Sanofi-Aventis Ltd as amongst their “partners”.

Thirdly, we discovered that lobbyists write reports on behalf of all party groups. Again you may wish to consider whether this in itself is appropriate. If you conclude it does not pose a problem, you may nevertheless feel that a lobbyist role—and the role of the client funding them—should be declared on reports and also made more clear in public statements put out by groups. Robert Humphreys, who used to work for Bass and is paid by the alcohol industry to ask as secretary to the all party beer group, told *The Times* he will draft the report. “When we have an inquiry I basically, under the guidance and at the behest of the chair, draft for them, just as you’d expect any clerk to do.” Howard Stoate, chair of the Pharmacy group, told *The Times*: “They help us draft the report. The report is agreed with the committee and he [the expert from Luther Pendragon, the lobbying firm] writes it down and prints it up.”

Fourthly, more generally, you may want to consider whether you feel it is possible for an all party group to be compromised by commercial or charity/non-profit backing. We raised concerns, for instance, that the All Party Identity Fraud group recently released a press release advocating shredding or securely storing Christmas cards, and their group is backed by Fellowes, which makes shredders and secure documents holders.

The relevant articles from *The Times* have been enclosed.⁴¹

I look forward to hearing from you.

*Mr Robert Thomson**20 January 2006*

2. Text of 'The Times' article 13 January 2006

LOBBYISTS and powerful industry organisations are financially backing supposedly independent groups of MPs investigating controversial policies in which they have a commercial interest, The Times has discovered.

Organisations including the nuclear, pharmaceutical and drinks industries are funding and even writing policy reports in the name of influential all-party groups (APG) of MPs and peers.

There are nearly 300 such groups in Parliament focusing on a huge range of subjects. The Times has established that two thirds of these are now being assisted by special interest groups.

Although they do not have formal powers APGs carry considerable weight in the political world as they can request ministers to appear before them, make policy recommendations to Government and formulate media campaigns. Last year they were referred to in nearly 200 newspaper articles.

Since 1995, when MPs were banned from working directly for political consultancies, the number of groups wholly or partly financed by businesses or trade organisations has tripled to almost 100.

Thirty-six receive administrative and financial assistance directly from lobbyists. Six of these The Times has discovered do not list the name of their client, a clear breach of parliamentary rules that state: "Where a public relations agency provides the assistance, the ultimate client should be named".

Examples The Times has found are:

- The All-Party Parliamentary Beer Group announced it would hold an inquiry to determine why about 26 community pubs are forced to close each month. It said it would focus on the burden of red tape on the pub industry. Three years ago members campaigned to have beer duty reduced by 6p a pint. The group received £45,100 from breweries such as Greene King and pub companies such as Spirit Group. Robert Humphreys, who used to work for Bass and is paid by the alcohol industry to act as secretary to the group, told The Times he will draft the report. "When we have an inquiry I basically, under the guidance and at the behest of the chair, draft for them, just as you'd expect any clerk to do."
- The All-Party Pharmacy Group, admitted that lobbyists working on behalf of the pharmacy industry wrote the reports on behalf of the group. When it was put to the Labour chairman, Howard Stoute, he said: "They help us draft the report. The report is agreed with the committee and he (the expert from Luther Pendragon, the lobbying firm) writes it down and prints it up." However, the group does not list the source of the support in the Register of All-Party Groups.
- The All-Party Group on Small Shops announced on New Year's Day the results of their investigation into the future of corner shops which, they gave warning, could become extinct within ten years because of the growth of supermarket chains.

Secretarial support for the group is provided by a lobbyist paid for by the Independent Retailers Confederation, which wants to curb the dominance of large supermarket groups. Quintus Public Affairs has enlisted Manchester Metropolitan Business School to write the report.

- The All-Party Parliamentary Nuclear Group was set up in February 2003. Its mission is "to encourage and facilitate discussion among MPs and peers from across the political spectrum with an interest in nuclear issues". The group's website says administration of the group is by Miranda Kirschel, of NIA. It does not elaborate that the NIA is a trade association and information and representative body for the British civil nuclear industry. It represents more than 100 companies.
- The All-Party Group on Identity Fraud said that Christmas cards were a target for fraudsters and should be shredded. Funding for his group is provided by Fellowes, which makes shredding machines. The

Conservative chairman, Nigel Evans, denies any conflict of interest. "I stressed that people can destroy their information in a number of ways," he said.

A senior lobbyist told *The Times*: "Every time a political consultancy pitches to a new client they propose setting up an APG to raise issues surrounding their work.

It's a clever idea. If you're a shredder company nobody wants to talk to you. But if you talk about identity fraud people listen."

While APG funding is for the most part at arms length the drafting of reports by lobbyists and commercial organisations inevitably raises potential conflicts of interest.

Last night Sir Alistair Graham, Chairman of the Committee on Standards in Public Life, said he was surprised and concerned by the findings.

"The original authors of the seven principles of public life said transparency and objectivity are critical to our approach to the ways of public affairs," he said.

"This would certainly raise some questions that the committee would like to give some thought to. It deserves to come into the public domain."

Lord King of Bridgwater, the former Defence Secretary, who helped to draw up the rules on standards of conduct in public life, called on the Parliamentary Commissioner for Standards to investigate. But an official representing Sir Philip Mawer said that the commissioner would not intervene because it was a matter for individual MPs.

Lord King said: "Quite clearly it's quite improper for all party groups to be funded by people purely for the purpose of helping sell their products."

13 January 2006

3. Text of 'The Times' article 14 January 2006

An investigation by *The Times* found that rules may have been flouted. Sam Coates writes.

PARLIAMENT'S sleaze watchdog promised a rigorous investigation yesterday after *The Times* disclosed how lobbyists have infiltrated the work of supposedly independent groups of MPs.

Sir Philip Mawer, the Parliamentary Commissioner for Standards, said he found it disturbing that rules laid down by the House may have been flouted. He told *The Times*: "Evidence of breaches of the rules will be rigorously investigated. If in the light of that investigation it appears that changes in the rules would be desirable, I will not hesitate to make appropriate recommendations to the Committee on Standards and Privileges."

He said that his investigation would pay particular attention to all-party groups that only declared the backing of a lobbyist firm and not their ultimate client.

The Times found six examples where no clients are named, an apparent breach of the rules laid down by Parliament, which specify: "Where a public relations agency provides assistance, the ultimate client should be named."

Sir Philip said: "It is particularly disturbing in so far as it suggests that the rules laid down by the House, intended to ensure openness about the various influences playing on groups, may have been flouted in particular cases."

Sir Philip's intervention came amid a chorus of condemnation for the way lobbyists and powerful industry organisations give backing to supposedly independent groups of MPs. There were even calls from the head of the Chartered Institute of Public Relations, which represents several lobbying companies, for the Government to consider giving public money to all-party groups to ensure their independence.

Sir Alistair Graham, the chairman of the Committee on Standards in Public Life, told the BBC yesterday that such a conflict tarnished the work of Parliament. "I don't think those relationships are above board and transparent at the moment and I think a lot of people would be disturbed to see that this domination of certain all-party groups is taking place."

Luther Pendragon, a lobbyist firm that assists three all-party groups that did not declare their clients, including the all-party pharmacy group, said that it had already put the record straight. Simon Whale, a managing partner, said that the all-party pharmacy group had declared its backers on its own website, and had not set out to conceal the involvement of chemist firms. "That is more an accidental omission than a deliberate omission," he said. "I'm more than happy to correct it."

Gill Morris, chairman of the Association of Professional Political Consultants, said: "Our members are committed to transparency and setting the highest ethical standards. Nevertheless, it is essential that any individual, agency, company or voluntary sector organisation that helps to support an all-party parliamentary group abides by the rules of transparency and openness set by Parliament."

Colin Farrington, of the Chartered Institute of Public Relations, said: "An inquiry should be launched into why this system is apparently failing."

14 January 2006

4. Text of 'The Times' article 17 January 2006

A loophole that allows companies to benefit from the work of all party groups without having to declare their interest has been uncovered.

In an investigation into the way lobbying works in Britain, The Times discovered a lobbyist running an all party group (APG), even though he had clients in a similar area.

Doug Smith, the lobbyist who runs the all party group on Fire Safety and Rescue said that he did not have to declare in the Parliamentary register that one of his clients was the Fire Safety Development Group.

Mr Smith, a consultant from Parliamentary Monitoring Services, said his client, which is made up of members of the building industry, did not request that he got involved with the Parliamentary group.

The Fire Safety Development Group is run by a number of building companies including Pilkington, which makes glass and glazing products. It campaigns "for effective regulation governing fire protection" and lists the all party group on its website.

Mr Smith said he offered to become honorary secretary of the Parliamentary group because: "I believe in all-party groups and I think they are good things".

He said that the Fire Safety Development Group does sponsor occasional seminars for the APG but does not pay him to provide assistance to the group. He said: "The Fire Safety Development Group is a client but they don't support the all party group. There is no budget for the group."

Mr Smith said that he checked with the office of Sir Philip Mawer, the Parliamentary Commissioner for Standards, that they were not breaking any rules by not mentioning the Fire Safety Development Group in the register.

"I'm not asked to do so. I declare on the [Parliamentary register] form the companies I'm a director of. Those companies have the clients on the website. You can't expect to put the name of every client on a form."

The rules laid down by the House in 1985 state: "Where a public relations agency provides assistance, the client should be named." But the guidance provided by the Office of the Parliamentary Commissioner for Standards suggests that the client needs to be listed only if the benefits are the direct request of the client.

17 January 2006

5. List of bodies and individuals contacted by the Commissioner

Members:

Ms Janet Anderson MP

Mr Michael Clapham MP

Mr Nigel Evans MP

Mr Ken Purchase MP

Dr Howard Stoate MP

Mr Phil Willis MP

Mr Derek Wyatt MP and The Earl Baldwin of Bewdley also corresponded with the Commissioner.

Organisations

1. APPC—Association of Professional Political Consultants
2. CIPR—Chartered Institute of Public Relations
3. PRCA—Public Relations Consultants Association

1. The Charity Commission
2. The Office of the Scottish Charity Regulator

1. NCVO—National Council for Voluntary Organisations
2. NICVA—Northern Ireland Council for Voluntary Action
3. SCVO—Scottish Council for Voluntary Action
4. WCVA—Wales Council for Voluntary Action

1. ACEVO—Association of Chief Executives of Voluntary Organisations
5. AMRC—Association of Medical Research Charities.

Individuals

Mr Nicholas Lansman (Political Intelligence)

Mr Douglas Smith (Parliamentary Monitoring Services)

Mr Simon Whale (Luther Pendragon)

6. Text of Letter sent to all Group Chairmen, 30 January 2006

I am writing to you as chair of the All Party Parliamentary Group (APG) on [. . .] about a complaint I have received from the editor of ‘The Times’ following a series of articles on APGs published by the paper on 13 and 14 (and, in some editions, 17) January. You will no doubt already be aware of the articles, but I am enclosing a copy of them for ease of reference.⁴²

Also enclosed is a copy of a letter dated 20 January from the editor, Mr Robert Thomson, formally lodging his complaint.⁴³ You will see that the burden of this is that a number of APGs—of which yours is one—which are assisted by public relations or political consultancies have failed to meet their obligation under rules introduced by the House in 1985 to specify the ultimate client or clients of the consultancy firm which is assisting them. The rules (embodied in a resolution passed by the House on 17 December 1985) state inter alia:

“Commons officers of All Party and Registered Groups be required to register the names of the officers of the Group, and the source and extent of any benefits financial or in kind from outside sources which they may enjoy. . . *Where a public relations agency provides the assistance, the ultimate client should be named.*” (emphasis added)

The articles published in ‘The Times’ contain some initial reactions to this allegation but I am writing now to invite your formal response to it as the Member responsible for the Group. I am copying this letter and enclosures to [. . .] with whom you will no doubt want to discuss the matter before you reply.

The general theme of the articles published in ‘The Times’ is the way in which APGs can provide a route for lobbying companies and their clients to influence parliamentarians and, through them, public policy, and the need at minimum for a proper degree of transparency about who is seeking to bring influence to bear in this way. The articles focus on the extent of support given to groups, not only financially but in the writing of reports. In his letter of 20 January, the editor of ‘The Times’ raises a number of more general questions about the regulation of APGs including:

1. Whether the way in which my office has over many years interpreted the 1985 rule—ie. as requiring the ultimate client of a consultancy to be named only where the client has specifically requested and is funding the provision of support to a group—has unintentionally created a loophole in the regulatory arrangements;
2. whether, where the client is a trade or umbrella organisation, it is desirable for all the members of that organisation also to be listed in the Register of APGs;
3. whether it is appropriate for lobbyists to write reports on behalf of APGs and if it is whether the lobbyist’s role in this respect (and their client(s)) should be made clear on reports and in publicity about them;
4. whether it is possible for an APG to be compromised by commercial or charity/non-profit backing.

As well as examining the specific complaint of breach of the rules made by ‘The Times’ I intend to consider any implications for the existing rules laid down by the House and their enforcement and to cover these matters in the report I will make to the Committee on Standards and Privileges. I shall therefore welcome any observations you may wish to make on the more general matters raised in the editor’s letter or related points. In parallel with my approach to you, I am also contacting bodies representative of the lobbying industry (the Association of Professional Political Consultants, the Chartered Institute of Public Relations and the Public Relations Consultants Association) as well as of the not-for-profit sector (NCVO and ACEVO) to invite their views on these general points.

42 WE2-4

43 WE1

It would be helpful to have your response, if possible by the time the House rises for the half term recess on 16 February.

If you would find it helpful to discuss any of the matters raised, then please do not hesitate to call me on the number above or, failing me, the Assistant Registrar, [. . .] on [. . .].

I look forward to hearing from you.

Sir Philip Mawer

30 January 2006

7. Letter to the Commissioner from Mr Ken Purchase MP, 7 February 2006

Thank you for drawing my attention to allegations made by a newspaper about the Exports APG which I co-Chair.

The allegations are wrong. The Exports Group has declared all it is required to do and I have the assurances of Mr Douglas Smith of PMSL that there are no outstanding matters relating to interests needing his further attention.

If you have specific evidence of any oversight on my part or that of PMSL, I would be grateful if you would let me know at your earliest convenience.

Ken Purchase MP

7 February 2006

8. Letter to the Commissioner from Mr Michael Clapham MP, 14 February 2006⁴⁴

Thank you for your letter of 30 January which I am now sharing with the officers of our Group. We had, of course, earlier received details of ‘The Times’ articles from Douglas Smith and in view of the misinformation they contain were considering whether to be in touch with you in any event.

Our principal concern was reference in ‘The Times’ article of January 14 under Parliamentary Monitoring Services that our Group had “backers not identified in the Register.” As you will be aware, the sole backing we receive is from sponsors of specific events which are passed to you as they take place and are then recorded in the Register by yourselves. For example, Register Entry 22 November 2005 notes a “Seminar funded by the Federation of British Fire Organisations and the Fire Safety Development Group.”

This is surely an identification of backers in a clear way. Since our Group’s official purpose (again in your Register) is “To meet and discuss topical fire safety and rescue issues with appropriate specialists in these fields,” the sole and sensible way of declaring who supports our Group lies in identifying them as such meetings and discussions take place. It is not the policy of our All-Party Group, although it may with others, to be funded by any single trade group or commercial concern.

‘The Times’ are therefore in error here, as elsewhere in the same article, and we would welcome their acknowledgement of the fact. Perhaps in your dealings with them this request can be conveyed.

Douglas Smith informs us that he made this very point in a brief telephone discussion with the article’s author on 12 January, the only occasion when Sam Coates chose to contact him.

At the same time Douglas Smith revealed that the Fire Safety Development Group were clients of one of his companies, Westminster Advisers. We have long been aware of that connection, as of the fact that the Fire

44 Enclosures not appended to the Commissioner’s report

Brigades Union are also a client of that company. Both bodies have contributed to our various Seminars over recent years alongside many others associated with fire safety and rescue. The attached programme of our most recent event shows how both were involved again as well as the range of other contributors and a different overall sponsoring group. We see nothing whatsoever suspicious or dangerous in such an arrangement since our concern is for widespread and significant discussion.

If Mr Coates had consulted the Westminster Advisers website he would have found both the FBU and FSDG on their client list. He could also have discovered those companies who are members of the FSDG. This is open intelligence. We make this point in relation to the suggestion that somehow the rules introduced in 1985 to which you refer (ultimate client or clients of the consultancy firm assisting should be specified) are being flouted through an unintentional loophole. This is clearly not the case here, nor should anyone who consulted open website details sensibly conclude that it was.

These comments cover Item 1 of your letter and also much of Item 2. Frankly we cannot see that every member of a trade association should, or could, realistically be listed on the APG Register. In some cases their membership includes scores of companies, if not hundreds. As we have said, such information is invariably and readily revealed in websites.

Turning to Item 3, it may well be that lobbyists draft reports for some All-Party Groups as, no doubt, they draft speeches for some Hon Members in a wider way. It does not, however, apply to our Group. The only documents we produce are a detailed summary of contributions to our Seminars. These are a matter of record, invariably cleared beforehand with the contributors. They may, of course, have engaged lobbyists to compose their contribution but one can hardly be expected to require such detail.

Item 4 is less easy to answer. Any Group might conceivably be ‘compromised’ in its activities, be they an APG, a Select Committee or even more distinguished bodies. In this instance, however, we believe it is highly unlikely. A majority of our Group’s members are experienced Parliamentarians not easily deceived. The same applies to those who kindly assist us.

To summarise, we agree that the key to much of this discussion lies in ensuring full transparency in a realistic way. For the CIPR to suggest that public money be provided to All-Party Groups is hardly practical given their number, variety and the extent of control required to do so, not to mention the cost. More sensible is the comment from APPC that the professional public relations trade bodies push for the highest standards of openness—but, one must ask, how many lobbying groups and companies operate outside such trade or professional associations? From our experience, they are numerous.

To suggest, as ‘The Times’ first header did (‘Dirty Little Secret’) on 11 January that somehow their articles revealed “liberties being taken in Westminster (were) a sign of worse to come” is extravagant. Their chief political commentator, Peter Riddell (Political Briefing, 13 January) put matters in a far more balanced light.

As a Group we believe there is every argument for operating the present APG system, given it is (as largely accepted in the current discussion) realistically controlled. Our own Group, through a modest programme of Seminars, provides the opportunity for outside bodies to liaise with interested Parliamentarians in a wider way than Select Committees operate, and are therefore a valuable addition to the political scene. It would be sad indeed if a few instances of laxity or deception endangered that greater good.

Should there be more information you require, please contact me. I understand Douglas Smith has been invited to give his views independently. From his long experience with ourselves and other Groups we are confident he will also be able to assist if need be. We shall anyway study the conclusion you reach with interest and then discuss how we can best secure a withdrawal from ‘The Times’ for the false assumption they have clearly made.

Mr Michael Clapham

14 February 2006

9. Letter to the Commissioner from Mr Douglas Smith, 14 February 2006

Thank you for your letter of 31 January. As you anticipated I have been in touch with Officers of the two APG's mentioned in 'The Times' articles last month and discussed the matter with them.

You have, of course, already received a reply from Ken Purchase MP on behalf of the Export APG and responded to him. In that regard, could it be clear I did advise him specifically of the Rules on declaration of interest and related matters applying to APG's. He was therefore aware of the detail before he expressed his views.

The Fire and Rescue APG Joint Chairman, Michael Clapham, is responding today. You will see this is a more detailed letter, and accordingly might be of greater assistance in your assessment of 'The Times' complaint. It covers the point raised by its Editor concerning my relationship with the Fire Safety Development Group but I will later expand on this further. For the moment could I simply express my own full agreement with the views expressed by Michael Clapham and those with whom he has consulted.

There is, of course, a third All-Party Group, APG Built Environment, which was not referred to in 'The Times' articles. This is operated entirely on the same lines as the previous two APGs but is closer to APG Export in that not a single client of the companies with which I am involved has been involved in events being supported by that Group.

Reverting to references to the Fire Safety Development Group (FSDG), it might be helpful if I recounted my sole contact with 'The Times' in this matter. Sam Coates telephoned me on Thursday 12 January when I spoke with him late that afternoon as (he said) he was finalising his article for the following day's edition. It was therefore a somewhat rushed discussion which I cannot recall exactly but certainly I (rather than he) did introduce the FSDG and stressed how its support for a recent APG Fire seminar had been openly disclosed. Mr Coates subsequently explored various websites and produced the article (17 January) which I found irritating. The headline 'Loophole allows lobbyists to keep quiet' is a clear distortion of the truth with regard to the FSDG, the sole example cited. As is obvious to anyone studying your Register, FSDG is declared as one of the two sponsors to the 14 November APG Fire Seminar. Yet Mr Coates wrongly quotes me as saying "The Fire Safety Development Group is a client but they don't support the all-party group." They did but for this event only, as other bodies do for other events, and are declared as such.

In misquoting me, Mr Coates may have misunderstood the point I made to him in our only conversation, namely that APG Fire has no single sponsor, unlike some other Groups, a fact Michael Clapham develops in his letter to you. If this article had been checked with me before appearance, no doubt the error could have been corrected, but it was not. Neither, as we know, was the erroneous statement in the 14 January article under Parliamentary Monitoring Services that "Fire Safety and Rescue backers not identified on register" which again reflects his misunderstanding of backers being identified in many cases (and as your Guidance requires) with actual events, not the Groups as a whole.

You will appreciate, I trust, my emphasising this basic error and explaining how, by proper follow-up contact at a time when he was not under deadline pressure, matters could have been properly clarified. That is why APG Fire are requesting an apology from 'The Times', albeit without much hope that it will be in any form offered.

One final point of detail. Since the January articles, I have reported changes in my own personal position with regard to companies of which I am a Director. Neither in any way related to 'The Times' articles but arose from my own gradual retirement (having reached the grand age of 70 last August) from certain activities. The move from Managing Director to Chairman of Westminster Advisers occurred last August and is recorded in that company's Minutes for a meeting held on 23 August 2005. I remain active within that company as a Director. My leaving the Chair of Parliamentary Monitoring Services and its Board of Directors was a decision taken in December last but despatched to Companies House on 26 January, alongside those of two other directors. Your 'without prejudice' point (the Assistant Registrar's letter of 9 February) is fully taken but, as I have said, the moves were simply part of company developments.

This is already a lengthy letter but in yours of 31 January you invite my comments on any wider questions raised by these ‘articles’.⁴⁵ It is a tempting as well as thoughtful proposal which could better be developed at the meeting you now also suggest (reply to Ken Purchase) might take place.

Briefly, however, what I believe these articles, however faulty in important places, might encourage are further steps capable of sensible implementation within the UK lobbying field and its relationship with Parliament.

When I took part in certain Parliamentary inquiries in the 1980’s (at that time I held elected posts at both the Public Relations Consultants’ Association and the then IPR), there was a greater distrust of lobbying per se than now. Whatever the flaws one still sees, there is no longer a substantial disbelief amongst certain Parliamentarians that specialist advice and assistance to influence political decisions was inevitably at best shady or at worst positively malign. There was even then, however, an acceptance that transparency (‘declaration of interest’ was the common phrase) not embargo was a proper approach to the issues arising. Our problem was how, without a flood of ever-changing paper registration, actually to achieve it.

That difficulty has, could one suggest, surely been overcome by the development and acceptance of website technology. All groups and organisations can, and usually do, now openly display details of their activities, as well as broader intelligence, on websites. There could surely be a requirement for all bodies having a relationship with Parliament to disclose that linkage whenever it substantially or formally occurs. Clearly this cannot reflect individual conversation or private correspondence but it could embrace any event held with a recognised Parliamentary Group.

Such an instruction would clearly concern public affairs activity by public relations or PR branches of companies and other groups especially. Those with membership of recognised bodies such as CIPR, PRCA or APPC should implement such an instruction through Codes of Conduct properly enforced. For the many groups outside these bodies, it is more difficult.

For myself I would also hope, that all APG’s embrace a broad rather than narrow ‘Purpose’ within its field of activity. That would restrict those funded by a single organisation or trade association, which is surely not a proper purpose of any Group recognised by Parliament.

Thank you for your invitation to provide these broader thoughts. I trust, however, that all this information is helpful to your inquiry, the results of which will be awaited with interest. If you wish further facts, please let me know and I would anyway be pleased to meet with you on any of the issues.

Mr Douglas Smith

14 February 2006

10. Note of meeting with Mr Douglas Smith, 28 February 2006

1. PM started by saying that one question that arose from The Times articles was whether our office had historically interpreted the rules too narrowly; another concerned wider issues and practicalities.
2. DS said that regarding the groups he personally was involved with he had followed the rules laid down by the House. The article was incorrect in stating that the Fire Safety and Export groups’ supporters were not listed in the Register.
3. PM said the 1985 Resolution required that where a consultancy supports a group, the ultimate client of the consultancy should be named. We had historically interpreted this to mean that any client who asked a consultancy to provide support for a group—and funded it to provide that support—should be named.
4. DS said that the Fire Safety Development Group was one of Westminster Advisers Ltd’s clients. Westminster Advisers Ltd did not provide administrative services to the Fire Safety and Rescue APG at the request of any of its clients nor was it paid by them to do so. Sponsorship took the form of funding for

⁴⁵ Not appended to the Commissioner’s report.

particular events, the sponsors of which were named on the Register. The Fire Safety and Rescue APG deliberately chose to receive sponsorship from various sources throughout the industry rather than from just one specific organisation.

5. PM said that the need for proper attribution in relation to the publication of reports was something he was looking at. He assumed that the fact that one of Westminster Advisers Ltd's clients was the Fire Safety Development Group helped DS's consultancy in terms of the service it provided to the Fire Safety and Rescue APG. Equally, his consultancy received fees from its clients and though the latter might not directly fund the group they might well benefit from DS's involvement with the group. This raised the question of whether the current rules should be more general in scope by requiring that any client of a consultancy who has an interest in the group's remit should be registered.
6. DS said that Westminster Advisers Ltd's client list was on the internet so transparency already existed on that point.
7. PM said that people could only see that transparency if they had access to the internet.
8. DS said that before the internet existed transparency was only achievable through printed documents but that had changed with the advent of the internet. He therefore did not accept The Times' allegations of secrecy about his clients.
9. PM asked DS if he thought there was any merit in us providing links from our Register to the websites of groups and also organisations which sponsor groups.
10. DS thought that all groups, certainly those supported by professional lobbying organisations, should be required to have a website and name their clients on it.
11. PW commented that not all groups had a website and not all could afford one as some operated with little or no financial support.
12. DS accepted that but thought there was no excuse for a consultancy not having a website.
13. PM said that DS's colleague, Nicholas Lansman, had previously expressed concern to him about client confidentiality although more recently had told him that the ground was shifting on that point as one of his clients, who previously did not want to be identified, had recently chosen to reveal themselves to the media.
14. DS said that Mr Lansman was entitled to his view about confidentiality and that he would not wish to force him to go against his convictions. He himself believed, however, that it was right for a firm to make public its list of clients.
15. DS said that in the 1980s the PRCA (Public Relations Consultants Association) had set up a list of professional public relations organisations. It cited all their clients and was published annually.
16. PM said that he had recently met Rod Cartwright from the Public Relations Consultants Association and Gill Morris from the Association of Professional Political Consultants. They had told him that 80-85% of firms involved in this area of consultancy were members of either the PRCA or APPC. The remainder were not affiliated to any such body.
17. DS said that Ian Greer Associates had been a prime example of the latter type. Ian Greer had given evidence to a select committee and suggested that a register should be set up. Four years later his business folded in the 'cash for questions' investigation. His submission provided an interesting analysis of the lobbying industry as a whole and was noteworthy because at the time Ian Greer Associates was probably the largest lobbying company in the country.
18. PM asked if it would be better if Members did not accept consultancy services from firms which were not members of either the APPC or PRCA.
19. DS did not believe that was workable or that Parliament should forbid it.

20. PM asked DS to describe the nature of his companies.
21. DS said that they had already touched on Westminster Advisers Ltd. His involvement with Political Intelligence had no bearing on any of the groups he himself was involved with. However, as a director of that company he accepted some responsibility for the groups run by his colleague, Nicolas Lansman, who he believed was running them properly. DS was also a director of Parliamentary Monitoring Services, which he described as a 'monitoring body' that might give 'lobbying advice' but did not lobby in its own right. DS then gave PM a copy of the client list for Parliamentary Monitoring Services.⁴⁶ DS said it was difficult for them to keep the list up to date as it was huge and changed frequently. He imagined we would not therefore want to include the list on our Register.
22. PM said that an alternative might be for us to provide a link from our Register to the website of any lobbying organisation, charity, or whatever that acted as a group's secretariat. In the case of a lobbying organisation, people would then have access to its full client list.
23. DS said that Parliamentary Perceptions had only been set up recently and existed solely to organise conferences, seminars and other events both in the House and elsewhere. It was 'not a lobbying organisation', had no website and was 'not promoting anything'.
24. PM said that DS mentioned in his letter that some groups have too narrow a purpose.⁴⁷
25. DS said he did not believe that groups should promote a particular cause (eg nuclear energy) but should take a broader view (eg of the nuclear industry as a whole). He knew of Members who had left groups because they found the group's focus too narrow.
26. PM asked if DS had anything more to say in terms of historical background.
27. DS said that during the 1980s Sir Geoffrey Johnson Smith had presided over the Members' Interests Committee. A common theme then was how to improve the system without making it too complicated. DS believed that only Parliament could monitor groups effectively. No-one wanted a witch-finder general or hundreds of people doing the monitoring. Perhaps it could be done better but there was no easy answer. [DS then gave PM a copy of the Minutes of Evidence relating to 3 evidence sessions before the Committee].⁴⁸
28. PM said it was inevitable and right that arrangements should be reviewed from time to time to ensure they reflected present day needs and circumstances.
29. DS said that the officers of his groups—particularly the Fire Safety and Rescue APG—had asked him to say that they wanted PM's report to make clear that they had done nothing wrong.
30. PM said that he could not prejudge the outcome of his inquiry. It might be suggested that if there was a mistake it was in not making clear on the register where organisations that provided support for group events were also clients of Westminster Advisers Ltd. DS was presumably better able to support the group by the involvement of such clients, and the clients themselves presumably derived some benefit from their association with the group.
31. DS said that the main benefit of his involvement with groups was getting to know parliamentarians and, by doing a good job, gaining their respect. There was obviously a commercial advantage for him and therefore benefit to his clients, but the relationship was also of benefit to the MPs involved.
32. PM said that presumably groups did not just provide him with a means of making contact with

46 Not appended to the Commissioner's report.

47 Not appended to the Commissioner's report.

48 Not appended to the Commissioner's report.

parliamentarians but a means by which his clients could pursue their interests. Parliamentarians got the provision of services that would otherwise have to be paid for through the public purse. They also got access to a range of opinions that made them better informed (eg in debates in the House).

33. DS said it also made them better informed at a constituency level. He stressed that organisations such as his naturally had commercial considerations regarding their involvement with groups; they were not charities. Lobbying was nothing new [DS then gave PM a copy of a relevant text written in the 17th Century].⁴⁹ The question was how best to recognise that it would go on and make it transparent.
34. PM asked DS if there were any other comments he wished to make.
35. DS said he thought anyone, not just pass holders, who provided services to a group should be required to register their interests. All 'staff' benefited in some way from their involvement with groups (eg the kudos of having their name cited on the group's House of Commons notepaper as its administrator).
36. DS said that the Association of Professional Political Consultants had been formed as a result of a blow-up in the media in the 1980s. This advanced the cause of transparency and we, with the present investigation triggered by the media, had an opportunity to do the same.

Assistant Registrar

28 February 2006

11. Letter to the Commissioner from Mrs Janet Anderson, 16 February 2006

I am writing in response to your letter dated 31 January 2006 regarding a complaint from the editor of The Times relating to All-Party Parliamentary Groups.

The All-Party Parliamentary IP Group, of which I am Chair, does receive administrative assistance from public relations company Luther Pendragon, as stated on the Group register. Luther Pendragon receives funding from the Alliance Against IP Theft in order to provide this support. As Chair of the All-Party Parliamentary IP Group I am responsible for running the Group, setting its agenda and deciding its work programme.

I would like to assure you that the exclusion of the Alliance Against IP Theft from the Group register was solely an administrative error rather than anything else and I was delighted to put this right. As soon as this was brought to my attention, the Office of the Parliamentary Commissioner for Standards was alerted and a request submitted to amend the Group register to list the Alliance Against IP Theft as the ultimate client, in line with the rules. I understand that [the Assistant Registrar] has amended the Group register accordingly.

More broadly, I would like to reiterate my view that All-Party Groups are an excellent way of encouraging discussion and increasing Parliamentary understanding of a wide range of issues and topics. As such, they are greatly appreciated by the very many MPs who choose to attend their meetings and serve as their officers, including myself. I also believe that the support provided to the All-Party Parliamentary IP Group by the Alliance is of significant benefit to Parliamentarians. I endorse the suggestions in Luther Pendragon's recent letter to you, designed to ensure that such relationships cannot be open to misinterpretation or mischievous misrepresentation.

If you would like to discuss any of these points with me, please call my office on [. . .].

I look forward to hearing the outcome of the investigations.

⁴⁹ Not appended to the Commissioner's report.

*Mrs Janet Anderson MP**16 February 2006***12. Letter to the Commissioner from Dr Howard Stoate, 13 February 2006**

Thank you for your letter dated 31 January 2006 regarding a complaint you have received from the editor of *The Times* relating to All Party Parliamentary Groups. I am responding in my capacity as Chair of both the All Party Pharmacy Group and the All Party Group on Patient Safety. The main focus of the complaint is that certain APGs, including the two I name above, had not listed in the register the ultimate clients of the consultancy firm which assists them.

I am pleased to confirm that the All Party Pharmacy Group and the All Party Group on Patient Safety receive administrative assistance from public relations company Luther Pendragon, as stated on the Register. The nature of this assistance is set out in the Register. As Chair of both Groups I—in consultation with parliamentary colleagues on the Groups—am responsible for setting the Group's work programme and determining their public statements.

I want to emphasize that the omission of the ultimate clients of Luther Pendragon from the register entries for my two Groups was entirely accidental. There was no intention to mislead. Quite the contrary, I run both of these Groups in an open and transparent manner. Both have websites, and both state clearly and explicitly the organisations that provide support. As your own records will show, the entry for the All Party Pharmacy Group has on previous occasions included the ultimate clients of Luther Pendragon. As soon as I was made aware of the omissions in the current register, your colleague [. . .] was contacted and they were put right.

I note that you intend to look at the rules generally for APGs. Simon Whale of Luther Pendragon sent me a copy of his letter to you dated 16 January, and I have therefore read the proposals it contains.⁵⁰ I believe these would be helpful changes.

Finally I would like to impress on you the value and usefulness of APGs to parliamentarians. They enable MPs and peers to increase their understanding of and develop their views on a broad range of subjects and issues. Without the support that Groups such as mine receive, they could not operate effectively. Of course that support should be (and is, in the case of my APGs) openly declared.

I would be happy to discuss this matter further should you wish. Otherwise I look forward to hearing the outcome of your inquiries.

*Dr Howard Stoate MP**13 February 2006***13. Letter to the Commissioner from Mr Simon Whale, 16 January 2006**

I read your comments in the *Times* of 14 January 2006 in which you said you would be conducting an investigation into possible breaches of the rules concerning the registration of all-party groups. Luther Pendragon would welcome a review of the rules. On behalf of clients, we provide administrative assistance to four of the 300 or so all-party groups in Parliament. We have our own suggestions as to how the registration of all-party groups might be improved. We are also keen to assure you of our commitment to transparency and the highest standards of conduct in relation to the groups we assist on behalf of our clients.

As I am sure you know, all-party groups are recognised as a valuable means for parliamentarians to develop their interests and knowledge in detailed areas of policy. Without them, many feel Parliament would be less well-informed and less able to question and hold to account the Executive.

Luther Pendragon provides administrative assistance to the following groups:

All-Party Flood Prevention Group (on behalf of our client, Norwich Union)

All-Party Group on Intellectual Property (on behalf of our client, the Alliance Against Counterfeiting & Piracy).

All-Party Group on Patient Safety (on behalf of our clients, the Association of British Healthcare Industries and Baxter Healthcare).

All-Party Pharmacy Group (on behalf of our clients the Company Chemists' Association, the National Pharmacy Association, the Pharmaceutical Services Negotiating Committee, and the Royal Pharmaceutical Society of Great Britain).

These groups are established by the parliamentarians concerned. These parliamentarians determine the actions and views of their groups. The groups express their own views in the manner and at the times they choose. The parliamentarians would not have it any other way and we also would be concerned if the groups were not robustly independent.

Most active all-party groups receive support from external sources because MPs and peers generally do not have the financial resources, or the time, to administer the groups themselves. The provision of administrative resource should not be equated with undue or inappropriate influence.

The clients of Luther Pendragon that provide the financial resource for us to supply administrative assistance do so for clear reasons. They are interested in fostering the flow of information and opinion between parliamentarians and parties external to parliament on relevant subjects. They are interested in fostering parliamentarians' knowledge of issues and subjects of public interest. It seems to us that this is a healthy democratic state of affairs.

A quick look at the way the groups we assist conduct themselves confirms their independence and openness.

For example, the All-Party Pharmacy Group holds all its meetings in public. It invites a broad range of interested parties to attend its meetings. This includes NHS managers, patient organisations and voluntary groups, NHS health professionals including but by no means limited to pharmacists, and the media. The Chair of the Group, in consultation with other Officers, determines the subject matter for meetings and decides who to invite as guest speaker(s). Luther Pendragon ensures a room is booked, sends out invitations to interested parties including the guest speaker(s), takes notes of the meeting on behalf of the Officers and—where the Group decides it wishes to take further action on the matter discussed at the meeting—converts those notes into the draft or outline of a report. The draft is sent to the Chair who then on behalf of the Group amends it as necessary and approves it. He decides who it should be sent to and sends it with his own covering letter.

The All-Party Pharmacy Group does not represent the views of pharmacists nor does it merely listen to the views of pharmacists. Indeed it invites to its meetings, listens to and takes into account all shades of opinion of relevant health issues, including opinions that differ significantly from those of the pharmacy organisations who provide support to the Group.

All-Party Groups are not required to set up and maintain websites, yet this is an excellent way for such groups to make themselves accessible to interested parties. The All-Party Pharmacy Group was keen to establish a website in order to ensure that all those interested in its work and its opinions could see for themselves. Its website (www.APG.org.uk) includes information on all the group's past activities and plans for the future. It is also entirely open and explicit about the sources of financial support and about Luther Pendragon's role in providing administrative support. This commitment to transparency and openness is a core principle of the Group.

The website is clearly laid out and is easy to find. The Group's letterhead paper prominently displays the website address. Anyone wishing to attend a meeting of the Group visits the website in order to register their interest.

Indeed, the Times were able to write about the All-Party Pharmacy Group precisely because it sets out on its website all the details of its work, its sources of funding and administrative assistance.

The description above of the assistance we provide the All-Party Pharmacy Group also applies to the assistance we provide the other three groups. Indeed, the All-Party Group on Patient Safety also has a website (www.patient-safety.org.uk) which sets out all its activities and plans, and is open and explicit about its source of funding and administrative assistance.

The Times highlighted an omission in relation to the registration of three groups to which we provide assistance. In each case we have not, in the current Register, listed the clients on behalf of whom we provide assistance to the Group. In the fourth case we have. In the case of the All-Party Pharmacy Group we have done so in the Register in previous years. These are entirely accidental omissions for which I apologise. There has been no intention to mislead. I hope the description above of the open and transparent approach that typifies the Groups we assist provides assurance on this point. On the morning of 13 January, as soon as we were made aware of these omissions by The Times, we contacted [the Assistant Registrar] in your office by telephone and then sent to her that same day requests in writing that the current Register is corrected.

While that ensures compliance with the current rules of registration, we would support changes to the rules to strengthen openness and transparency, and we have specific proposals in that regard:

Additional information in the Register

At present the Register requires the organisation providing benefits to the Group to be named. While the current rules state that in the case of a consultancy the ultimate client should be named, we believe it would also be helpful to require additional information on the registration form itself. Specifically we propose the following additions:

1. Please state whether the organisation named as providing benefits is a consultancy company.
2. If the answer to 1 is yes, please name the clients on behalf of whom the consultancy company is providing support.
3. If the answer to 1 is no, please state whether your organisation receives assistance from a consultancy company in respect of your support for the all-party group.
4. If the answer to 3 is yes, please state the name of the consultancy.

These additions would ensure that anyone reading the Register entry would be able to see which consultancy companies are involved, whether directly as in our case, or indirectly.

Appendix to the Register

We propose that an appendix is added to the Register containing a list of the organisations that provide support to more than one all-party group. This would in particular highlight to readers which consultancy companies provide assistance to which groups without the readers having to read through all the entries to find out.

Index of supporting organisations

For similar reasons, we propose an index listing alphabetically all the organisations that provide support to all-party groups.

Power to refuse entry to Register

At present, it seems that it is possible for incorrect registration details to be entered on the Register. We believe your office should have the power and responsibility to vet registration information and refuse entry on to the Register where information is incomplete or incorrect. Our inadvertent omission in the current Register would have been prevented if this were currently the case. This would also prevent deliberate attempts to mislead or hide information.

Acknowledgement of support in written communication

We propose that where all-party groups receive financial support, the providers of that support are named in all written communication by the groups, including websites and other electronic communication. While we accept this may have the undesirable effect of wrongly implying a lack of independence on the group's part, it is in our judgement helpful for reasons of transparency and openness.

Encouragement to establish websites

While we do not favour making it compulsory for all-party groups to have their own websites, we do believe it is desirable. We believe it would be helpful if guidance produced by your office were to make that clear and that the addresses of websites were to be specifically listed in the Register. We believe your guidance should state that a group's website should be explicit about its sources of financial and administrative support. This can only improve transparency and understanding of what all-party groups do and how they operate.

We would be pleased to discuss these changes with you, or any other initiatives that you consider appropriate to strengthen confidence in the work of all-party groups.

We are confident that the assistance we provide to all-party groups meets the highest standards of professional conduct and integrity, and we are keen to ensure that parliamentarians, journalists and any other interested parties—including ourselves—are able to access accurate and complete information about all aspects of the important work that these groups undertake.

Mr Simon Whale

16 January 2006

14. Letter to the Commissioner from Mr Phil Willis MP, 2 March 2006

Thank you for your letter of 31 January requesting information re the recent article in the Times newspaper alleging that the All Party Mobile Communications Group of which I am the Chairman, has failed to comply with a requirement to publish the names of the ultimate client(s) of a consultancy firm that is assisting the Group.

Let me first of all say that the inquiry from the Times is perfectly proper and it is crucial that any Group with influence within Parliament is transparent about where it receives support.

Indeed the very reason I sought to set up the APG on Mobile Communications was to head off the setting up of an Associate Parliamentary Party Group that would have been directly supported by the mobile operating companies. I and many of my colleagues felt there was a need to have an APG that had at its core the interests of consumers i.e. our constituents.

As with all APG's we required administrative support and we approached 'Political Intelligence' who had an expertise in the field of ICT and mobile communications to support our work. Political Intelligence were already supporting other APG's and were recognised as having the relevant independence from mobile operators to service the APG without compromising the purpose of the Group.

The APG Mobile Communications (ApMobile) was set up in 2003 and all our activities have been directed at our core mission—to represent the interests of constituents within the area of mobile communications.

ApMobile has no corporate members and where resources are needed for events (usually refreshments) or to fund research we seek independent sponsorship. With the exception of private meetings with Ministers or Members' seminars, all our meetings are open to the public, academics, interest groups and industry.

The role of 'Political Intelligence' is to act as a secretariat and where necessary specialist adviser to ApMobile. They receive no payment for their services, either from the APG or from their clients in support of our work which is why I did not even consider asking 'Political Intelligence' to list their clients as part of our declaration.

My interpretation of the 1985 rules was exactly as you outline in your letter to me.

None of 'Political Intelligence' clients were 'specifically requested' and 'none were providing funding in support of the group'—therefore I saw no need to seek or name any organisation other than 'Political Intelligence' who were providing a 'pro bono' service.

The work of 'Ap Mobile' is decided by the officers of the group with a very strong steer from me as Chairman and there has never been any attempt by 'Political Intelligence' to influence the agenda or to propose events where their potential or actual clients could be perceived as having an advantage. Indeed a look at the agenda items for our meetings would immediately dispel any fears that ApMobile is influenced by industry.

All our events are listed on our website 'apmobile.org.uk' and have included:

- "Mobile Phone Masts-Report of an Inquiry by the All Party Mobile Group". A detailed investigation into the way the planning system operates with a series of recommendations to Ministers. July 2004.
- Seminar: "Mobile Generation: Realising Potential, Minimising Risk". A discussion about how the industry is working to minimise the risks to vulnerable users of mobile phones from harmful and illegal content whilst ensuring that the potential of 3G can be realised.
- Seminar: "Mobile Masts and Planning". A meeting of parliamentarians, civil servants, industry, pressure groups and members of the public.
- Seminar: "Spam and Scams". A meeting attended by Parliamentarians, civil servants, industry, pressure groups and members of the public.
- Seminar: "Mobiles and Driving". A meeting with speakers including David Jamieson MP Parliamentary Under Secretary for Road Safety, Tim Harrabin of Vodafone, Kevin Clinton from RoSPA and Andrew Howard of the AA.
- Seminar: "The Ten Commitments: All Talk, No Action?" A discussion with industry about the 'Ten Commitments' and how they are being adhered to in practice.
- In addition meetings have been held with Ministers—[. . .] and [. . .]—over planning issues surrounding the siting of mobile phone masts.

If 'The Times' or any other organisation can demonstrate what advantage any of 'Political Intelligence' clients might have gained from our programme then I would be extremely interested to see. The programme is almost entirely one of public interest and fulfils the brief the APG set when it began—to look after the interests of our constituents.

The one major Report the APG has produced was written by an independent academic with no input from 'Political Intelligence'.

Finally, there is obviously a need to make transparent the work of APG's particularly those Associate groups where there is a direct relationship between the corporate members and the work of the group. The relationship between ApMobile and 'Political Intelligence' falls into an entirely different category. 'Political Intelligence' is not working for a specific client or group of clients.

Mr Phil Willis MP

2 March 2006

15. Letter to the Commissioner from Mr Nicholas Lansman, 26 February 2006

Thank you for your time last week. As promised I write to address the allegation that we have not named "the ultimate client" where we have provided assistance to the All Party Parliamentary Group on Mobile Communications.

Firstly I feel it may be useful if I outline how ApMobile is directed and managed.

The work of the group is decided by the officers taking a strong lead from the Group's chairman Phil Willis MP.

- ApMobile seminars in the House of Commons have been open to parliamentarians, local government, action groups, researchers, academics and industry representatives.
- Invitations go out by email to all individuals and organisations who have been asked to be kept involved of the work of the group.
- Neither companies nor individuals can join the Group.

The assistance we provide is largely administrative; however as one of PI's specialisations is ICT (Information and Communication Technologies) we are able to assist Parliamentarians in describing developments in the sector and to a degree explaining the technology. Political Intelligence receives no remuneration from ApMobile.

The assistance we provide consists of:

- Organising seminars on behalf of officers of the group
- Maintaining a simple website
- Dealing with the bank account of the Group (only Parliamentarians are signatories).
- Presenting the accounts and bank statements to the officers.
- Attending to requests for further information from incoming email/tel enquiries.
- Organising an inquiry and report in 2004 on mobile mast planning.

The decision to undertake an inquiry on mobile mast planning in 2004 came from the officers of ApMobile. A press release announcing the inquiry and report was issued widely. Written evidence submitted and views expressed in oral evidence sessions were written up into a report by an independent academic from the School of Planning and Architecture at the University of West of England, Bristol. Members of ApMobile agreed the final report and the recommendations. Political Intelligence had no input into the report whatsoever.

However, PI did raise a modest amount of sponsorship to pay for the basic costs: honorary to the author plus modest Travel expenses ...report printing costs—£250 and the cost of verbatim reporters—£1020. The surplus remains in the ApMobile bank account.

The sponsorship came from two companies who were not clients of my company and whose input into the report was no more than the opportunity to submit written and oral evidence along with everyone else (see Annex 1).⁵¹ Even the decision of who to call for oral evidence rested entirely with the MPs and independent academic.

Political intelligence did not receive any payment for organising the inquiry and the report was not produced at the request of any of our clients.

The decision not to record the names of the companies was in no way to avoid transparency but simply because of the prevailing interpretation of the 1985 rules as you outline in your letter to Phil Willis MP:

“.... as requiring the ultimate client of a consultancy to be named only where the client has specifically requested and is funding the provision of support to a group.”

51 Not appended to the Commissioner's report.

As I have tried to explain above, the cost of the work of ApMobile is not paid for by any of our clients. Relatively small amounts of sponsorship are raised to cover basic costs such as refreshments following a seminar or the costs associated with producing a report as outlined above.

Is this a loophole? Yes it may well be, but in the case of ApMobile it is certainly not being used as a route to inappropriately influence parliamentarians and public policy nor to deliberately obfuscate funding.

I would like to suggest some possible changes to the existing rules which may help to offer greater clarity to all those involved in All Party Groups.

One option would be to publicly fund APGs and enforce stricter reporting mechanisms. I personally believe APGs should restrict their membership to Parliamentarians—although for many groups without industry support this could spell their demise.

APGs should perhaps also be asked to publish their accounts annually listing all sources of revenue. With regard to reports produced, a system of making public their authors would also improve transparency.

Please contact me if you would like to discuss the contents of this letter or any of the suggestions above.

Mr Nicholas Lansman

26 February 2006

16. Letter to Mr Nicholas Lansman from the Commissioner, 26 April 2006

I hope to be able shortly to send you and Phil Willis MP (to whom I am copying this letter) a draft of the factual sections of my report on “The Times” complaint about All Party Parliamentary Groups, including Ap Mobile. Before I can do so there is one factual point arising from your letter to me of 26 February which I need to resolve.

In that letter you say that Political Intelligence (PI) raised “a modest amount of sponsorship” to pay for the basic costs of the Group’s report on mobile mast planning. The sponsorship came from two companies which were not clients of PI. You do not say how much each company donated in total—I should be grateful if you will let me have the relevant figures—but it is clear from the figures you do give that the donations must have exceeded the then threshold of £500 for the registration of benefits received by Groups.

Neither of the donations to the Group was registered. In your letter you say that this was, in effect, because neither company had requested you to provide assistance to the Group. However, this argument confuses two separate aspects of the Rules:

1. assistance provided to a Group by a consultancy, where if this is at the request of and funded by a client of the consultancy, the “ultimate client” needs to be named; and
2. other financial or material benefits received by a Group which, if in excess of the threshold (in 2004, £500; now £1,000), must be registered along with their source. This requirement applies regardless of whether or not a Group is receiving secretariat assistance from a consultancy.

I should be grateful if you will confirm precisely how much was donated and by which companies in relation to the mobile mast planning report. I should also be glad to receive any other comment you may wish to offer in relation to the failure to register these donations as required by the Rules.

A prompt reply would be helpful in enabling me to complete my draft report. If you wish a word, please feel able to give me a ring.

Sir Philip Mawer

26 April 2006

17. Letter to the Commissioner from Mr Nicholas Lansman, 27 April 2006

Thank you for your letter of 26th April 2006

Following our conversations, it is clear that our interpretation of the 1985 rules was at fault for which I apologise. The donations which I should have registered in 2004 are detailed below.

14 July 2004: SEMINAR—“Mobile Generation Realising Potential, Minimising Risk”—the Attlee Suite, Portcullis House.

The meeting discussed how the mobile industry was working to minimise the risks to vulnerable users of mobile phones from harmful and illegal content, whilst ensuring that the potential of 3G services is achieved.

£1500 was donated by 02 to pay for refreshments.

20 July 2004: Planning inquiry/report 2004.

In 2004 the Group held a ‘Select Committee-style’ inquiry into the issue of siting of mobile phone masts. A report was published widely after a public call for written evidence and oral hearings in the House which were open to the public.

£5000 was donated by BT to pay an independent academic to author the report, verbatim transcribers and subsequent printing of the report.

I would like to reiterate that the decision not to record the names of the companies was in no way to avoid transparency but simply because of the prevailing interpretation of the 1985 rules.

Parliamentary members of the All Party Mobile Communications Group decide the work of the Group. The report described above was produced by an independent academic in close consultation with Members of Parliament involved in the Group following an open call for evidence.

Political intelligence did not receive any payment for organising the inquiry and the report was not produced at the request of any of our clients.

Mr Nicholas Lansman

27 April 2006

18. Letter to the Commissioner from Mr Nigel Evans MP, 2 February 2006

Clearly if any All Party group is trying to hide its funding through lobby groups or other means then I believe that must be corrected—transparency is important.

I am a member of many groups and an officer of quite a number—they are invaluable to MPs. There is no Parliamentary or public funding for these groups and I am grateful to industry for assisting.

As far as the APP Beer Group is concerned it is supported by a number of groups within the beer industry—but this does not compromise the group. For instance we will all vote differently when it comes to smoking in pubs—and I suspect the pub industry will not like my voting record.

Without the secretariat I could not embark on my the “pub is a hub” inquiry shortly.

The All Party Group on ID fraud’s funding is open. Thank God for Fellowes for supporting it but it is done in an open fashion. As you will see from a Home Office answer today, ID fraud is up by £400 million to £1.7bn—one of the fastest growing crimes. People can destroy information in all sorts of ways—and shredding is one way—(I hope you use one—they are invaluable)—but incineration is another.

I believe Fellowes supports the Home Office directly with funding for raising awareness of ID Fraud through initiatives like ID fraud week—so even the Home Office are accessing funding.

I believe in all these matters that transparency is the key. As long as we know the funding source then people can make their own minds up.

I certainly would never be bamboozled by an industry person on any issue, report or campaign—and people would quickly see through it if we were seen to be puppets.

If I can be of further assistance please contact me.

Mr Nigel Evans MP

2 February 2006

19. Text of the letter sent to all Charity organisations

You will probably already know of the series of articles published in ‘The Times’ earlier this month about lobbying organisations and APGs. The articles in question appeared in ‘The Times’ on 13 and 14 January, with a related piece in some editions of the paper on 17 January. I expect the articles will already be available to you but if you need a copy, [...] my PA (on [...]) will be happy to supply one.

Following the articles I received a letter from the editor of The Times, Robert Thomson, which included an allegation that 6 particular APGs—assisted by 3 different companies—had broken the Rules on APGs approved by the House in 1985. These require inter alia that:

“Where a public relations agency provides the assistance [to an APG], the ultimate client should be named.”

It was suggested that this had not been done in the case of the APGs on Export, Fire Safety and Rescue, Intellectual Property, Mobile Communications, Patient Safety and Pharmacy. I have treated this as a formal complaint and am making inquiries of the groups and companies concerned.

The letter from Mr Thomson also raised a number of more general questions about the regulation of APGs. These include:

1. Whether the way in which my office has over many years interpreted the 1985 rule—ie. as requiring the ultimate client of a consultancy to be named only where the client has specifically requested and is funding the provision of support to a group—has unintentionally created a loophole in the regulatory arrangements;
2. whether, where the client is a trade or umbrella organisation, it is desirable for all the members of that organisation also to be listed in the Register of APGs;
3. whether it is appropriate for lobbyists to write reports on behalf of APGs and if it is whether the lobbyist’s role in this respect (and their client(s)) should be made clear on reports and in publicity about them;
4. whether it is possible for an APG to be compromised by commercial or charity/non-profit backing.

I know that in addition to these issues, concerns are also expressed from time to time when reports by groups are published about the potential for confusion between the role and status of APGs and that of Select Committees of the House.

I intend to consider whether there are any recommendations I can sensibly make on these more general questions when I report to the Committee on Standards and Privileges the outcome of my inquiries into the complaint against specific groups. I am therefore writing to invite you to let me have any observations you may wish to make on these general questions, so that I may have them in mind when completing my report.

Since ‘The Times’ articles were published, one of the companies involved has written suggesting a strengthening of the House’s Rules in a number of respects. These suggestions are set out in the enclosed note.⁵² If you wish to offer any comments on them, or to offer further suggestions of your own, I should be glad to receive them.

Whilst ‘The Times’ articles principally focussed on the influence of lobbying companies and their clients on APGs, Mr Thomson has also raised the position of groups assisted by the not-for-profit sector. Although this sector is by definition not motivated by profit considerations in the support it offers groups, some charities are themselves sponsored by business and it seems to me right to invite the views of representatives of the not-for-profit sector as well as of PR and public affairs consultancies on the issues raised. I am therefore writing to all those listed on the attached sheet.

I understand that you may need to consult before you can reply but in order not to delay matters too long, it would be helpful to have your comments by 27 February.

If you would like a word, please do not hesitate to ring me on the number above or alternatively speak to the Assistant Registrar, [...] on [...].

I look forward to hearing from you.

Sir Philip Mawer

30 January 2006

20. Text of the letter sent to all other outside bodies

You will probably already know of the series of articles published in ‘The Times’ earlier this month about lobbying organisations and APGs. The articles in question appeared in ‘The Times’ on 13 and 14 January, with a related piece in some editions of the paper on 17 January. I expect the articles will already be available to you but if you need a copy, [...], my PA (on [...]) will be happy to supply one.

Following the articles I received a letter from the editor of The Times, Robert Thomson, which included an allegation that 6 particular APGs—assisted by 3 different companies—had broken the Rules on APGs approved by the House in 1985. These require inter alia that:

“Where a public relations agency provides the assistance [to an APG], the ultimate client should be named.”

It was suggested that this had not been done in the case of the APGs on Export, Fire Safety and Rescue, Intellectual Property, Mobile Communications, Patient Safety and Pharmacy. I have treated this as a formal complaint and am making inquiries of the groups and companies concerned.

The letter from Mr Thomson also raised a number of more general questions about the regulation of APGs. These include:

1. Whether the way in which my office has over many years interpreted the 1985 rule—ie. as requiring the ultimate client of a consultancy to be named only where the client has specifically requested and is funding the provision of support to a group—has unintentionally created a loophole in the regulatory arrangements;
2. whether, where the client is a trade or umbrella organisation, it is desirable for all the members of that organisation also to be listed in the Register of APGs;
3. whether it is appropriate for lobbyists to write reports on behalf of APGs and if it is whether the lobbyist’s role in this respect (and their client(s)) should be made clear on reports and in publicity about them;
4. whether it is possible for an APG to be compromised by commercial or charity/non-profit backing.

I know that in addition to these issues, concerns are also expressed from time to time when reports by groups are published about the potential for confusion between the role and status of APGs and that of Select Committees of the House.

I intend to consider whether there are any recommendations I can sensibly make on these more general questions when I report to the Committee on Standards and Privileges the outcome of my inquiries into the complaint against specific groups. I am therefore writing to invite you to let me have any observations you may wish to make on these general questions, so that I may have them in mind when completing my report.

Since ‘The Times’ articles were published, one of the companies involved has written suggesting a strengthening of the House’s Rules in a number of respects. These suggestions are set out in the enclosed note.⁵³ If you wish to offer any comments on them, or to offer further suggestions of your own, I should be glad to receive them.

Whilst ‘The Times’ articles principally focussed on the influence of lobbying companies and their clients on APGs, Mr Thomson has also raised the position of groups assisted by the not-for-profit sector. Although this sector is by definition not motivated by profit considerations in the support it offers groups, some charities are themselves sponsored by business and it seems to me right to invite the views of representatives of the not-for-profit sector as well as of PR and public affairs consultancies on the issues raised. I am therefore writing to all those listed on the attached sheet.

I understand that you may need to consult before you can reply but in order not to delay matters too long, it would be helpful to have your comments by 27 February.

If you would like a word, please do not hesitate to ring me on the number above or alternatively speak to the Assistant Registrar, [...] on [...].

I look forward to hearing from you.

Sir Philip Mawer

31 January 2006

21. Letter to the Commissioner from the Association of Professional Political Consultants, 24 February 2006

INTRODUCTION

1.1 The Association of Professional Political Consultants (APPC) welcomes the opportunity to contribute to the Commissioner’s inquiry into the regulation of All Party Groups (APGs). The APPC is the representative and regulatory body for UK political consultants and public affairs professionals. Membership of the APPC is open to any political consultancy providing services to the UK institutions of central, regional and local government and/or other public bodies. The APPC represents approximately 80% of the industry.

The APPC’s Code of Conduct applies the principles of openness and transparency and that there should be no financial relationship between political consultancy and Parliamentarians. In the view of the APPC, it is inappropriate for a person to be both a legislator and a political consultant.

1.2 The APPC has three main roles:

- To ensure openness and transparency of activities and dealings by member consultancies. The APPC maintains a register of political consultants, together with a list of the fee-paying clients that they represent. Members are required to update their register entry every six months. The register is published on the APPC’s website and is easily accessible. Members are also required to disclose the identity of their clients and not misrepresent their interests when making representations to institutions of government.

⁵³ Not appended to the Commissioner’s report.

- To enforce high standards of ethical and professional behaviour by requiring all members to adhere to a Code of Conduct in their dealings with institutions of government. It is a condition of membership of APPC that the member firm, its staff and its non-executive consultants should accept and agree to abide by this Code. Where members already operate their own internal codes, they are obliged to incorporate the APPC code and its provisions may not be overridden or materially amended.

Members are also required to submit to the APPC procedures to ensure compliance with the code, including an annual statement of compliance with the recommendations on professional practice that was produced for the APPC by Lord Armstrong of Ilminster and Nicholas Purnell QC.

Members are jointly and severally liable for the actions of their staff in relation to the Code. Regulated political consultants are required to endorse the Code and to adopt and observe the principles and duties set out in it in relation to their business dealings with clients and with all institutions of government.

- To promote understanding amongst politicians, the media and others about political consultants and the public affairs sector, as well as the contribution made by political consultants to a properly functioning democracy.

1.3 Political consultants are employed by a wide range of organisations which need to understand and engage with the policy making process, including charities and campaigning groups, trade associations, professional bodies, trade unions and public sector bodies. Consultants are also employed by local government and central government agencies and departments, as well as international governments. Analysis of the APPC register shows that approximately 40% of APPC members' clients were non-commercial organisations in 2005. All of these organisations pay for the services of a political consultant to provide public affairs advice, in the same way as they might hire an accountant or lawyer to provide accountancy or legal advice.

1.4 It is important to note that many organisations and bodies—commercial, voluntary sector and local government—directly employ one or more public affairs professionals in-house to provide similar services as those provided by political consultancies. The APPC does not represent, or attempt to regulate, the activities of in-house public affairs practitioners.

2 SPECIFIC QUESTIONS RAISED BY THE PARLIAMENTARY COMMISSIONER

We turn now to the specific questions set out in your letter of 31st January 2006.

Conduct of the Office for the Parliamentary Commissioner for Standards

2.1 We believe that the current rules relating to APGs which require that, inter alia, “where a public relations agency provides the assistance [to an APG], the ultimate client should be named” work very well in the vast majority of cases. We have no criticism whatsoever of the manner in which the Office of the Parliamentary Commissioner for Standards has administered or interpreted these rules over the last 20 years.

2.2 It would be unfortunate and, in our view, unnecessary to amend the existing rules simply because a small minority of public affairs consultancies, who operate outside the APPC and PRCA Codes of Conduct, have failed to comply with their obligations under the current rules.

2.3 In our view, the current rules should only be changed or strengthened if it is necessary or desirable in order to ensure transparency of interests and continued public and parliamentary confidence in the value of APGs as an independent forum for cross-party discussion and debate.

Should members of umbrella organisations be listed separately?

2.4 We do believe there is some merit in listing members of umbrella organisations individually on the APG register. One would presume that such information would be readily available in the public domain via other means anyway, but given that the overarching objective is to demonstrate transparency in relationships with APGs, we can see no logical reason why the “ultimate client” should not be so named on the Register of APGs itself. A number of APPC members already provide this information for the APPC register. Therefore, both the APG and APPC register are complementary and encourage

transparency. However, it would perhaps be cumbersome to require the register to list the entire membership of a trade association providing financial or “in-kind” support to an APG. Again such information is readily available in the public domain.

Is it appropriate for lobbyists to write reports on behalf of APGs?

2.5 In our experience, it is not uncommon for the organisation providing secretariat support to the APG to draft correspondence, reports or materials for the officers of the group to consider and approve. Indeed, we are aware that APG officers expressly request this kind of support. MPs or peers, however seriously they may take their APG obligations, simply do not have the time or resources to draft their own reports. As stated above, however, the secretariat organisation might be a charity, a commercial organisation, a trade body, the TUC or a political consultancy. The APPC would encourage complete transparency and ensure that all reports include full reference to those who contributed or helped write a report for an APG by stating for example, “This report was prepared by XXXXXX for and on behalf of the APG on xxx” and/or “This report is the confidential and intellectual property of the APG on xxx”

2.6 Where we would be concerned, however, is if any non-parliamentary secretariat—including a political consultancy or other intermediary—sought to issue reports in the name or under the auspices of an APG without the parliamentary officers concerned having seen or approved the content. All APG-related materials, correspondence and reports should be vetted and approved by the parliamentary officers before being published or circulated.

Is it possible for an APG to be compromised by commercial or charity/non-profit backing?

2.7 APGs fulfil a valuable function, acting as important forums for cross-party discussion, debate and information sharing. They do not, however, fulfil the same policy-making or scrutiny functions of the Select Committees, nor do they exert anything like the same degree of influence as the Committees do.

2.8 In the APPC’s experience, many APGs are reliant, to a greater or lesser extent, upon the support they receive from third parties. These are not necessarily profit-making commercial organisations, but include not-for-profit organisations and interest groups, voluntary organisations, the public sector and trade bodies. As stated above, some of these organisations might retain the services of a political consultant to assist them, whereas others might use in-house lobbyists. We do not believe it is fair or reasonable to treat a political consultant or consultancy any differently from an in-house public affairs practitioner.

2.9 Moreover, the type of support that APGs receive can vary greatly. It can include financial support (provided either as “core” funding to enable the APG to exist and function, or ad hoc funding to meet the costs of holding a parliamentary reception, for example), as well as administrative or secretariat support—organising meetings, corresponding with APG members, responding to media enquiries about the APG. Without this support, many APGs as currently constituted would simply cease to function.

2.10 In our view, it is extremely important that APGs are transparent and open about their sources of support (financial or otherwise) and are independent (and perceived to be independent) of any organisation or organisations which provide that support. Organisations or bodies (whether commercial, voluntary sector or otherwise) should not be permitted to circumvent the rules, or hide their support for an APG, merely by employing an intermediary, such as a public affairs consultancy.

2.11 Provided the APG is transparent and declares all sources of external support, whether financial or otherwise, and provided the APG’s officers act responsibly and in accordance with their own parliamentary codes of conduct, we do not believe that the mere fact of receiving support from an external (non-parliamentary) source in itself compromises the legitimacy or independence of the APG concerned.

3 COMMENTS ON THE PROPOSALS RECEIVED FROM LUTHER PENDRAGON

3.1 Luther Pendragon is not a member of the APPC. We are pleased to note that no APPC member organisation is alleged to have failed to comply (for whatever reason) with the current rules relating to APGs.

3.2 We are supportive of any proposals that will ensure that APGs and the organisations supporting them operate in a transparent manner and declare their interests. However, several of the proposals from Luther Pendragon seem to involve considerable additional work and effort on the part of the Office of the Parliamentary Commissioner for Standards, but seem to offer little or no additional value above and beyond the existing rules.

Proposal 1 Additional Information on the Register

3.3 It is our view that the current rules are sufficiently clear about the requirement to name sources of assistance. Not only do we find the questions which Luther Pendragon proposes adding to the registration form confusing and open to even wider interpretation than currently, it is not clear to us what mischief Luther Pendragon is seeking to address.

3.4 First, in order to be of any value, it will be imperative to clarify what is meant by the terms “organisation”, “consultancy company”, “clients”, “support” and “assistance” in the context of these questions. Please refer to our comments in paragraphs 2.8 and 2.9 above.

3.5 Secondly, by singling out “support” received from or via “consultancy companies” (which we take to mean independent political consultancy firms or businesses), there is an implication that this support needs to be declared whereas other sources of support do not. This is an unacceptable position.

Proposal 2—Appendix to the Register

3.6 For ease of reference, an appendix or index listing supporting organisations might be helpful. We do not see, however, why it should only list those organisations that provide “support” (again, it will be important to define what is meant by this term) to more than one APG.

Proposal 3—Index of supporting organisations

3.7 This would seem to duplicate proposal 2 to a large extent, but we do not have any problem with it, in principle. Equally, the Parliamentary Commissioner will need to determine whether the need for an index of supporting organisations is absolutely necessary in order to achieve transparency and openness and/or whether this information is already available in the public domain.

Proposal 4—Power to refuse entry to the Register

3.8 We agree that the Office of the Parliamentary Commissioner for Standards should have the power to vet registration forms and refuse to accept any which are incomplete, or which appear to be misleading. However, it is already a requirement that one of the parliamentary officers attests as to the accuracy of the details supplied.

3.9 We find it difficult to see, however, how the Office of the Parliamentary Commissioner could be expected to know if any of the information supplied is deliberately false. The onus must surely remain on the signatory of the registration form to satisfy him or herself as to the veracity of the information given in the form?

Proposal 5—Acknowledgement of support in written communications

3.10 A number of APGs already acknowledge sources of support in their written communications. We would not be opposed to this being made mandatory, although it would seem somewhat superfluous if the registration rules are already being properly met.

Proposal 6—Encouragement to establish websites

3.11 We do not see how encouraging APGs to have their own websites makes their activities more transparent or makes them anymore accountable than the measures which are already in place. Ironically, this proposal would make APGs even more dependent upon third party support than currently, not less. Websites cost money and time to build, design, monitor and maintain on an ongoing basis. It is inconceivable that MPs and peers will design, build and maintain their own APG websites; consequently,

these activities would either have to be outsourced, either to one or more third party commercial providers, or to the organisation already providing the secretariat function.

22. Letter to the Commissioner from the Chartered Institute of Public Relations, 21 February 2006

The Chartered Institute of Public Relations (CIPR) welcomes this opportunity to comment on the issues around All Party Groups raised by 'The Times' in its articles on the 13th and 14th of January 2006, and the subsequent matters raised by its Editor, Mr Robert Thomson.

As you will be aware, the CIPR represents the public relations profession. We act not only as the profession's advocate, but also work to raise standards and ensure accountability. In preparing this submission, we have consulted closely with representatives of the Government Affairs Group, the CIPR sectoral group for those of our members working in public affairs/lobbying.

Before turning to the specific points made by Mr Thomson, it would seem appropriate to state our view on the more general issue.

The CIPR believes that corporate reputation is an organisation's most vital asset. Reputation is determined by many factors, not the least of which is public perception. We are concerned therefore not just with the question of whether or not the current system of disclosure is effective -but also with whether or not the system is perceived by the public to be effective.

Naturally, it would be wrong for us to comment on individual cases without the full facts and background, and we do not intend to do so. We do, however, welcome the fact that these cases are being investigated, and await your final report with interest.

Our general approach is that in order to safeguard its reputation (and indeed that of the public affairs/lobbying profession), the Parliamentary authorities should err on the side of being too rigorous rather than run the risk of being lenient. Therefore, we would urge the Parliamentary authorities to take as their starting point the view that immediate action is required to enhance accountability and transparency.

As we made clear in our response to 'The Times' initial article, we believe that the current situation whereby APGs often have to rely upon third party support may well be undesirable.

We recognise that, as yet, there is no evidence of impropriety. We further recognise that such third party support is often essential to the functioning of these APGs which do themselves often perform a valuable purpose. We are concerned however at the public perception that the involvement of third parties might improperly skewing the work of APGs. We therefore believe that it is time consideration were given to providing dedicated, state-fund for APGs and for the existence and operation of the groups to be justified in terms of the work they do for the public benefit. We believe that this measure could significantly enhance public confidence in the Parliamentary process in general and in the work of APGs in particular.

If the groups do not work for the public benefit they should not exist.

In making this recommendation, we are mindful of the resource implications, and of the difficulties which might be faced by the Parliamentary authorities in justifying such expenditure. We are also aware that the currently large number of APGs means that this would either be a potentially significant financial requirement, or else would require a rethink of the number and remit of APGs. In itself, such a debate would be of value in clarifying the purpose served by these bodies—we are of the view that their work is generally beneficial, but it would be no bad thing to test this opinion publicly.

As you suggest, there is indeed confusion about the remit of APGs and that of Select Committees of the House. Realistically, it is hard to see how this issue can be resolved in isolation. It is, instead, part of a broader problem, namely the fact that most members of the public have a very limited understanding of how Parliament functions. As we argued in our submission to the Puttnam Commission, we believe that this gap could be at least partly closed by the creation of a dedicated Parliamentary press office. It is time that

Parliament showed a willingness to explain its activities, and to protect and enhance its reputation using modern, professional methods.

Should the decision be made that additional state support for APGs is inappropriate, and that the present system should continue (though presumably with some modification), we would make a number of practical suggestions.

Where lobbyists write reports for APGs, their authorship should be made absolutely clear. We believe that a potential loophole has been created by the current interpretation of the 1985 rule. In our view, it should be interpreted more rigorously. We would further argue that where the client is a trade association or umbrella organisation, all the members of that organisation should indeed be listed in the Register of APGs. In these recommendations, we are clearly in broad agreement with the implied views of the Editor of ‘The Times’.

We trust these comments will prove helpful. We would, of course, be delighted to expand further upon them, or to address any other issues you might find useful.

I am about to be away for a week, but my colleague[. . .], our Head of Public Affairs, is well equipped to enlarge on any of these points or answer any immediate queries you may have.

CIPR

21 February 2006

23. Letter to the Commissioner from the Public Relations Consultants Association, 8 March 2006

Further to our recent correspondence and the meeting you held with Rod Cartwright, chairman of the PRCA’s public affairs group, I write as requested to set out this organisation’s view of the issues you raise in relation to APGs.

Before dealing with your specific points, I think it important to preface any response by emphasising that, like the APPC, the PRCA believes transparency to be the essence of confidence both in our members and in their dealings with democratic representatives.

I think then that any answer given on behalf of the PRCA to the situation thrown up by ‘The Times’ piece of 13 January should be framed within [. . .]’s remark that “nothing is safe that does not show it can bear discussion and publicity.”

Covering then the points raised by Times editor Robert Thomson. Firstly, that the interpretation of rules concerning support of APGs prevalent since 1985 has created a loophole.

It seems very difficult to argue that it has not. There seems no reason why a company supporting in legitimate form the activities of an APG should keep that support confidential. I have no evidence whatsoever to suggest that secrecy has hidden any suspicious ulterior motives but from the point of view of a journalist like Mr Thomson, that would be the obvious supposition. Mandatory and full disclosure would seem to protect the integrity of all concerned.

Moving to the second point regarding trade or umbrella organisations. The cynic might suggest that registering all members of such an organisation on the APG register is merely saving time for an investigative journalist. Research on the Trade Association Forum (TAF) site and others suggests that most trade organisations are entirely transparent about their membership because it gives them legitimacy. It is difficult to see what registering to that level offers but it may be worthwhile adding trade association URLs to the register for ease of reference.

Mr Thomson’s third concern is that for lobbyists to write reports on behalf of an APG is inappropriate. Transparency of authorship would seem to solve the problem at a stroke and one must assume that should an APG endorse such a report, it is reflective of its collective view whoever wrote it.

Finally, it is, of course, possible that commercial, charity or non-profit backing can compromise an APG, assuming that an APG is there to be compromised. Even at the most superficial level, it only takes a

newspaper to suggest that it does for it automatically to have done so in the minds of many. Transparency would, again, appear to go a considerable way towards restoring the trust deficit as it would be infinitely more difficult to suggest subterfuge.

On the Luther Pendragon suggestions, and here I should point out that the company is not one of our members, they have merit in that they acknowledge the need for greater transparency and rigour. Given their prominence in The Times article, it would seem sensible for them to instigate proactive steps and encouraging that they have done so.

It is worth emphasising, as I understand Mr Cartwright did when you met, that full disclosure should be obligatory for all; MPs, agencies, in-house corporate set-ups, consultants, the public and not-for-profit sectors.

I make this point because it is often felt among our members that a presumption exists placing lobbyists working on behalf of, for example, a corporate client on a lower moral level than that client's own employees or that those working in the not-for-profit sector are always purer of motive and action.

As it stands, and as Luther Pendragon have highlighted, agencies are currently the only practitioners in this field practising any form of self-regulation whether under our auspices or those of the APPC.

It would seem sensible to explore the idea of an all embracing code of conduct which binds in all those involved in what is termed 'lobbying' irrespective of their affiliations and including the Parliamentary end also This would have the added advantage of placing those who currently subscribe to no code whatsoever within the domain of accountability.

I do hope that this has been useful to you but should you have any further points you wish to raise I will be happy to oblige.

PRCA

8 March 2006

24. Letter to the Commissioner from the Charity Commission, 10 May 2006

I refer to your letter of 1 February addressed to Andrew Hind concerning All Party Parliamentary Groups (APGs). Thank you for inviting us to comment on this issue I apologise for the delay in sending this reply to you.

The articles in "The Times" in January named several organisations which provide to particular APGs or which are clients of lobbying groups which provide such support and which are also charities. The extent to which charities can engage in campaigning and political activities is one which can cause concern both for charities and for those with whom they engage. An organisation whose objects are political in the sense that they aim to further the interests of a political party or to secure or oppose a change in the law or policy or decisions of the government cannot be charitable. However, can undertake some non-party political activities in furtherance of their charitable purposes. Political activities and campaigning may be an effective route for a charity to achieve its objects. Charities can also contribute to the quality of debate on issues. Because they have links to particular groups of beneficiaries they are often well equipped to provide valuable information to contribute to debate and to monitor, evaluate and comment on policies. They represent a wide variety of causes and are able to provide a voice for different political interests which might otherwise find it difficult to be heard.

The level of public trust and confidence in charities is high. In part this reflects the fact that they are seen as speaking out on issues of public interest whilst being free from the influence of political or commercial interests. If the charitable sector is to maintain its credibility, those charities which are involved in political activities must only do so within the legal restraints which being a charity imposes. A charity can engage in political activities providing that:-

- the activities are a means to fulfilling its charitable purpose;

- there is a reasonable expectation that the activities will further the purposes of the charity and its beneficiaries, to an extent justified by the resources devoted to those activities;
- its activities are based on reasoned argument; and
- its activities are not illegal.

In September 2002, the Government's Strategy Unit published a report *Private Action, Public Benefit*—a review of charities and the wider not-for-profit sector which highlighted the benefits to be had if charities are encouraged, rather than restricted, from playing an advocacy and campaigning role. Following a recommendation in this report the Commission revised its guidance on political campaigning to place a greater emphasis on the campaigning activities that charities can undertake, as opposed to the restrictions. A copy of our guidance is enclosed.⁵⁴

As you have said in your letter, there is a possibility that some charities receive support from companies thereby creating a link to commercial interests which should be more transparent.

The accounting regime for charities does not require them to disclose information about the source of funds received either as grants or sponsorship. There are a number of disclosure requirements relating to particular types of transactions and to the nature of relationships with the other parties concerned but these do not cover the situations described in your letter. Charities must, of course, act to further their stated objects and not for any other purposes. We are not aware of any other instances where concerns have been raised about this and would be interested to know if there is evidence from your recent consultation which indicate that there are problems in this area.

You enclosed with your letter some suggestions from Luther Pendragon for the amendment of APG rules.⁵⁵ The only comment which we have relates to paragraph 6 which deals with the material to be included on the websites of APGs. In addition to asking for the website to be explicit about its sources of financial and administrative support, it would be helpful to also suggest that if financial or administrative support is received from a charity it should say so and also say what the purposes of the charity are.

The involvement of charities in providing secretarial and other support for APGs can be an appropriate activity for a charity to help it achieve its purposes. It can also serve to support public policy debate in the areas in which the charity is engaged. We can however see that there may be difficulties if their involvement is not clearly understood. We would be interested to see your report when it is published and would be pleased to consider whether there is anything which we can do to help charities which are involved in these activities to better understand their responsibilities both within charity law and more generally. The Commission provides advice and guidance to charities through a number of routes and if it would be helpful to cover this particular issue in more detail we would be pleased to discuss this with you.

I hope that this is helpful. Please contact me if there is any further information which I may be able to provide.

Mr Andrew Hind

10 May 2006

25. Letter to the Commissioner from the National Council for Voluntary Organisations, 20 February 2006

Thank you for your letter of 30 January concerning the recent series of articles in 'The Times' concerning lobbying organisations and All Party Parliamentary Groups. NCVO is very pleased to have been invited to respond to your inquiry into this matter.

54 Not appended to the Commissioner's report.

55 WE13

As you will be aware, many voluntary organisations provide administrative support to All Party Parliamentary Groups. Indeed, NCVO provides support to the APG on the Community and Voluntary Sector.

NCVO believes that there should be no barrier to voluntary and community organisations providing either financial support or support in kind to APGs. However, due to the benefits that are afforded to organisations that work with APGs, it is vital that their relationships are as transparent and accountable as possible and furthermore that there are clear rules that organisations providing support to APGs should meet

I will therefore briefly outline NCVO's response to the specific questions you have outlined in your letter and to the proposals made in Luther Pendragon's submission.

1. Whether the way in which your office has over many years interpreted the 1985 rule has unintentionally created a loophole in the regulatory arrangements?

NCVO would support the proposal that the ultimate client of a consultancy should be named whether or not the client has specifically requested to be or is funding the provision of support to a Group.

2. Whether, where the client is a trade or umbrella organisation, it is desirable for all the members of that organisation also to be listed in the Register of APGs?

We would support the general principle of listing all members of a trade or umbrella organisation in the Register of APGs. However due to the large and changing number of members that many trade and umbrella organisations have, such a list may not provide up to date information on the membership of such an organisation.

For example, NCVO's membership, as the main umbrella body for voluntary and community organisations in England, has risen rapidly in the last year from over 3,700 to almost 4,400 members. The register of APGs would therefore become out of date very quickly.

Instead, we would recommend a requirement for trade and umbrella organisations to include in the Register of APGs the link to the relevant section of their website that outlines their full membership. For example, for NCVO this can be found at:

www.ncvo-vol.org.uk/asp/search/ncvo/main.aspx?siteID=1&siteID=2&documentID=906.

3. Whether it is appropriate for lobbyists to write reports on behalf of APGs and if it is whether the lobbyist's role in this respect (and their client(s)) should be made clear on reports and in publicity about them?

Whilst we would not oppose lobbyists or any organisations that provide support to an APG writing reports on behalf of the Group, NCVO believes that it is essential that the membership of the Group assume responsibility for all APG publications.

To this extent, all materials published by APGs that express a particular policy line (i.e. reports, press release, etc) should be signed off by the APG members themselves. This, of course, will be dependent on each APG's arrangements. For example, one Group may simply require the Officers to sign off such a publication. Another Group may require a meeting to agree sign off.

The introductions to such reports should be written by the Chair or Officers of the Group and should clearly state the role played by external organisations in drafting or writing the report.

Furthermore, we believe that all published materials by APGs should make it clear whether an external organisation provides them with support, either financial or in kind. This includes all notices and minutes of meetings sent to members of the Group, as well as reports, press releases and websites, etc.

4. Whether it is possible for an APG to be compromised by commercial or charity/non-profit backing?

A number of steps should be taken to ensure that APGs are not compromised by commercial or charity/non-profit backing:

- i. Organisations providing support, financial or in kind, should be listed in the Register and named in all APG written communications.
- ii. Details should be provided in the introduction of the Register of APGs outlining the relationship between APGs and the external organisations or individuals that support them and the rules that external organisations and individuals have to meet.
- iii. A declaration/agreement should be produced outlining the rules that external organisations or individuals providing support to APGs have to meet. This should be signed by the key contact representing the external organisation every year following the Group's AGM. A similar declaration could be produced that Chairs of APGs would sign on behalf of their Groups.
- iv. Members of APGs must declare in the Register of Members' Interests any benefits they receive as a result of the organisation supporting the APG—i.e. attending fact finding missions, etc.

5. Luther Pendragon proposals

NCVO supports all of the recommendations made in Luther Pendragon's paper. As stated above, we particularly support the proposal that where APGs receive financial support, the providers of that support are named in all the Group's written communications.

NCVO would be happy to discuss any of the comments outlined above in more detail. If you require any further information or assistance please contact [. . .], NCVO's Parliamentary & Campaigns Officer, on [. . .] or at [. . .].

Mr Stuart Etherington

20 February 2006

26. Letter to the Commissioner from the Association of Medical Research Charities, 10 March 2006

Thank you for your letter dated 13 February concerning the management and administration of All Party Parliamentary Groups. Thank you also for the opportunity to comment on the issues raised by Robert Thomson, Editor of 'The Times'.

I have consulted the Officers of the All Party Parliamentary Group on Medical Research. We have no specific observations to make, only a general view that we would be very supportive of any moves to make the running of all All Party Groups more transparent and open to public scrutiny.

I hope this is helpful. Please don't hesitate to contact me if you have any further questions.

AMRC

10 March 2005

27. Letter from Sir Alistair Graham to Sir George Young Bt, MP, 24 January 2006

As you may be aware the Committee on Standards in Public Life discussed the issue of Lobbying and APGs at its regular monthly meeting last Thursday.

This followed the Times article on 13 January, and follow-up media comment, which indicated that there may have been some breaches of the rules laid down by the House on the appropriate registration of the financial support received by APGs.

The Committee recognises that responsibility for investigating complaints on this issue lies with Sir Philip Mawer and that he will, as always, conduct any investigation into this issue in his usual rigorous and fair

manner. Sir Philip wrote to me on 18 January indicating that he was anticipating receiving a formal complaint and supporting evidence from the editor of the Times about this matter and that, upon receipt, he would begin his investigation.⁵⁶

However, the Committee also felt that it was possible that Sir Philip's investigation might raise some issues about the rules themselves that the Committee on Standards and Privileges would wish to consider and that, in this context, it might be helpful if I wrote to you outlining the key points made in our Committee discussion last week.

Our starting point is the Committee's Sixth Report "Reinforcing Standards" published in 2000 when the issue of APGs was last considered by the Committee. As you may recall, here, the Committee concluded that there was not any major cause for concern over standards in the operation of APGs and that they appeared to work effectively and to the benefit of MPs and Peers. As a result the Committee did not consider it necessary to recommend any new structures for funding or organisation, or for any new regulations.

The Committee did however recommend (R30) that the Register of APGs (including details and sources of financial support) should be placed on the Internet (which was done) and that the question of ease of public access to information about APGs be kept under review by both Houses.

Clearly the issue of immediate concern following the Times article will be whether these existing rules on financial disclosure have been complied with, and how in future the rules might be enforced. However, the Committee also wondered whether there were some further, simple measures that could improve transparency for the public about the source of funding for APGs.

In particular the Committee raised the issue of whether APGs should also be required to declare details and sources of funding in their published reports and press notices. Such a change would be relatively simple for the APGs to comply with and would counter some of the criticisms made in the Times article about a perceived lack of transparency between APG reports and their sources of funding.

I do hope that you and your Committee are able to consider these suggestions when you discuss the rules governing APGs following Sir Philip's report.

Sir Alistair Graham

24 January 2006

56 Not appended to the Commissioner's report.

Formal minutes

Tuesday 23 May 2006

Members present:

Sir George Young, in the Chair

Mr David Curry

Mr Andrew Dismore

Mr Nick Harvey

Mr Brian Jenkins

Mr Elfyn Llwyd

Mr Chris Mullin

Dr Allen Whitehead

* * *

The Committee deliberated.

Draft Report [Lobbying and All Party Groups], proposed by the Chairman, brought up and read.

Ordered, That the Chairman's draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 and 2 read and agreed to.

Paragraph 3 read, amended and agreed to.

Paragraphs 4 and 5 read and agreed to.

Paragraphs 6 to 8 read, amended and agreed to.

Resolved, That the Report, as amended, be the Ninth Report of the Committee to the House.

Ordered, That the Chairman do make the Report to the House.

A paper was Ordered to be appended to the Report.

Ordered, That the Appendix to the Report be reported to the House.—(*The Chairman.*)

* * *

[Adjourned till Tuesday 13 June at 10.30 am

Reports from the Committee on Standards and Privileges in the current Parliament

Session 2005–06

First Report	Conduct of Mr Jonathan Sayeed	HC 419
Second Report	Conduct of Mr John Horam	HC 420
Third Report	Conduct of Mr Tony Baldry	HC 421
Fourth Report	Pay for Standing Committee Chairmen	HC 568
Fifth Report	Electoral Administration Bill: Simplification of Reporting Requirements	HC 807
Sixth Report	Mr Stephen Byers (Matter referred on 19 October 2005)	HC 854
Seventh Report	Conduct of Mr George Galloway	HC 1067
Eighth Report	Conduct of Mr Mark Lancaster	HC 1144
Ninth Report	Lobbying and All Party Groups	HC 1145