



House of Commons
Public Administration Select
Committee

**Lobbying:
Developments since
the Committee's First
Report of Session 2008-
09**

Fifth Report of Session 2009–10

Report, together with formal minutes

*Ordered by the House of Commons
to be printed 10 December 2009*

The Public Administration Select Committee

The Public Administration Select Committee is appointed by the House of Commons to examine the reports of the Parliamentary Commissioner for Administration and the Health Service Commissioner for England, which are laid before this House, and matters in connection therewith, and to consider matters relating to the quality and standards of administration provided by civil service departments, and other matters relating to the civil service.

Current membership

Dr Tony Wright MP (*Labour, Cannock Chase*) (*Chairman*)
Mr David Burrowes MP (*Conservative, Enfield Southgate*)
Paul Flynn MP (*Labour, Newport West*)
David Heyes MP (*Labour, Ashton under Lyne*)
Kelvin Hopkins MP (*Labour, Luton North*)
Mr Ian Liddell-Grainger MP (*Conservative, Bridgwater*)
Julie Morgan MP (*Labour, Cardiff North*)
Mr Gordon Prentice MP (*Labour, Pendle*)
Paul Rowen MP (*Liberal Democrats, Rochdale*)
Mr Charles Walker MP (*Conservative, Broxbourne*)
Jenny Willott MP (*Liberal Democrats, Cardiff Central*)

Powers

The powers of the Committee are set out in House of Commons Standing Orders, principally in SO No 146. These are available on the Internet via www.parliament.uk

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 <http://www.parliament.uk/pasc>

Committee staff

The current staff of the Committee are Steven Mark (Clerk), David Slater (Second Clerk), Pauline Ngan (Committee Specialist), Louise Glen (Senior Committee Assistant) and Su Panchanathan (Committee Assistant)

Contacts

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Report

1. In January 2009 we published our report *Lobbying: Access and influence in Whitehall*.¹ The report was the first by a parliamentary committee into the lobbying of government since 1991. Here we review developments since the publication of that report.

2. On 2 July 2009 we held an evidence session with representatives of the lobbying industry, campaigners for lobbying transparency and the responsible Minister in the Cabinet Office.² We received the Government Response to our report on 21 October 2009 and published it the following day.³

The Government's response

Regulation of lobbyists

3. In its Response, the Government accepted that a “single and credible” regime of lobbying regulation is needed. It has stated that its preference is for a system of voluntary self-regulation and that it will keep the industry's progress under review, but has provided no further detail. **We would welcome more clarity from the Government about the process it has established for reviewing the industry's progress on self-regulation, in particular how it intends to assess whether this progress is adequate or not, and to what timescale.**

4. The Government has accepted that a system of regulation will require a register, similar to that proposed in our report. However it has not addressed our conclusion that such a register would have to be statutory to be effective. **We remain convinced that a mandatory register of lobbying activity will require the backing of legislation to be effective and needs to be considered separately from the issue of ethical regulation.**

Transparency

5. The Government has made some significant moves towards transparency, agreeing to publish details of hospitality received by Ministers in a ministerial capacity and by senior civil servants, producing guidance on the receipt of gifts and hospitality and publishing details of ministerial meetings with outside interest groups. However, the Government rejected our recommendation that meetings between senior officials and outside interest groups should be published, despite revealing that such information is recorded. **We welcome the moves towards transparency made by the Government and, in particular, the routine publication of information about ministerial meetings with outside interest groups. We would expect such information to include, as a minimum, the date of the**

1 Public Administration Select Committee, First Report of Session 2008-09, *Lobbying: Access and influence in Whitehall* HC 36-i

2 Public Administration Select Committee, *Lobbying: Six months on*, evidence taken before the Public Administration Select Committee HC 843-i

3 Public Administration Select Committee, Eighth Special Report of Session 2008-09, *Lobbying: Access and influence in Whitehall: Government Response to the Committee's First Report of Session 2008-09* HC 1058

meeting, the minister(s) and senior civil servant(s) who attended, the organisations present and the principal subjects discussed.

6. We urge the Government to go a little further and publish information about meetings between the most senior officials and outside interest groups. This information is already collected and much of it is presumably disclosable under the Freedom of Information Act. We do not believe that the costs of publication would be substantial; they would certainly not outweigh the public benefit accrued through this increased level of transparency.

7. The Government has agreed to publish the relevant private interests of Ministers on a six-monthly basis. It rejected our proposal that the relevant interests of senior civil servants and public servants should be published. **We welcome the regular publication of Ministers' relevant private interests and agree with the Government that it represents "an important step forward" in improving public confidence in rules designed to prevent conflicts of interest. In view of this, we do not believe that publishing the relevant private interests of the most senior civil servants (Director General and above) and equivalent employees of public bodies would place a disproportionate burden on departments and agencies. We would be concerned if the reason for the government's reluctance to take this step was that such interests are not currently recorded.**

Advisory Committee on Business Appointments

8. During 2009 the Government refreshed the membership of the Advisory Committee on Business Appointments, appointing six new members with Lord Lang of Monkton as interim Chair, pending a pre-appointment hearing which we held in November 2009.⁴

9. **We welcome the fact that the Advisory Committee is meeting regularly and reviewing its internal processes, and that some efforts have been made to ensure its membership is more representative. However, there has been a marked decline in trust in those in public life over the last year. Under such circumstances we believe the Advisory Committee will need an element independent of the client groups it advises in order to retain public credibility.**

10. We recommended in our Report that "the Government should consider providing some remuneration to members of the Advisory Committee" on the basis that, without such remuneration, it would be difficult to attract potential members to the Advisory Committee who were "more representative of society at large".⁵ **We note that the Government has agreed to provide remuneration to new members of the Advisory Committee, while continuing to rely on the political parties and Crown Service heads to identify all but one of these new members. This does not seem to us to strike the balance we were seeking.**

11. **We welcome the Advisory Committee's involvement in the Government's proposed revision of the *Guidelines for former Ministers and the Rules for Crown servants* and that**

4 Public Administration Select Committee, Third Report of Session 2009-10, *Selection of a new Chair of the Advisory Committee on Business Appointments*, HC 42-I and II

5 *Lobbying: access and influence in Whitehall* para. 192

the revision will address the definition of lobbying. However, we are concerned that the Government appears to have prejudged the outcome by asserting that the principles set out in the existing *Guidelines* “remain the right ones”.

The Industry's Response

12. Following the publication of our report the three largest representative bodies for the lobbying industry, the Association of Professional Political Consultants (APPC), Public Relations Consultants Association (PRCA) and Chartered Institute of Public Relations (CIPR) formed the Public Affairs Council Working Party to come up with proposals for a self-regulatory body. The working party published an issues paper in May 2009 and in November wrote to us to inform us that the three representative bodies were consulting their members on a series of proposals. The working party's letter is appended to this report.

13. **We welcome the recognition by the three main industry representative bodies that a system of regulation is needed as well as their efforts to co-operate to achieve a self-regulatory body, chaired by a “senior independent person of stature” and with a common set of principles of conduct signified by a “kite mark”. However, the effectiveness of such arrangements can only be assessed by examining the details of the proposals, how they will work in practice, the standards to be upheld by the new body and how far the industry more widely is prepared to support these proposals. We are therefore disappointed that eleven months work has only got as far as another consultation on a broad set of principles.**

14. The working party's letter says that the proposed Public Affairs Council will seek to promote universality and “will consider the possibility” of lobbying organisations and individuals being able to join the Council directly. In evidence to the Committee in July campaigners for lobbying transparency expressed scepticism about wider support in the industry for these proposals and concern that joining the proposed regulatory body could involve having to also become a member of a representative body.⁶ **Any regulatory body must have a universal, or near universal, reach in order to be credible and effective. It must not become a closed shop, only available to the paying members of certain representative bodies.**

15. The letter from the working party also states that the standards of the proposed Public Affairs Council “will be expressed via the signatory's bodies own Codes of Conduct” and that Code functions will be co-ordinated by the new body. **There is a risk that the Public Affairs Council will end up enforcing different standards for different lobbyists, depending on the signatory body to which they belong. This would be unfair, but it would also be inadequate simply to enforce the lowest common denominator of the standards of the existing member groups. Getting these standards right will be an important early test for the Public Affairs Council if self-regulation is to have a chance of working effectively**

6 *Lobbying: six months on Q4-Q6*

Conclusion

16. We are encouraged that our report has led to some tentative movement in the direction of better regulation of lobbying and greater transparency on the part of government and the lobbying industry. However, progress is slow and we remain sceptical that effective regulation will be achieved without legislation. Some lobbyists may be delaying regulation in the hope that the concentration on their activities will die down after a General Election. This would be a cynical attitude which we believe would misjudge the public mood. If the industry is serious about trying to avoid external regulation then it needs to have robust procedures in place for self-regulation before the General Election.

Appendix

Letter from Mark Adams, Convenor of the Public Affairs Council Working Party, to the Chairman of the Committee, 13 November 2009

PUBLIC AFFAIRS COUNCIL

As you may recall, I have been the Convenor of the Public Affairs Council Working Party, which was formed following the report of the Public Administration Select Committee on the subject of lobbying.

The Working Party consisted of representatives of three membership organisations, the Association of Professional Political Consultants, the Chartered Institute of Public Relations and the Public Relations Consultants Association, as well as three independent members, Sir Philip Mawer, Philippa Foster Back OBE and Professor Justin Fisher, and an observer from the Cabinet Office. The APPC, CIPR and PRCA were extremely grateful for the contribution of the three independents on the Working Party.

Drawing on the work of the Public Affairs Council Working Party, the APPC, CIPR and PRCA now intend to consult their membership on the following proposals:

1. A new organisation, to be known as the United Kingdom Public Affairs Council, should be established at the earliest opportunity in 2010. Membership of the PAC will be through the three signatory regulatory membership bodies, the APPC, CIPR and PRCA, plus, at an early opportunity, the PAC will examine which other appropriate regulated membership bodies might also be invited to join. These bodies will co-ordinate the functions of their own disciplinary.
2. The PAC will seek to be the self-regulatory body for all involved in lobbying institutions of government, or advising on the lobbying of institutions of government (defined as anyone seeking to influence or present its case to institutes of government, plus those advising on the same). It will promote openness, transparency and high standards of professional conduct through the maintenance of a publicly-available register and enforceable standards of behaviour.
3. It will be a key objective of the PAC to promote universality, namely the opportunity to join for all organisations and individuals that carry out lobbying or advise on lobbying and their employees. The PAC will consider the possibility of such organisations and individuals being able to join PAC directly.
4. The PAC will be chaired by a senior independent person of stature, from outside the public affairs industry, and will draw on others from outside the industry. Governance procedures will be developed to ensure that a mechanism exists so that all parts of the industry can be represented on the PAC.

5. The publicly-available register held by the PAC will list the names of individuals and organisations carrying out or advising on lobbying, as well as the third party interests that they represent. Regular and accurate completion of a register entry will be a requirement of the PAC.

6. The PAC will set out the behaviour expected of all in public affairs, taking into account the views of relevant stakeholders, and adherence to these standards will be a condition of membership of the PAC. These standards will be expressed via the signatory bodies' own Codes of Conduct. The PAC members will co-ordinate their existing Code functions, drawing on a common pool of independents to consider Code breaches, with all members abiding by the disciplinary decisions reached.

7. The PAC will work to establish a kite mark awarded to member organisations meeting the standards defined by the PAC. Withdrawal of the kite mark would be one of the sanctions available against members found in breach of the required standards.

8. An implementation team is being established to take forward the detailed issues to be resolved. The APPC, CIPR and PRCA are delighted to announce that Sir Philip Mawer has agreed to chair the implementation team.

Formal Minutes

Thursday 10 December 2009

Members present:

Dr Tony Wright, in the Chair

Paul Flynn

David Heyes

Kelvin Hopkins

Mr Ian Liddell-Granger

Julie Morgan

Mr Gordon Prentice

Paul Rowen

Mr Charles Walker

Draft Report (*Lobbying: Developments since the Committee's First Report of Session 2008-09*), 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 to 16 read and agreed to.

A paper was appended to the Report as Appendix 1.

Resolved, That the Report be the Fifth Report of the Committee to the House.

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

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

[Adjourned till Tuesday 15 December at 11.00 am

List of Reports from the Committee during the current Parliament

The reference number of the Government's response to each Report is printed in brackets after the HC printing number.

Session 2009-10

First Report	Bad Language: The Use and Abuse of Official Language	HC 17
Second Report	Work of the Committee in 2008-09	HC 20
Third Report	Selection of a new Chair of the Advisory Committee on Business Appointments	HC 42 (<i>HC 139</i>)
Fourth Report	Parliament and the Ombudsman	HC 107

Session 2008-09

First Report	Lobbying: Access and Influence in Whitehall	HC 36 (<i>HC 1058</i>)
Second Report	Justice Delayed: The Ombudsman's Report on Equitable Life	HC 41 (<i>HC 953</i>)
Third Report	Ethics and Standards: Further Report	HC 43 (<i>HC 332</i>)
Fourth Report	Work of the Committee in 2007-08	HC 42
Fifth Report	Response to White Paper: "An Elected Second Chamber"	HC 137 (<i>HC 59</i>)
Sixth Report	Justice denied? The Government response to the Ombudsman's report on Equitable Life	HC 219 (<i>HC 569</i>)
Seventh Report	Further Report on Machinery of Government Changes	HC 540
Eight Report	Good Government	HC 97 (<i>HC 1045</i>)
Ninth Report	The Iraq Inquiry	HC 721 (<i>HC 992</i>)
Tenth Report	Leaks and Whistleblowing in Whitehall	HC 83

Session 2007-08

First Report	Machinery of Government Changes: A follow-up Report	HC 160 (<i>HC 514</i>)
Second Report	Propriety and Peerages	HC 153 (<i>Cm 7374</i>)
Third Report	Parliament and public appointments: Pre-appointment hearings by select committees	HC 152 (<i>HC 515</i>)
Fourth Report	Work of the Committee in 2007	HC 236 (<i>HC 458</i>)
Fifth Report	When Citizens Complain	HC 409 (<i>HC 997</i>)
Sixth Report	User Involvement in Public Services	HC 410 (<i>HC 998</i>)
Seventh Report	Investigating the Conduct of Ministers	HC 381 (<i>HC 1056</i>)
Eighth Report	Machinery of Government Changes: Further Report	HC 514 (<i>HC 540, Session 2008-09</i>)
Ninth Report	Parliamentary Commissions of Inquiry	HC 473 (<i>HC 1060</i>)
Tenth Report	Constitutional Renewal: Draft Bill and White Paper	HC 499 (<i>Cm 7688</i>)
Eleventh Report	Public Services and the Third Sector: Rhetoric and Reality	HC 112 (<i>HC 1209</i>)

Twelfth Report	From Citizen's Charter to Public Service Guarantees: Entitlement to Public Services	HC 411 (<i>HC 1147</i>)
Thirteenth Report	Selection of a new Chair of the House of Lords Appointments Commission	HC 985
Fourteenth Report	Mandarins Unpeeled: Memoirs and Commentary by Former Ministers and Civil Servants	HC 664 (<i>HC 428, Session 2008-09</i>)
Session 2006-07		
First Report	The Work of the Committee in 2005-06	HC 258
Second Report	Governing the Future	HC 123 (<i>Cm 7154</i>)
Third Report	Politics and Administration: Ministers and Civil Servants	HC 122 (<i>HC 1057, Session 2007-08</i>)
Fourth Report	Ethics and Standards: The Regulation of Conduct in Public Life	HC 121 (<i>HC 88, Session 2007-08</i>)
Fifth Report	Pensions Bill: Government Undertakings relating to the Financial Assistance Scheme	HC 523 (<i>HC 922</i>)
Sixth Report	The Business Appointment Rules	HC 651 (<i>HC 1087</i>)
Seventh Report	Machinery of Government Changes	HC 672 (<i>HC 90, Session 2007-08</i>)
Eighth Report	The Pensions Bill and the FAS: An Update, Including the Government Response to the Fifth Report of Session 2006-07	HC 922 (<i>HC 1048</i>)
Ninth Report	Skills for Government	HC 93 (<i>HC 89</i>)
First Special Report	The Governance of Britain	HC 901
Session 2005-06		
First Report	A Debt of Honour	HC 735 (<i>Cm 1020</i>)
Second Report	Tax Credits: putting things right	HC 577 (<i>HC 1076</i>)
Third Report	Legislative and Regulatory Reform Bill	HC 1033 (<i>HC 1205</i>)
Fourth Report	Propriety and Honours: Interim Findings	HC 1119 (<i>Cm 7374</i>)
Fifth Report	Whitehall Confidential? The Publication of Political Memoirs	HC 689 (<i>HC 91, Session 2007-08</i>)