



House of Commons  
Public Administration Select  
Committee

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**Lobbying:  
Developments since  
the Committee's First  
Report of Session 2008-  
09: Government  
Response to the  
Committee's Fifth  
Report of Session 2009-  
10**

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**Third Special Report of Session 2009-  
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## 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.

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### 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](http://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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## Third Special Report

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The Public Administration Select Committee reported to the House on *Lobbying: Developments since the Committee's First Report of Session 2008-09* in its Fifth Report of Session 2009-10, published 16 December 2009 as HC 108. The Government Response was received on 10 February 2010 in the form of a letter from Angela Smith MP, Minister of State in the Cabinet Office, and is published below as an appendix to this report.

## Government Response

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### *Regulation of lobbyists*

**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.**

**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.**

The Committee's Further Report asked for more clarity from the Government about the process for reviewing the industry's progress on self-regulation. In the Debate on 7 January, I set out the Government's position in terms of progress by the industry on self-regulation, and the industry's intention to put in hand, by Easter this year, arrangements to establish the Public Affairs Council. I have had an initial meeting with Sir Philip Mawer, Chair of the Public Affairs Council Implementation Team, and I am meeting representatives of the implementation team to review progress. If at Easter the Government is not satisfied that adequate progress is being made, it will review the position.

As the Government set out in its response to the Committee's Report *Lobbying: Access and influence in Whitehall* (1st Report of Session 2008-09, HC 36-I), it believes that any system of regulation, whether it is voluntary self-regulation or statutory regulation, requires a register to ensure that lobbying activity is transparent. The Government believes that the industry itself should be given the opportunity to produce and maintain such a register, which as a minimum should be publicly available, contain the names of individuals and organisations carrying out or advising on lobbying, and the details of any third party interests they represent.

### *Transparency*

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

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.

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.

The Committee's Further Report welcomed the moves towards transparency made by the Government in a number of areas. The Government agreed with the Committee that information about Ministers' meetings with outside interest groups should be published. This will be published by departments on a quarterly basis and on-line. Information for the period 1 October 2009—31 December 2009 is currently being collated and published by departments. Information published includes the name of the Minister holding the meeting, the date of the meeting, the organisations present, and the principal subjects discussed. Information will also be published by departments on a quarterly basis and on-line regarding hospitality received by Ministers in a Ministerial capacity.

The Committee recommended that information about meetings between the most senior officials and outside interest groups, and information about the relevant private interests of civil servants at Director General level and above should be published. As I set out in the Debate, the Government believes that the publication of information about meetings between the most senior officials and outside interest groups would place a disproportionate burden on Departments and agencies—there are more than 4,000 members of the Senior Civil Service and around 210 at Director General level and above. In respect of relevant private interests, the interest of board members are already publicly available as part of a Department's annual report and accounts. However, as I said in the Debate, the level of disclosure will be kept under review, and the Government will continue to bear in mind the recommendations of the Committee.

### ***Advisory Committee on Business Appointments***

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.

**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.**

**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 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 Committee's Further Report welcomed some developments in relation to the Advisory Committee, but was concerned that the Committee would need an element independent of the client groups it advises in order to retain public credibility, and suggested that the Government appeared to have prejudged the outcome of the revision of the rules.

The Government continues to believe that the Advisory Committee's unique remit, which is narrowly focussed and confined to individual casework for a relatively small number of people, calls for a membership with first hand experience and understanding of the Business Appointment Rules and procedures in order to have credibility in the areas on which they are advising. As I said in the Debate, the Government has committed to reviewing the outcomes of the recent refreshment of the Advisory Committee, and is working with the Commissioner for Public Appointments on this. The Commissioner has welcomed this review, and as part of it we will include consideration of the points the Committee has made in relation to the appointments process.

In consultation with the Advisory Committee, the Government is reviewing and revising the detail of the Business Appointment Rules for Crown servants and the parallel rules for former Ministers, to ensure that they are effective and clear for applicants and departments. I reassured the Committee during the Debate on 7 January that there is no question of the Government having prejudged the outcome of that exercise, and I repeat that assurance. The Government is clear that the Business Appointment Rules should continue to reflect the high-level principles set out in the seven principles of public life, which were drawn up by the Committee on Standards in Public Life under the chairmanship of Lord Nolan.

### ***The Industry's Response***

**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.**

**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.**

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.

### ***Conclusion***

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.

The Government agrees with the Committee that the Membership of the Public Affairs Council should be open to as wide a range of those involved in lobbying as possible. Universality will be a key test of the proposed new system of voluntary self-regulation—namely whether the vast majority of those involved in lobbying take part. The Government believes it is for the industry to make a success of a system of voluntary self-regulation, and to also ensure that a single set of ethical standards are applied and quickly implemented. It will be monitoring the position to satisfy itself that adequate progress is being made.