

**Written evidence from the Public Relations and Communications Association (PRCA)
(LOB08)**

**Public Administration and Constitutional Affairs Committee
Post-legislative scrutiny of the Lobbying Act 2014 and related matters inquiry**

Who we are:

1. The Public Relations and Communications Association (PRCA) welcomes the opportunity to contribute to this inquiry. The PRCA is the world's largest professional PR body. We represent and regulate more than 35,000 PR professionals in 70 countries worldwide.
2. Within the PRCA is the PRCA Public Affairs Board (PAB), the voice of the public affairs and lobbying industry, which includes representatives from across the Nations. The PRCA PAB's role is to ensure transparency through our quarterly Public Affairs Register; to enforce high standards through our Public Affairs Code; and to promote a wider understanding of public affairs and the contribution it makes to public life across the UK and including the devolved nations. The PRCA's public affairs membership totals 152 organisations, employing approximately 2,500 practitioners, and working for approximately 3,400 clients.
3. Our members register their clients on a quarterly basis, and all staff of member agencies receive training in our [Public Affairs Code](#). We promote the highest standards of activity and operate an independent complaints procedure, funded by the industry, to deal with potential violations of the code.

The PRCA submitted evidence to the Committee's inquiry into Propriety of Governance in Light of Greensill. This can be viewed here: [PRCA response to Public Administration and Constitutional Affairs Committee inquiry into propriety of governance](#)

Our response:

As the voice of the public affairs and lobbying industry, the PRCA believe that lobbying is integral to a thriving democracy and contributes positively to the decision-making process. The PRCA is effective at providing governance to our members and the industry, and our members abide by strict lobbying rules contained within our Code¹.

- Legislation in this area must act to complement our well-run and effective self-governance and should not overlap with our work. Parliament itself must introduce laws to scrutinise its own procedures and the Government must make a number of

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<https://www.prca.org.uk/sites/default/files/Public%20Affairs%20Code%20February%202021%2023.2.2021.pdf>

reforms to improve transparency, accountability, and trust in the UK political system.

- The lobbying industry has made concerted efforts to improve transparency and we support transparency that is proportionate. By proportionate, we mean transparency is a good thing if it helps to fulfil the objective of giving public, business, and politicians reassurance of ethical lobbying.
- The system for reporting should be clear, simple, and fair. Consultant lobbyists have to adhere to far stricter rules than authorities or representative bodies who are undertaking lobbying. There is a huge amount of confusion and burdensome compliance for some businesses but none for others. This system needs to be clearer and comprehensive.

As detailed in our Six Point Plan² we recommend the following:

1. The Lobbying Act should be expanded to cover all of those engaged in lobbying. The scope of the Act should be expanded to cover those working in-house in charities, campaigning groups, think tanks, trade unions, business, organisations and private companies.

2. The interactions covered by the Act should be expanded to include Special Advisers and senior civil servants, from Director General level up.

3. The Government should extend the existing limitations on former Ministers taking paid lobbying positions and institute a five-year ban, including on in-house roles. Former Ministers should consistently behave in the spirit of the Nolan Principles.

4. Ministers should stop ignoring the rules under which they are legally obliged to publish Ministerial Diaries in a timely manner.

5. The process governing the award of Parliamentary Passes should be reviewed and tightened significantly.

6. The Registrar of Consultant Lobbyists should no longer allow registrants to declare self-written and self-policed codes which are neither independent nor independently enforceable.

Detailed Commentary:

The PRCA addresses the following questions:

The definition and scope of activity covered by the Act

The PRCA believes that the definition of lobbying contained within the Lobbying Act, needs to be expanded to keep up with developments in the lobbying industry, specifically the

² <https://news.prca.org.uk/lobbying-industry-publishes-6-point-public-confidence-plan-for-reform-in-response-to-cameron-inquiry>

three conditions of registration. The Act, in its current form, is not only lacking in its comprehensiveness, but the current wording limits the ability of the Act to oversee activity.

One of the three conditions of registration that define a consultant lobbyist is that a lobbyist must be VAT registered in order to be classified as a lobbyist. This sits within the Value Added Tax Act 1994³. Recent investigations by the Office of the Registrar for Consultant Lobbyists⁴ highlight the need for the VAT exemption to be removed from the Act.

The VAT exemption was brought in as an amendment to the bill to relieve the regulatory burden on small businesses, however, this could be achieved through other means, for example, a change from a flat fee for all registrants to a graduated fee structure based on turnover would achieve the aims of the VAT exemption. The PRCA would like to see the VAT registration condition removed from the Lobbying Act as we believe it provides an obvious loophole.

The Role and powers of Registrar of Consultant Lobbyists.

The PRCA is supportive of statutory registers and the role given to the Office of the Registrar of Consultant Lobbyists (ORCL), however we believe that ORCL is limited by the Lobbying Act and its remit is heavily restricted by the narrow confines of the Act. If ORCL is to be effective in its duty to conduct rigorous inquiries with any form of impunity, then the scope of the Act should be expanded.

The Register of Consultant Lobbyists only captures a small percentage of the public affairs and lobbying industry through its exclusion of in-house lobbyists. The PRCA has consistently called for all those who conduct lobbying to be included within the scope of the Act to ensure a level playing field and increase transparency. In-house lobbyists make up the majority of the industry and excluding them therefore leads to an imbalance in transparency and regulatory burden.

The initial rationale for their exclusion was that information about ministerial meetings with in-house lobbyists is available in a transparent form through departments publishing quarterly reports of external meetings, with the intentions of in-house lobbyists being obvious. This method of reporting has fallen short of its original intention and needs remedial action.

³ <https://www.legislation.gov.uk/ukpga/1994/23/contents>

⁴ 5th August 2022. Office of the Registrar of Consultant Lobbyists. *'Summary of Investigation – Mr Steve Brine, MP'* <https://registrarofconsultantlobbyists.org.uk/summary-of-investigation-mr-steve-brine-mp/>

Some campaign groups or organisations with in-house lobbyists conduct a wide variety of business and it is not always obvious what interests are represented and thus the PRCA still believes they should be covered within the scope of the Act.

The PRCA has clearly stated in our six point plan⁵ that the Registrar of Consultant Lobbyists should no longer allow registrants to declare self-written and self-policed codes which are neither independent nor independently enforceable. A key aspect of the PRCA Code is that sanctions are enforceable by an independent body -including expulsion for the most serious breaches. Self-written and self-policed Codes are not enforceable under the current legislation. The Lobbying Act as it stands still allows lobbying firms to make up their own codes of conduct, in effect 'self-police' their own activities, which is inappropriate and needs to change.

However, any changes to legislation should not be burdensome to our members, particularly as we are effective at ensuring our members adhere to a strict code of conduct. We do not want the regulation to be expanded to further regulation for our members, but to apply consistently to all those who undertake lobbying.

Whether the current requirements are consistently complied with, including:

- Whether the information disclosed is provides sufficient transparency surrounding Ministers' and Officials' external engagement;
- Whether it is published in a sufficiently timely manner;
- Whether engagement through virtual platforms is sufficiently transparent.

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PRCA members are prevented from employing MP, MEP, Member of the House of Lords, or any member of the Scottish Parliament or Senedd Cymru or the Northern Ireland Assembly or the London Assembly to conduct public affairs services. In addition to this, members who employ elected officials cannot make use of any Privileged Information known to them as a result of their work as an elected official, including in their dealings with the staff, associates, clients, new business prospects, and/or other contacts of the official.

PRCA members must declare if their employees hold a constituency-level political office. They must also declare if their staff are councillors or have an advisory role within a Government department. This is yet another example in which industry ethical standards exceed Government standards.

⁵ <https://news.prca.org.uk/lobbying-industry-publishes-6-point-public-confidence-plan-for-reform-in-response-to-cameron-inquiry/>

The lobbying industry has made concerted efforts to improve transparency and uphold public confidence, however, it cannot restore confidence in the industry without parliament itself introducing laws to scrutinise its own procedures. Politicians need to ensure that the lobbying firms they use adhere to the highest ethical standards. They should, like our PRCA members, adhere to greater transparency and openly declare who they work with

Whether it is published in a sufficiently timely manner;

Governmental departments are not publishing transparency information reliably and punctually. As detailed in our submission to the Inquiry on Greensill, and contained in our 6 point plan⁶, Ministers should stop ignoring the rules under which they are legally obliged to publish Ministerial Diaries in a timely manner.

The PRCA has reviewed various transparency publications and found that, since the beginning of 2019, no government department has delivered a return within the expected timeframe more than three times, and ten quarterly returns from seven departments are still missing at the time of writing.

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⁶ <https://news.prca.org.uk/lobbying-industry-publishes-6-point-public-confidence-plan-for-reform-in-response-to-america-inquiry>