

## Written evidence submitted by Transparency International UK

### 1. INTRODUCTION

- 1.1. Transparency International UK is the UK-based chapter of Transparency International, the world's leading non-governmental anti-corruption organisation. We raise awareness about corruption; advocate legal and regulatory reform at national and international levels; design practical tools for institutions, individuals and companies wishing to combat corruption; and act as a leading centre of anti-corruption expertise in the UK. We base our advocacy on robust research, and, as a UK registered charity, are independent and non-political.
- 1.2. We welcome the Joint Committee on the National Security Strategy's (JCNSS) timely inquiry into defending democracy.
- 1.3. The UK is one of 70 countries holding major elections over the next year, including the US, during a period of increasing instability and conflict. Russia's continued aggression against Ukraine and its track record of using hybrid warfare presents just one of a growing number of risks facing our political system and those of our allies during this turbulent period. As such, ensuring the integrity of our democracy is not just a lofty ambition but a national security issue.
- 1.4. In this submission we outline that threats to democracy originate from both without and within our borders. We counsel that framing this issue just as an external threat confined to a few hostile states over-simplifies the issues at hand and ignores structural weaknesses in our politics that leave us highly exposed to malign influence. We highlight how loose restrictions on money in politics combined with the opacity of lobbying and unchecked conflicts over personal financial interests provides a fertile environment for influence operations and similar activities that severely undermine confidence in our democratic institutions and processes. We conclude that the forthcoming Foreign Influence Registration Scheme (FIRS) is too narrow and insufficient to address these issues, and that more substantial reforms are needed to better increase the resilience of our democracy.

### 2. SUMMARY OF RECOMMENDATIONS

To better defend our democracy against both external and internal threats, Transparency International UK recommends:

- 2.1. **Preventing the corrosive influence of big money in politics**, including by placing limits on how much anyone can donate annually, reducing the demand for funding, increasing transparency over the provenance of funds, closing loopholes to foreign money, and increasing the effectiveness and independence of the Electoral Commission.

2.2. **Increasing transparency over attempts to influence our democratic system** through a reformed statutory lobbying register.

2.3. **Protecting against and pursuing corruption in public office** within both the legislature and executive, especially as it relates to managing conflicts of interest and individuals' conduct.

### 3. BACKGROUND AND RECOMMENDATIONS IN DETAIL

3.1. Threats to democracy can originate from within or without a country's borders.

3.2. It is well-established, for example, that Russia is a hostile foreign power that takes a multi-pronged approach in its pursuit to incur and capitalise on damage to the West, including the UK.<sup>1</sup> The blind eye Britain has historically turned to the origins of large amounts of Russian money entering our economy, including that which has been used for political patronage, is now considered by the Intelligence and Security Committee (ISC), among others, to have been 'counter-productive' to our national interests.<sup>2</sup> China too, seeks to interfere in British democracy by courting our politicians,<sup>3</sup> while other foreign states such as Azerbaijan engage MPs who admit to having "put down positions [in Parliament] on [their] behalf".<sup>4</sup>

3.3. Not unrelatedly, perceptions of public sector corruption in the UK<sup>5</sup> appear to correlate with low levels of public trust in government<sup>6</sup> and our democracy more broadly.<sup>7</sup> Insofar as public trust is associated with political participation, social cohesion, institutional legitimacy, and compliance with public policy,<sup>8</sup> the British public's lack of trust in our democratic institutions may be understood as a threat in and of itself.

3.4. The scale of this problem is substantial.

- Six in ten think our system of governing is rigged to the advantage of the rich and powerful, with 72% saying this system needs 'quite a lot' or 'a great deal' of improvement.<sup>9</sup>

<sup>1</sup> *Russia*. Intelligence and Security Committee of Parliament (2020). [https://isc.independent.gov.uk/wp-content/uploads/2021/03/CCS207\\_CCS0221966010-001\\_Russia-Report-v02-Web\\_Accessible.pdf](https://isc.independent.gov.uk/wp-content/uploads/2021/03/CCS207_CCS0221966010-001_Russia-Report-v02-Web_Accessible.pdf) Accessed 23 Feb 2024.

<sup>2</sup> *Ibid.* p.15

<sup>3</sup> 'Labour MP received £500,000 in funding from Chinese Communist agent'. *Independent* (13 Jan 2022). <https://www.independent.co.uk/news/uk/barry-gardiner-mi5-mps-chinese-labour-b1992599.html> Accessed 23 Feb 2024.

<sup>4</sup> 'Revealed: Tory MP was 'fed' propaganda by Azerbaijani embassy for parliamentary debates'. *OpenDemocracy* (4 Feb 2022). <https://www.opendemocracy.net/en/opendemocracyuk/bob-blackman-azerbaijan-lobbying-javanshir-feyziyev/>. Accessed 23 Feb 2024.

<sup>5</sup> For the second year in a row, the UK has received its lowest-ever score in the global Corruption Perceptions Index (CPI). <https://www.transparency.org.uk/cpi-2023-uk-s-score-hits-all-time-low-time-action-corruption-now>. Accessed 23 Feb 2024.

<sup>6</sup> According to the Office for National Statistics (ONS): "Only "35% of the UK population stated that they trusted the national government, which is lower than the Organisation for Economic Co-operation and Development (OECD) average (41%)." From *Trust in government, UK: 2022*. Office for National Statistics (2022).

[https://www.ons.gov.uk/peoplepopulationandcommunity/wellbeing/bulletins/trustinggovernmentuk/2022#:~:text=One%2Dthird%20\(35%25\)%20of,not%20trust%20the%20national%20government](https://www.ons.gov.uk/peoplepopulationandcommunity/wellbeing/bulletins/trustinggovernmentuk/2022#:~:text=One%2Dthird%20(35%25)%20of,not%20trust%20the%20national%20government). Accessed 23 Feb 2024

<sup>7</sup> A 2023 survey of 8,000 people in the UK found only 2 in 5 trust 'democracy and the political system'. *Talking Politics: Building support for democratic reform*. IPPR (2023). <https://www.ippr.org/articles/talking-politics-building-support-for-democratic-reform>. Accessed 23 Feb 2024.

<sup>8</sup> 'Trust in Government'. OECD. <https://www.oecd.org/governance/trust-in-government/> Accessed 23 Feb 2024.

- Only 35% trust the national government (lower than the OECD average of 41%).<sup>10</sup>
- 76% don't trust MPs to take decisions that will improve their lives, while 73% don't trust the Government on the same measure.<sup>11</sup>

3.5. The opportunity for these threats to manifest in British politics can be broken down into three main categories: political finance, lobbying and abuse of office. Below, we outline a summary of these risks along with recommendations to mitigate them.

#### 4. POLITICAL FINANCE

4.1. It is an open secret that substantial donations are given in exchange for privileged political access, and are associated with the award of honours (the sale of honours is a criminal offence).<sup>12</sup> While parties may claim the sale of access to ministers is purely a party matter that does not involve official business, it is clear from recent cases that donors can secure privileged political access to influence government decisions, at great cost to the taxpayer.<sup>13</sup>

4.2. To make matters worse, there is a growing body of evidence suggesting it is far too easy for money of unknown or questionable provenance to enter our political system. This includes:

4.2.1. £675,586 from Christine Lee & Co. Between September 2008 and February 2020. In January 2022, MI5 alerted the parliamentary authorities and an MP the company was supporting that its owner was a Chinese agent of influence carrying out work for the Chinese Communist Party.<sup>14</sup> Christine Lee rejects these allegations and is suing MI5 for destroying her reputation.<sup>15</sup>

4.2.2. £633,800 from Javad Marandi between August 2014 and November 2020. In 2022, a judge concluded Mr Marandi was a 'person of importance' to a money laundering investigation by the National Crime Agency.<sup>16</sup> Mr Marandi strongly denies wrongdoing and is not subject to criminal sanction.

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<sup>9</sup> <https://www.hansardsociety.org.uk/publications/articles/the-public-think-politics-is-broken-and-are-willing-to-entertain-radical> [accessed 14 March 2024]

<sup>10</sup> <https://www.ons.gov.uk/peoplepopulationandcommunity/wellbeing/bulletins/trustinggovernmentuk/2022> [accessed 14 March 2024]

<sup>11</sup> <https://carnegieuktrust.org.uk/blog-posts/loss-of-public-trust-in-government-is-the-biggest-threat-to-democracy-in-england/> [accessed 14 March 2024]

<sup>12</sup> <https://www.opendemocracy.net/en/dark-money-investigations/want-a-seat-in-the-house-of-lords-be-tory-treasurer-and-donate-3m/>

<sup>13</sup> <https://www.bbc.co.uk/news/uk-politics-53172995> ; <https://www.thetimes.co.uk/article/baroness-mones-husband-gave-tories-170-000-wmwcncb6w>

<sup>14</sup> <https://www.bbc.co.uk/news/uk-62179004>

<sup>15</sup> <https://www.dailymail.co.uk/news/article-12297125/Chinese-spy-accused-agent-communist-state-sues-MI5.html>

<sup>16</sup> <https://www.bbc.co.uk/news/uk-61264369>

- 4.2.3. £550,604 from Britannia Financial Group between December 2019 and June 2022. Britannia's owner during this period was Julio Martin Herrera Velutini, who is currently under investigation by the FBI for bribery in Puerto Rico and whose bank, Bancredito, was shut down by Puerto Rican authorities and fined \$15 million by the US for serious money laundering failings.<sup>17</sup> Mr Velutini has pleaded not guilty to the charges of bribery, and his case is yet to come before the courts.<sup>18</sup>
- 4.2.4. £222,104 from Amira G Foods between September 2019 and December 2021. Amira Food's owner, Karan Chanana, is being investigated in India over alleged fraud and money laundering.<sup>19</sup> Mr Chanana and Amira Nature Foods did not respond to previous requests for comment.
- 4.2.5. £450,000 from Ehud Sheleg in February 2018 that Barclays bank reported to law enforcement on suspicion of money laundering, and which originated from the accounts of Mr Sheleg's father-in-law, Sergei Kopytov, a former pro-Russian, Ukrainian politician.<sup>20</sup> Mr Sheleg's representatives confirmed he and his wife had received money from Sergei Kopytov before making the donation but claim that it was 'entirely separate' from the campaign contribution. Mr Kopytov's lawyers also claim there was no basis to suggest his gift was intended to be used as a political donation.<sup>21</sup>
- 4.2.6. £449,535 from Aquind Limited between May 2018 and January 2024, a company bidding to build a power interconnector between Normandy and Portsmouth worth £1.2 billion.<sup>22</sup> Two Ministers within the Department for Business, Energy and Industrial Strategy (BEIS) have had to recuse themselves from deciding on the pipeline because their local constituency associations had received donations from Aquind and its former parent company, Offshore Group Newcastle (OGN).<sup>23</sup> The identity of one of Aquind's owners, Viktor Fedotov, was shrouded in secrecy until reported by The Times in 2020. Victor Fedotov was the chairman of two companies that made more than £80 million from the state funded Transneft pipeline project in Russia, over which the BBC raised allegations of fraud.<sup>24</sup> As published by the BBC, Mr Fedotov's lawyers replied to these allegations saying 'there is no

<sup>17</sup> [https://www.fincen.gov/sites/default/files/shared/Bancredito\\_Consent\\_FINAL\\_091523\\_508C.pdf](https://www.fincen.gov/sites/default/files/shared/Bancredito_Consent_FINAL_091523_508C.pdf) [accessed 14 March 2024]

<sup>18</sup> <https://www.bbc.co.uk/news/uk-politics-62754148> [accessed 14 March 2024]

<sup>19</sup> <https://www.theguardian.com/politics/2023/may/20/major-tory-donor-investigated-over-and-money-laundering-allegations>

<sup>20</sup> <https://www.nytimes.com/2022/05/12/world/europe/russian-money-uk-tories.html>

<sup>21</sup> <https://www.nytimes.com/2022/05/12/world/europe/russian-money-uk-tories.html>

<sup>22</sup> Revealed: Viktor Fedotov is tycoon behind Aquind energy project'. The Times (5 August 2020).

<https://www.thetimes.co.uk/article/revealed-viktor-fedotov-is-tycoon-behind-aquind-energy-project-pq0868vmj>

<sup>23</sup> 'Anne-Marie Trevelyan 'risked misleading parliament by omission' over energy project lobbying The Times', (25<sup>th</sup> November 2021) <https://www.thetimes.co.uk/article/anne-marie-trevelyan-failed-to-disclose-lobbying-by-tory-donor-energy-firm-aquind-6xkr8ntk9>, 'Tory Energy Secretary dined with donors behind £1.2bn pipeline at fundraiser', The Mirror, (6<sup>th</sup> July 2021), <https://www.mirror.co.uk/news/politics/tory-energy-secretary-dined-donors-22349093>

<sup>24</sup> 'Pandora Papers: Businessman linked to Tory donations made millions from alleged fraud'. BBC Panorama (4 October 2021). <https://www.bbc.co.uk/news/world-58791274>

evidence whatsoever' he behaved improperly.

4.2.7. £2.46 million from Lubov Chernukhin between June 2018 and December 2023. An investigation by the BBC found that Mrs Chernukhin's personal wealth comes from her husband, Vladimir, who has been linked financially by those close to the Kremlin.<sup>25</sup> When responding to questions from the BBC, her lawyers replied that she is a British citizen and can do as she wishes with her money.

4.3. These issues arise repeatedly because of structural weaknesses in the laws intended to help protect against impropriety in politics and foreign influence. Below we outline what these deficiencies are and solutions that would help address them.

4.4. The ability to give limitless amounts of money to political parties and their members increases parties' dependency on a small number of wealthy donors and the associated risk of capture. Hostile foreign governments, among others, have actively sought to exploit this vulnerability. Limiting how much any donor can give within a year would significantly reduce these risks.

4.5. Loose campaign spending limits, which were historically high but have nonetheless increased substantially,<sup>26</sup> fuel the demand for substantial amounts of money and high-risk business models for securing funds. We calculate the raising of spending limits for the next election could force the largest political parties to spend around £100 million each on campaigning and ongoing operating costs. This money must come from somewhere, and there is a growing propensity amongst some parties to secure this in the quickest way possible – through a small number of very large donations – which risks reinforcing existing public perception that a wealthy few have too much influence within our democracy (see polling figures referenced above). Better controlling political spending would reduce the temptation toward riskier fundraising strategies that leave our politicians exposed to foreign influence operations as well as domestic scandal.

**4.6. RECOMMENDATION: Political spending and donations should be capped in line with recommendations by the Committee on Standards in Public Life in its 13<sup>th</sup> report,<sup>27</sup> alongside greater transparency over the source of these funds, to mitigate the structural corruption risks associated with big money in politics.**

4.7. The rules on donations from companies or limited liability partnerships (LLPs) set a low bar for what is permissible. These entities only have to be 'carrying on business in the UK' to make a contribution, which can be little more than employing a member of staff and having a registered office here. There is no requirement that the donation is covered by profits generated in the UK, with the Aquind example above providing a prime case study in how it is perfectly possible to donate substantial amounts

<sup>25</sup> <https://www.bbc.co.uk/news/uk-politics-58711151> [accessed 14 March 2024]

<sup>26</sup> <https://www.legislation.gov.uk/ukxi/2023/1235/contents/made> [accessed 14 March 2024]

<sup>27</sup> CSPL, *Political party finance Ending the big donor culture*, Cm 8208 (November 2011) <https://assets.publishing.service.gov.uk/media/5a7ccd5fed915d6b29fa8c1d/8208.pdf>

through a company generating no actual profit from its activities. To provide greater assurance over the provenance of funds in our democracy, companies and LLPs should only be able to make contributions less than or equal to profits generated within a preceding period; for example, the previous two years, as also recommended by the CSPL.<sup>28</sup>

**4.8. RECOMMENDATION: The government should legislate that any donation made by a UK company or limited liability partnership (LLP) must come from profits made from genuine commercial activity carried out within the UK.**

4.9. There is a gap in the law which allows both foreign governments – including those with hostile or other malign intent – to curry favour with UK politicians through funding overseas visits. Our research has found these include all-expenses paid junkets by the kleptocracy in Azerbaijan,<sup>29</sup> who are allegedly helping Russia circumvent Western sanctions,<sup>30</sup> and who have secured support in the UK Parliament to advocate for their cause.<sup>31</sup> Other major funders of UK parliamentarians’ overseas trips include Saudi Arabia,<sup>32</sup> Qatar,<sup>33</sup> and other ‘Friends of...’ groups with opaque sources of funding.<sup>34</sup>

4.10. It is an anomaly in electoral law that foreign governments can make donations to our politicians if they are for overseas visits. It is imperative that when parliamentarians undertake engagements overseas their independence is beyond question. At present, there is a clear risk that overseas trips sponsored either directly or indirectly by corrupt and repressive regimes may present the perception or reality that parliamentarians’ judgements and actions are influenced by the malign intent of their hosts, which in some cases could also constitute bribery. There are controls on the sources of donations and loans to political parties and politicians to prevent such foreign interference in our democracy. A similar approach should be applied to those funding overseas visits.

**4.11. RECOMMENDATION: Recommendation: Parliamentarians should be prohibited from accepting paid foreign trips costing over £500 other than from prescribed organisations. Prescribed organisations should be:**

- acting in the UK national interest;
- those of which the UK or UK Parliament is a full member, for example, the Inter-Parliamentary Union;

<sup>28</sup> CSPL, *Regulating election finance: A review by the Committee on Standards in Public Life* (July 2021) p.11 [https://assets.publishing.service.gov.uk/media/60e460b1d3bf7f56801f3bf6/CSPL\\_Regulating\\_Election\\_Finance\\_Review\\_Final\\_Web.pdf](https://assets.publishing.service.gov.uk/media/60e460b1d3bf7f56801f3bf6/CSPL_Regulating_Election_Finance_Review_Final_Web.pdf)

<sup>29</sup> Transparency International UK, *In whose interest? Analysing how corrupt and repressive regimes seek influence and legitimacy through engagement with UK Parliamentarians* (July 2018) [https://www.transparency.org.uk/sites/default/files/pdf/publications/In\\_Whose\\_Interest\\_WEB3.pdf](https://www.transparency.org.uk/sites/default/files/pdf/publications/In_Whose_Interest_WEB3.pdf)

<sup>30</sup> <https://news.sky.com/story/how-uk-made-cars-are-getting-into-russia-despite-sanctions-13093201>

<sup>31</sup> <https://www.opendemocracy.net/en/opendemocracyuk/bob-blackman-azerbaijan-lobbying-javanshir-feyziyev/>

<sup>32</sup> <https://www.channel4.com/news/dozens-of-mps-flown-to-riyadh-in-saudi-charm-offensive>

<sup>33</sup> <https://www.theguardian.com/world/2022/oct/29/qatar-lavished-british-mps-with-250000-worth-of-freebies-ahead-of-world-cup>

<sup>34</sup> Source Electoral Commission <https://search.electoralcommission.org.uk/>



- **or an organisation that would otherwise be sufficiently regulated to provide this safeguard, for example political parties.**

4.12. There are a growing number of cases that bring into doubt the efficacy of the current anti-evasion rules in the Political Parties, Elections and Referendums Act (PPERA). These provisions are intended to prevent impermissible donors moving funds into our political system, and/or obscuring the ultimate source of a contribution from the public; however, they have proven almost unenforceable in practice.

4.13. To date, the only case brought to trial resulted in acquittals for the main suspects after a lengthy and complex investigation, although five other defendants pleaded guilty.<sup>35</sup> Calls for criminal investigations and prosecutions into similar arrangements, where the ultimate source of funds was suspected not to be the person reported as the donor, have gone nowhere due to a lack of evidence.<sup>36</sup><sup>37</sup><sup>38</sup> Given this is such a crucial safeguard against undue influence operations, whether originating from abroad or closer to home, the construction of this offence needs revisiting so that it is not as heavily reliant on proving conspiracy, which can be almost impossible to do to a criminal standard in this context.

**4.14. RECOMMENDATION: To help better protect our democracy against clandestine and illegal sources of funds, Parliament should consider amending the anti-evasion rules so that they are more enforceable in practice.**

4.15. Politics can be a high-risk game, and there are strong incentives for parties and their members to bend and break the rules to gain a competitive advantage, especially at election time. In theory, there are a suite of civil and criminal sanctions available to provide a robust deterrent against breaches of the law. However, as noted by the Committee on Standards in Public Life (CSPL)<sup>39</sup> and the Electoral Commission,<sup>40</sup> the available civil sanctions are too low to provide a credible deterrent, and enforcement of criminal sanctions is both fragmented and seldom used. We count just one prosecution under PPERA over the last 20 years. To make matters worse, the Elections Act 2022 now bars the Electoral Commission from bringing forward prosecutions despite being the most knowledgeable body about electoral offences<sup>41</sup> and there being no obvious investigatory lead in law enforcement to fill the gap.

**4.16. RECOMMENDATION: To provide a more robust deterrent against non-compliance with the law, the Electoral Commission should be empowered to levy**

<sup>35</sup> <https://www.bbc.co.uk/news/uk-england-northamptonshire-67340330>

<sup>36</sup> <https://www.theguardian.com/politics/2009/may/07/david-abrahams-labour-donor>

<sup>37</sup> <https://www.nationalcrimeagency.gov.uk/news/public-statement-on-nca-investigation-into-suspected-eu-referendum-offences>

<sup>38</sup> <https://www.nytimes.com/2022/06/10/world/europe/uk-boris-johnson-donors-russia.html>

<sup>39</sup> CSPL, *Regulating election finance*, recommendation 37

<sup>40</sup> Electoral Commission, *Submission to the Committee on Standards in Public Life's review into electoral regulation* (August 2020) <https://www.electoralcommission.org.uk/news-and-views/our-responses-consultations/committee-standards-public-life-review-electoral-regulation-response-consultation>

<sup>41</sup> <https://www.legislation.gov.uk/ukpga/2022/37/section/19/enacted> [accessed 15 March 2024]

**civil sanctions up to 4 per cent of a campaign’s total spend or £500,000, whichever is higher. The Commission should also have its ability to bring criminal prosecutions reinstated.**

4.17. Crucial to the effective working of an electoral management body (EMB) like the Electoral Commission is its independence. International standards expect EMBs to be operationally, strategically and functionally separate from the executive.<sup>4243</sup> While the Commission is functionally a non-departmental public body, accountable to Parliament, changes made by the Elections Act 2022 allow the UK Government to set its strategic and policy priorities. This is inconsistent with international good practice, unnecessary, and fetters the Commission’s independence.

**4.18. RECOMMENDATION: Parliament should repeal Sections 16 and 17 of the Elections Act 2022, which fetter the Electoral Commission’s independence.**

## 5. LOBBYING

5.1. To date, the UK Government’s main statutory response to countering hostile state threats has been establishing the Foreign Influence Registration Scheme (FIRS). As we mentioned in our response to the Government’s consultation in July 2021, Transparency International UK believes that the most effective way at capturing influencing activity by foreign governments and their agents would be a comprehensive statutory lobbying register.<sup>44</sup>

5.2. We contend that the UK’s framework for disclosing the lobbying of decision-makers is inadequate and unfit for purpose. It does little to help the public understand who is lobbying, when, for what purpose, and how. The current framework relies on a hypothetical connection between the statutory register of consultant lobbyists and quarterly departmental disclosures. However, on closer scrutiny, meaningful linkages between the two datasets and their solving of the problem – the opacity of attempts to influence policy, procurement, planning and other major decisions – are fiction. It is hard to disagree with the CSPL’s assessment that ‘[t]ransparency around lobbying is poor’.<sup>45</sup>

**5.3. RECOMMENDATION: Lobbying should be made more transparent through a reformed statutory lobbying register, which is more comprehensive and meaningful, and allows the public to understand who is lobbying decision-makers, when, how and for what purpose.**

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<sup>42</sup> IDEA International, *Independence in electoral management: Electoral processes primer 1* (November 2021) pp.9-11 <https://www.idea.int/sites/default/files/publications/independence-in-electoral-management.pdf>

<sup>43</sup> Venice Commission, *Code of good practice in electoral matters* (March 2002) p.10 paragraph 3.1(a) <https://rm.coe.int/090000168092af01>

<sup>44</sup>

<https://www.transparency.org.uk/sites/default/files/pdf/publications/TI%20UK%20State%20threats%20consultation%20response%20FINAL2.pdf>

<sup>45</sup> CSPL, *Upholding standards in public life* p.4



5.4. Pending more substantive reform, there are quick and low-cost ways to improve current data on those seeking to access and influence ministers. These include delivering a more centralised system for publishing ministerial meetings data, as recommended by the CSPL<sup>46</sup> and the Boardman review,<sup>47</sup> and moving these disclosures to a regular monthly publication cycle. We provide a more detailed breakdown of the current arrangement's flaws elsewhere<sup>48</sup> along with detailed solutions and are available to provide further information to the Committee upon request.

**5.5. RECOMMENDATION: Pending more substantive legislative reform, ministers and their departments should improve the frequency, quality and accessibility of government transparency returns.**

## 6. CORRUPTION IN PUBLIC OFFICE

6.1. Declining trust in our democracy is almost certainly linked to concerns around corruption, including those at the highest levels of public office.

6.2. Measuring corruption in public office is an inherently challenging and imperfect task, yet the Corruption Perceptions Index (CPI) is the most widely-used and accepted way of doing so. While reliant on expert perceptions of corruption, which is not the same as measurements of actual cases, it provides an authoritative steer on a country's trajectory. Unfortunately, according to these expert assessments the UK has been going downhill in recent years.

6.3. This is the second successive year the UK's score (71) has fallen and is its lowest rating and position (20th) since the Index underwent a major revamp in 2012. The UK's 2023 CPI score represents the most significant drop in Western Europe over the past five years (-9) ahead of Poland (-6) and Austria (-5). This decline since 2018 is of similar significance to results for countries like Myanmar (-9), Nicaragua (-8), Liberia (-7), and Turkey (-7). The data shows there are growing concerns over cronyism and patronage in UK politics, and its effect on the management of public funds.

6.4. As the most senior figures in our government, ministers including the Prime Minister are rightfully held to high standards of conduct. However, to ensure high standards are more than words on paper, enforcement must be consistent and provide a credible deterrent to rule-breaking. This has been lacking in recent years, which does little for

<sup>46</sup> CSPL, *Standards matter 2 - Committee findings* (June 2021) p.2

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/993233/Committee\\_on\\_Standards\\_in\\_Public\\_Life\\_-\\_Standards\\_Matter\\_2\\_-\\_Report\\_of\\_Findings.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/993233/Committee_on_Standards_in_Public_Life_-_Standards_Matter_2_-_Report_of_Findings.pdf)

<sup>47</sup> Nigel Boardman, *Review into the development and use of supply chain finance (and associated schemes) in government part 2: Recommendations and suggestions* (5 August 2021) p.20

[https://assets.publishing.service.gov.uk/media/61430bc6d3bf7f05b5a9035c/A\\_report\\_by\\_Nigel\\_Boardman\\_into\\_the\\_Development\\_and\\_Use\\_of\\_Supply\\_Chain\\_Finance\\_and\\_associated\\_schemes\\_related\\_to\\_Greensill\\_Capital\\_in\\_Government\\_-\\_Recommendations\\_and\\_Suggestions.pdf](https://assets.publishing.service.gov.uk/media/61430bc6d3bf7f05b5a9035c/A_report_by_Nigel_Boardman_into_the_Development_and_Use_of_Supply_Chain_Finance_and_associated_schemes_related_to_Greensill_Capital_in_Government_-_Recommendations_and_Suggestions.pdf)

<sup>48</sup> Transparency International UK, *Understanding access and potential influence in Westminster* (September 2021)

<https://www.transparency.org.uk/sites/default/files/pdf/publications/Understanding%20Access%20and%20Potential%20Influence%20in%20Westminster.pdf>

the UK's reputation as a beacon of good governance abroad and at home.

6.5. Our analysis has highlighted that in the past five years, there have been at least 40 potential breaches of the Ministerial Code that have not been investigated.<sup>49</sup> These findings highlight a significant accountability gap in ministerial oversight and raise questions as to the independence of the Independent Adviser on Ministers' Interests, which exists – and conducts investigations into alleged impropriety – at the whim of the Prime Minister. This role experiences a degree of precarity as the post of the Adviser is not required to exist in any legislation. Without a statutory basis, and in requiring the permission and patronage of the Prime Minister of the day,<sup>50</sup> this role cannot reliably fulfil its primary function, which is to conduct impartial investigations into potential breaches of the Ministerial Code.

**6.6. RECOMMENDATION: The Independent Adviser on Ministers' Interests should be put on a statutory footing and be truly independent, with the ability to initiate investigations. They should have the resources and powers to do so properly, and the ability to report findings and recommend sanctions without the Prime Minister's permission.**

6.7. Recent history also shows that our system of executive accountability relies too heavily on compliance with convention, which is far from guaranteed. Indeed, if the main perpetrator or protector of misconduct in high office is the PM, then there are relatively few formal avenues to hold them to account. While they can be brought to book for misconduct like misleading Parliament, short of criminal behaviour there are few other levers to pull for ministerial impropriety.

**6.8. RECOMMENDATION: There should be an alternative avenue for redress to prevent PMs consistently failing to sanction ministers for serious breaches of the Ministerial Code. This 'backstop' could be a Parliamentary committee that has the power to call in a sanction should the PM prove unwilling to enact consequences for breaches of the Code of Conduct.**

6.9. As with electoral law, there is an enforcement gap where criminality is concerned. This is in part due to the UK's inchoate common law offence of misconduct in public office, which conflates both corrupt practices and negligence. In 2020, the Law Commission recommended a new standalone criminal offence of corruption in public office.<sup>51</sup>

**6.10. RECOMMENDATION: There should be a new, clear statutory offence for corruption in public life, similar to that proposed by the Law Commission, to ensure those who commit serious abuses of power for private gain can be held**

<sup>49</sup> <https://www.transparency.org.uk/uk-politics-potential-ministerial-code-breaches> [accessed 19 September 2023]

<sup>50</sup> HM Government, Independent Adviser on Ministers' Interests - Terms of Reference (May 2022) paragraph 2.2 [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1079281/Independent\\_Adviser\\_-\\_Terms\\_of\\_Reference.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1079281/Independent_Adviser_-_Terms_of_Reference.pdf)

<sup>51</sup> Law Commission, *Misconduct in public office*, HC 1027 (December 2020) <https://s3-eu-west-2.amazonaws.com/cloud-platform-e218f50a4812967ba1215eaecede923f/uploads/sites/30/2020/12/Misconduct-in-public-office-WEB11.pdf>

**criminally accountable.**

*18 March 2024*