

21<sup>st</sup> September 2007

## **CIPR EVIDENCE TO PASC**

### **PASC Inquiry Into Lobbying and Self-Regulation**

1. The Chartered Institute of Public Relations (CIPR) is the representative body of the UK public relations industry. Established in 1948, and with over 9,000 individual members, the CIPR is Europe's largest professional body for public relations practitioners, and includes in its membership a large number of communications professionals who specialise in public affairs. The CIPR is responsible for promoting the standards of excellence expected of its members in their professional relationships and business dealings.
2. The CIPR was granted its Royal Charter in 2005, after an exhaustive process of examination by the Privy Council. In the course of that process, the Government accepted the CIPR to be fully representative of the public relations industry, and acknowledged that we operate in the public benefit, with a full education and training structure underpinning membership. Crucially, we also operate a rigorous Code of Conduct, to which all members must adhere.
3. The CIPR welcomes the opportunity to respond to this PASC inquiry. In preparing our response, we have consulted with the CIPR Government Affairs Group, which represents 600 professionals working in public affairs.

#### **General Comments:**

4. It is in the interests of the public affairs profession itself, and of Parliament alike, for self-regulation to work. Lobbying in its broadest sense enables legislators to have access to expert opinion; allows policy proposals to be 'reality checked'; and allows those with a legitimate interest in the political process to provide comment on proposals which affect them. When the ability to urge caution or provide expert advice is diminished, so too is the quality of legislation.
5. A properly-functioning public affairs profession is therefore, in our opinion, key to an effective consultation and political process.
6. Inevitably, much media interest will focus on the work of dedicated public affairs consultancies. But it is important not to lose sight of the fact that the majority of public affairs work is not actually undertaken by such businesses. While it might be tempting to focus on the work of consultancies, their ultimate impact is doubtless much less than that of in-house public affairs teams working for charities, professional associations or public bodies.

7. In 2005, the CIPR commissioned an independent study into the size, shape and future direction of the PR profession. Conducted by the Centre for Economics and Business Research (CEBR), it concluded that 48,000 people work in PR, generating £6.5 billion. Of that number, thirty-nine thousand work in-house, and nearly nine thousand work out-of-house, whether in consultancies or as freelancers. We have no reason to believe that the career-path split for those communications professionals who specialise in public affairs would be fundamentally different.
8. The CEBR research showed that of those working in-house, 51% work in the public sector, the health sector or the charitable sector. Turning to the consultancy sector, it found that slightly more than a third (36%) of consultancy revenue came from the public sector, health sector and charitable sector.
9. Those figures help to show that the typical stereotype of a PR or public affairs person as being a consultant is some way from the truth, and that much of the resource spent on communications work is spent by non-private sector bodies.
10. It is the CIPR's contention that, as the Committee on Standards in Public Life has concluded, the current system of self-regulation is broadly effective. Standards are undoubtedly much higher than they were, for example, in the early 1990s, when there was a clear need to address issues of integrity.
11. Where we do agree that a problem may exist however is around access and transparency. We accept that there are problems with public affairs practitioners 'flying under false colours' as it were, through obtaining Parliamentary passes from well-disposed Parliamentarians. And we would acknowledge that this practice poses serious questions of transparency and privileged access.
12. We would be interested in investigating something closer to the EU model, whereby public affairs practitioners would be able to apply for passes, which would restrict them to certain, closely-curtailed, areas of the Parliamentary Estate, and would clearly identify holders as public affairs practitioners. Naturally, the identity and role of such holders should be publicly recorded in a suitable register. We believe that this might add not only to the ability of practitioners legitimately to provide advice to legislators, but also reduce the current perceived abuse of passes.
13. Ultimately, the effectiveness of any system of regulation will be governed not only by the attitude of lobbyists, but also by that of Parliamentarians. It is appropriate and natural for organisations and individuals to lobby in favour of, or against, legislation. The ultimate arbiter of the usefulness of, and motivation behind, such advice however, should be left to Parliamentarians and civil servants themselves.

## Specific Questions:

- *What does it mean for an organisation to lobby Government or Parliament?*
14. To lobby is to make representations to Parliament with a view to influencing policy or amending legislation.
  15. It is widely accepted that any organisation has the right to inform and to try to influence Parliament – provided that they do so within the rules, and in an honest and transparent manner.
  16. It is our view that the widest possible consultation can only result in better policy decisions and more effective legislation.
  17. It is up to Ministers and MPs to use their judgement to assess the relative merits of the conflicting representations which are made to them. As with our legal system, lobbying is inevitably based on an adversarial system whereby all sides of the argument are put forward. It is then for Parliament (or Government) to be the final arbiter.
- *Which ways of seeking to influence policy and decision makers are acceptable, and which are unacceptable?*
18. It is acceptable for individuals and interest groups – and their representatives – to seek to make contact with MPs, Ministers, Civil Servants and Special Advisers by letter, email, or telephone.
  19. They also have the right to try and arrange a face to face meeting – subject to the Minister, MP etc wishing to meet them, and having the time to do so. Modest provision of entertainment may also be legitimate, although it is not always appropriate. Any such entertainment should be reasonable and within the framework laid down by the Codes of Conduct governing the behaviour of Ministers, MPs, Civil Servants and Special Advisers. These Codes should be policed and adhered to.
  20. Facility visits and site inspections can be offered – but where appropriate, invitations should be channelled through the relevant Select Committee or All-Party Group.
  21. Attendance by interest groups and their advisers at party conferences is welcomed. Having stands at these conferences enables interest groups to raise their profiles and put across their arguments. Arranging fringe events and hosting receptions is almost universally accepted as a legitimate tool of influence, and entertaining politicians and decision-makers at conference is common practice and broadly acceptable.
  22. Interest groups are often asked to contribute to the policy reviews and manifesto drafting processes of the political parties. Even where they are not

invited, it is valid for interest groups to seek to have an input into these processes.

23. Interest groups and their advisers have the right to make their case robustly – but they should always observe the general commercial proprieties, and they should not seek to exaggerate their claims.
- *What evidence is there of the effect of lobbying on the policy and decision making processes?*
24. There is no doubt that lobbying has an influence on the policy and decision making processes. This is inevitable and legitimate.
25. In our experience, Civil Servants welcome the opportunity to ‘road test’ their policy suggestions or proposals, and to receive expert advice from relevant stakeholders. Experienced Civil Servants will always be able to weigh and sift the evidence, judging what motivates the case being made to them.
26. Where the Government is concerned, individuals, interest groups and their representatives have a role in highlighting the consequences – intended or otherwise – of any policy initiative. This can result in such initiatives being amended, or even dropped.
27. Where the opposition parties are concerned, interest groups and their representatives have an established and legitimate role in plugging some of the gaps left by the lack of resources from which they suffer. Party HQ staffers and researchers – some of them paid for by Short Money – can do the majority of the work involved. They cannot, however, match the resources at the disposal of the governing party, who have the entire civil service (plus seventy Special Advisers) at their disposal. The assistance of think tanks, special interest groups and public affairs consultancies go some way towards restoring this balance.
- *Do some organisations have more influence over Parliament and Government than others?*
28. It is undoubtedly the case that some organisations have more influence over Parliament and Government than others – and it is inevitable that this should be the case. Equality of access, however, is the guiding principle. No organisation should be denied the right to make representations, and thereby give politicians the opportunity to reach their own conclusions as to their validity.
29. Some organisations are simply far larger – and represent far more important groups – than others. It seems to us to be logical and acceptable that the CBI and the TUC should have more influence than, for instance, a small single-issue pressure group.

30. It is also the case that some organisations have devoted a great deal of time and resources over the years to refining their techniques for monitoring Government policy initiatives, and responding to them in a detailed and considered fashion. This sustained effort will inevitably earn them the right to faster access and a more attentive hearing.
- *Is it possible to limit lobbying and yet to ensure that Government and Parliament are properly informed?*
31. The simple answer to this question is - no. Lobbying has been around since the days of absolute monarchy, and attempts to limit it would almost certainly result in an increase in underhand behaviour and subterfuge.
32. All organisations – and their representatives – deserve the right of free access to MPs, Ministers, Civil Servants and Special Advisers. Any attempt to fetter that access would undoubtedly damage the political process.
33. It is up to MPs, Ministers, Civil Servants and Special Advisers to exercise their judgement as to how much weight they attach to each individual representation.
- *Are the provisions in the APPC's and PRCA Codes of Conduct appropriate for a self-regulatory system? Why are some multi-client lobbyists firms not members of these Associations?*
34. Some public affairs consultancies consider that their conduct is adequately governed by their own internal codes. It is also often the case that standards of ethical behaviour are specified during the tendering process, and included in the resulting contracts. Some non-member companies also feel that the APPC's efforts to persuade individuals and organisations that non-APPC members should be barred from the tendering processes is an attempt to develop a closed shop.
35. Some companies also believe that membership of the CIPR and adherence to its Code of Conduct amply demonstrate their commitment to ethical behaviour. A number of CIPR members are employed by companies that belong to one of the trade organisations mentioned above, and we believe that their membership of such trade associations is a positive thing. However, such trade organisations cannot regulate the conduct of individuals as the CIPR can. If self-regulation of lobbying is to work, it must involve the ability to sanction individuals –that ability resides at the moment with the CIPR through its individual Code of Conduct.
36. The APPC, the PRCA and the CIPR are working together on a joint set of principles which will apply across the whole industry. The CIPR Executive Board has already approved a draft of those principles, and stands ready formally to adopt the final version once it is agreed.

- *Should lobbyists be regulated by an outside body? If so, what would the focus of such regulation be? Who would enforce such regulation?*
37. This is largely a matter for Parliament to decide. Our view is that the present system of multiple self-regulation is broadly effective and should continue.
38. Lobbyists could be regulated by Parliament itself, or any such regulation could be delegated to an external body such as the Committee on Standards in Public Life.
39. Alternatively, the current system of self-regulation could be formalised. In that case, and were Parliament to decide that one body should be charged with such a responsibility, the CIPR would certainly be well placed to perform such a function. The CIPR will be 60 years old next year. It has a Royal Charter. It has over 9,000 members – both in-house and in consultancy. It also has a strict and detailed Code of Conduct, and this is backed up by a Professional Practices Committee and a Disciplinary Committee, formed of the CIPR's most senior and esteemed members.
40. As a Chartered professional body representing both in-house practitioners and those in consultancy, the CIPR feels that we are better placed to regulate the industry than trade associations. However, as stated above, our view is that the present system of multiple self-regulation is broadly effective and should be retained.
- *Are the current transparency requirements placed on the behaviour of public officials, ministers and Members appropriate?*
41. Our view is that the Codes of Conduct for Ministers, MPs, Civil Servants and Special Advisers are fit for purpose.
42. There is, however, a strong argument for the Codes to be overseen, interpreted and enforced by an external body or person, rather than by the Cabinet Secretary.
- *Should government organisations lobby? If so, is it appropriate for them to use multi-client public affairs consultancies?*
43. Because so many agencies (Non-Ministerial Public Bodies, Executive Agencies and QUANGOs) have now been set up at arms-length from Government, it is essential for them to have the right to lobby. Many of these groups have a statutory duty to report to Parliament, and the industries and services in which they operate are likely to be of interest to Parliamentarians. As such, whilst it might not be appropriate for such public bodies to campaign, it is legitimate for them to make direct representations to Parliament.

44. Whether they choose to retain multi-client public affairs consultancies or not is essentially a matter for them. They are in the best position to decide on the strength of their in-house capabilities in this respect, and whether or not this needs to be bolstered by the hiring of an external consultancy. Any tendering process should be centred on the value for money which a consultancy can deliver, although strictures as to ethical behaviour can also be incorporated.
- *Is there anything that the UK can learn from attempts to regulate lobbying in other countries?*
45. It is important constantly to review procedures and regulations, and, where appropriate, to adapt initiatives adopted in other countries.
46. The United States probably has the most restrictive regime for lobbyists anywhere in the world. Few people, however, would suggest that US politics is cleaner or more directly representative than politics in Westminster – or in the UK generally. Regulation alone does not guarantee ethical standards of behaviour.
47. The European Parliament initiative on transparency championed by Commissioner Siim Kallas is a welcome one, and its voluntary nature is certainly worth persevering with at this stage. The system of having clearly identified passes, offering limited access to lobbyists in return for strict adherence to a Code of Conduct, is certainly worth investigating to see if it could be applied at Westminster.

We would, of course, be delighted to expand further on any of these points, and would in particular welcome the opportunity to present oral evidence to the Committee.

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CIPR President

Enc: CIPR Code of Conduct