

STANDARDS, PROCEDURES AND PUBLIC APPOINTMENTS COMMITTEE

INQUIRY INTO LOBBYING

SUPPLEMENTARY EVIDENCE FROM APPC

Clarification

This supplementary evidence is submitted by Iliam Costain McCade, Chair of APPC Scotland, in an individual capacity.

My initial research, which was referred to in the Committee evidence session on 16th January 2014, has been subject to further analysis and consideration since that date.

In that session, where it was made clear that this was by no means to be considered a definitive analysis, my initial conclusion – and statement to the Committee - was that of 33 identified access/influence related issues which have received media coverage, two involved ‘commercial lobbyists’ and four involved ‘in-house lobbyists’.

In this subsequent analysis that figure has been revised to three media items relating to ‘commercial lobbyists’ and two to ‘in-house lobbyists’.

Of the three incidents in which ‘commercial lobbyists’ were implicated in media coverage, one – in 1994 – was the *Cash for Questions* scandal which prompted the foundation of the APPC and the establishment of our Code of Conduct. (A later in-depth report by Sir Gordon Downey later found the original media story to have wrongly implicated the consultancy).

The other two incidents, in 1998 and 2011, were both occasions on which ‘commercial lobbyists’ boasted of their connections to politicians. Although making boastful claims of this sort are a breach of our Code, they are a matter of professional conduct rather than actual lobbying activity (i.e. engagement), or of gaining or attempting to gain undue access and influence. Nevertheless, these two cases are included in my analysis.

The changes made to the figure for incidents in which ‘in-house lobbyists’ have been involved is due primarily to interpretation. Indeed, with the exception of one clear case, it is still possible to re-interpret some of the incidents identified.

In any case, the main point of the analysis is to illustrate that whilst there may be a general concern about a lack of openness and transparency as to “who is lobbying whom and about what”, there are very few occasions on which either commercial lobbyists or in-house lobbyists have been involved in any scandals or incidents around access and influence at Westminster.

Furthermore, I would suggest (again in a personal capacity) that even a cursory study of the incidents identified will make it clear that a register of lobbying, or of lobbyists, would not have prevented any of the scandals or incidents from happening.

The main point of this analysis is to demonstrate:

- 1) That concerns about lobbying activity are part of a broader concern about access to decision makers and influence over decision making.
- 2) Concerns about access and influence are part of broader concerns about openness, transparency and accountability.
- 3) Activities and actions by professional ‘lobbyists’ (whether commercial or in-house) comprise a very small proportion of the number of incidents which have prompted media stories about access and influence, or openness and transparency.
- 4) A register of lobbyists or of lobbying activity would have prevented very few, if any, of the incidents identified in this analysis.

The analysis

Criteria for inclusion

- Events or incidents which clearly demonstrate undue access to decision makers, or influence on decision makers or on the decision making process.
- Events or incidents which – though not clearly having done so - suggest the possibility of, or potential for, undue access or influence. This includes issues around illegal donations to political parties, or where there is a suggestion that legal donations appear to be linked to attempts to influence specific policy outcomes.
- Occasions where a lack of transparency, failure to declare interests, conflict of interests, or complex business arrangements have been exposed, giving the impression of undue or ‘hidden’ influence, or providing the potential for it.
- Occasions where a politician has used their position to effect or influence a decision in which a personal interest is apparent.

As they do not relate to concerns around access or influence, scandals and other media stories concerning the following are not included in this analysis:

- Expenses scandals
- Infidelity or other personal indiscretions

Summarised Analysis

Primary actors	Consultant Lobbyist	In-house lobbyist	Business or organisation	Politician(s)	Journalists	Other
Type of issue						
Cash for influence	1 (implicated in initial report, but later cleared)		4	6	3	1
Cash for		1	3	6	1	2

access						
Lack of transparency/failure to declare				5		
Apparent undue influence			1	4		2
Conflict of interest		1?	2	2		
Lobbyist boasting of connections	2					
Illegal Donations			2	2		

Note: There are 33 specific incidents identified, but in many cases more than one party or 'primary actor' is involved. This is a minimal analysis, and it is possible to interpret each of the incidents more broadly. In doing so, this would primarily lead to a greater number of 'primary actors' being identified in the 'businesses or organisations' category.

Detailed Analysis

Year	Incident	Issue	Commercial or in-house Lobbyist involvement
1994	Cash for Questions Al Fayed makes payments to MPs in return for the tabling of questions. Initial Guardian report implicates Political Consultancy creating lobbying scandal, but it is later determined this element of the report was erroneous.	Cash for influence on parliamentary activity	Yes – in the original report. Commercial lobbyist reported in the Guardian as acting as conduit for payment, though subsequent report by Sir Gordon Downey cleared the consultancy of any involvement.
1994	Michael Brown MP fails to register payment in relation to Skoal Tobacco	Failure to declare financial interest	No

1997	Bernie Ecclestone donates £1m to Labour Party, DoH seeks exemption for Formula 1 from EU's proposed tobacco advertising ban	Apparent cash for influence on Government decision making	No
1998	Lobbygate. Derek Draper.	Lobbyist boasting of access/influence	Yes – but issue is unprofessional conduct, not lobbying activity
2006	'Cash for honours'. Political donations made in return for life peerages.	Cash for influence	No
2007	Reported that millionaire property developer David Abrahams gave money to the Labour Party in return for favours in the development industry. Labour Party General Secretary resigns.	Apparent cash for influence on Government decision making	No
2007	David Cameron's Chief Fundraiser uses the pass of a Tory Peer's researcher to gain access to facilities in Westminster and organized fundraising events for donors to meet Cameron	Cash for access & inappropriate use of parliamentary pass.	No
2007	Lord Hoyle receives payment to introduce an arms industry lobbyist (a former RAF officer who worked for BAE) to the Defense Minister Lord Drayson. The lobbyist also had a security pass as a 'research assistant' from another MP.	Cash for access & inappropriate use of parliamentary pass.	In-house lobbyist
2008	Peter Hain fails to report £103k donation to his party deputy leadership campaign	Lack of transparency/failure to declare	No
2008	George Osborne fails to declare donations to his office	Lack of transparency/failure to declare	No
2008	George Osborne in series of meetings with Russian oligarch seeking to make donations to Tory Party, despite not being eligible to vote.	Donations/influence issue	No

2008	Lord Ashcroft, Tory deputy chairman – his company, Bearwood Corporate Services, has been the beneficiary of cash from Stargate Holdings, a Belize based company, making party donations illegal.	<i>Inappropriate financial arrangements/donations</i>	No
2008	Media sting. Two Labour peers suspended from the HoL for their role in the ‘cash for amendments’ affair – the first suspension of its kind in 350 years. Two other peers were asked to apologise to the House.	<i>Cash for influence</i>	No
2010	Channel 4’s broadcast of Dispatches – ‘Politicians for Hire’ reveals politicians offering to help companies by lobbying the government for salaries of up to £5,000 a day. Three former Labour cabinet ministers are suspended from the party	<i>Cash for influence</i>	No
2010	Against normal procedures the Advisory Committee on Business Appointments agrees to a request from Tony Blair to postpone publication of his relationship with UI Energy Corporation.	<i>Influence on Parliamentary procedures</i>	No
August 2011	Adam Werrity scandal. Unclear role of Werrity in relation to Minister of Defence, whom he accompanies to official meetings and on official trips. Purports to be an official adviser, but was not a government employee.	<i>Access/Influence</i>	No – though it is possible to identify secondary players from amongst those who provided funding to Mr Werrity.
2011	The Independent claims that Tim Collins, a former Conservative MP and Bell Pottinger executive, boasted of the public affairs company's access to government to undercover reporters.	<i>Lobbyist boasting of contacts</i>	Yes – but issue is unprofessional conduct, not lobbying activity
2011	The Liberal Democrats launch the Leaders’ Forum, an elite club offered privileged access	<i>Cash for access/implied cash for influence</i>	

	and face-to-face meetings with ministers, including Nick Clegg. For £25,000 a year, members are offered “unrivalled networking opportunities” through exclusive dinners and debates with frontbenchers.		No
2011	Stephen Crouch, a defence lobbyist, gains access to a meeting with the arms sales minister, Gerald Howarth, after secretly donating £20,000 to fund Adam Werritty’s expenses.	Cash for access	Mr Crouch described as a ‘defence lobbyist’. Though the precise nature of his business activities is unclear.
2012	Members of the government are reported to have attended invitation-only events organised by the Chemistry Club (a networking company). Attendees pay up to the £1,800 a head to meet ministers, senior government advisers and MPs at a series of events. ‘	Cash for access/ implied cash for influence	No
2012	Michael Gove personally made the decision to allocate £2 million of public money to a charity for which Gove himself was an adviser to for four years.	Influence on decision	No
2012	Government adviser Mark Littlewood’s links to the tobacco industry are revealed. His company, the Institute of Economic Affairs, has received funding from the tobacco industry.	Financial arrangements implying influence/ Apparent conflict of interests	Possible ‘in-house’. Unclear, though it could be interpreted as a potential conflict between the individual’s Government role and his ‘in-house’ interests
2012	Conservative peers with ties to private healthcare are helping David Cameron push through controversial NHS reforms. Ex-health Ministers Virginia Bottomley and Julia	Apparent conflict of interests	No

	Cumberlege, both have ties to private medical organisations.		
2012	Conservative Party co-treasurer Peter Cruddas is secretly recorded offering access to David Cameron and George Osborne for 'premier league' donors for £250,000. He resigns following the airing of the meeting,	Cash for access	No
2012	Conservative Party website openly offers donors opportunity to attend events where David Cameron and other senior Tory figures are present, inviting supporters to join one of its "donor clubs" including "the premier supporter group" The Leader's Group, which has an annual membership of £50,000.	Cash for access	No
2012	It emerges that David Cameron hosted private dinner parties at Downing Street and Chequers for donors who had collectively donated £25 million to the Conservative Party.	Apparent cash for access	No
2012	Conservative peer David Maclean (Lord Blencathra) is found to have lobbied on behalf of the Cayman Islands government whilst sitting in the House of Lords.	Influence	No
2012	An analysis of the Lords' Register of Interests reveals that almost a fifth of peers who voted on the Health and Social Care Bill have financial interests in companies involved in private healthcare.	Financial arrangements implying influence or conflict of interests	No
2012	Lord Plumb had been acting as an adviser to a European firm (Alber & Geiger) for five years without declaring it to Parliament.	Failure to declare interests	No
2012	The Treasurer of the Conservative Party, Lord Fink, arranged to host a private dinner in the House of Lords. One of a number of senior	Apparent cash for access	No

	peers who used their membership of HoL to arrange events for private companies.		
2012	Department of the Environment and Climate Change adviser Miriam Maes comes under scrutiny after it emerges that she also works part time for her own company (a climate change consultancy) attempting to influence the Department of the Environment and Climate Change.	Conflict of interests	No
2012	Iain Duncan Smith's adviser, Philippa Stroud, is being paid by the Centre for Social Justice, a think tank set up by Duncan Smith and one which lobbies his own Department of Work and Pensions. Her paid work for the think tank is criticised because of the potential for a direct conflict of interest.	Apparent conflict of interests	No
2013	Conservative MP Patrick Mercer resigns the party whip after Panorama programme disclosed that he had tabled parliamentary questions and motions after being paid £4,000 as part of a contract he believed would earn him £24,000 a year. Mr Mercer offered an undercover journalist posing as a lobbyist a security pass that would grant them access to the Houses of Parliament.	Cash for influence on parliamentary activity	No

Main Source of information: internet search of news items

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13 FEBRUARY 2014**