

RADIOCENTRE RESPONSE TO GOVERNMENT CONSULTATION ON INTRODUCING A STATUTORY REGISTER OF LOBBYISTS

1. Background

- 1.1 RadioCentre is the industry body for commercial radio. Formed in July 2006 from the merger of the Radio Advertising Bureau (RAB) and the Commercial Radio Companies Association (CRCA), RadioCentre's membership comprises the vast majority of UK commercial radio stations, who fund the organisation. RadioCentre is governed by a board of directors, representing a cross section of the industry and including all the major commercial radio groups.
- 1.2 The role of RadioCentre is to maintain and build a strong and successful commercial radio industry – in terms of both listening hours and revenues. RadioCentre operates in a number of areas including working with advertisers and their agencies, as well as representing commercial radio companies to Government, Ofcom, copyright societies and other organisations concerned with radio.
- 1.3 RadioCentre also provides a forum for industry discussion, is a source of advice to members on all aspects of radio, jointly owns Radio Joint Audience Research Ltd (RAJAR) with the BBC, and includes copy clearance services for the industry through the Radio Advertising Clearance Centre (RACC).

2. Summary

- 2.1 RadioCentre welcomes the opportunity to respond to the Government's consultation on *Introducing a Statutory Register of Lobbyists*. We strongly support the sentiment behind this proposal and the continuing moves being made to ensure further transparency in Westminster and Whitehall.
- 2.2 Lobbying is an important part of the legislative process. It not only allows individuals to influence decisions that may affect them and their environment, but also helps inform government officials about wider political issues. As lobbying can have a direct impact upon legislation through parliament, it is important that it is transparent so that the public can recognise decisions made by lawmakers are based on comprehensive and accurate information.
- 2.3 It would not be appropriate for Ministers or other decision makers to meet with firms and organisations that attempted to conceal their business intentions, or were not clear as to who they were representing. RadioCentre, being a trade body, explicitly identifies all of its members as interested parties in all communications and representations, including this one. Our *raison d'être* lies in who we represent and we are proud to already list our members in the public space.¹
- 2.4 The role of trade associations is not to lobby for a specific individual or narrow cause, but for the collective interests of an industry as a whole. Like charities, religious groups or think tanks, we explicitly represent the interests of our members, and our consistent arguments are identifiable with our ultimate intentions. In contrast it is sometimes unclear why a third party lobbyist, or even a multinational company, is meeting with a Minister.

¹ <http://www.radiocentre.org/membership>

- 2.5 Therefore **RadioCentre's starting position is that it believes it is unnecessary for trade bodies, charities and trade unions to be included in a register for lobbyists.** We note that there is precedence for this in legislation in Australia², where a register exists to identify the interests of only those lobbying on behalf of third parties, and we are pleased the Government has considered this model as part of the consultation.
- 2.6 Should the Government wish to include all types of bodies which lobby on a register, **it will be important to acknowledge that organisations which only lobby as a means of representation for a single sector or interest are very different to those with no specific declared affiliation**, which take money to further the specific interests of a third party client. This tiered system separating professional 'consultant' lobbyists with companies containing 'in-house' lobbyists is one which has been developed in Canada since the 1980s³.
- 2.7 We would be concerned if the 'lobbying industry' was to use this initiative to shift the reputational and financial culpability of its recent difficulties onto all organisations which interact with elected officials as a matter of democratic necessity. We believe that any register would essentially be a response to problems the lobbying industry has created. Therefore **whatever the final make-up of the register, it is appropriate that any obligations and funding requirements fall mainly upon the lobbying industry.**

3. Background

- 3.1 In recent years, 'lobbying' has become a much maligned term. Since the previous Government appointed House of Commons Select Committee identified concerns regarding the privileged access and excessive influence of lobbyists in its 2009 report⁴ there have been several high profile stories regarding the involvement of Government Ministers being disproportionately influenced by lobbyists which has compounded this⁵. Although arguably these headlines are more closely related to improper behaviour by elected representatives than being inherent problems within the political system as a result of the way lobbying is undertaken.
- 3.2 Nevertheless, a theme that has emerged in some cases has been the lack of transparency with regards to third parties, which has precipitated public concerns regarding the inability to control 'large corporate interests'⁶ manipulating Ministerial behaviour. RadioCentre's response therefore focuses on how tackling this discrepancy will best be achieved through a statutory register.

4. Definitions

² <http://lobbyists.pmc.gov.au/>

³ Nancy Holmes, *The Federal Lobbyists Registration System*, October 2007.

<http://www.parl.gc.ca/content/LOP/ResearchPublications/prb0574-e.htm>

⁴ House of Commons Public Administration Select, Committee 'Lobbying: Access and influence in Whitehall: First Report of Session 2008-09', January 2009, p. 13.

<http://www.publications.parliament.uk/pa/cm200809/cmselect/cmpublicadm/36/36i.pdf>

⁵ Oliver Wright, *The Independent*, 28 March 2011 <http://www.independent.co.uk/news/uk/politics/lobbyists-linked-to-100000-tory-donations-7593588.html>; BBC News, 14 October 2011, 'Defence Secretary Liam Fox quits' <http://www.bbc.co.uk/news/uk-politics-15300751>

⁶ HoC PASC, 'Lobbying', p. 6.

- 4.1 We recommend that Government sets out in greater detail a description of the issues that it is seeking to address with this initiative, alongside a clearer definition of which group (or groups) it is seeking to target. It is RadioCentre's strong view that the register itself cannot (and should not) involve *all* individuals that undertake lobbying.
- 4.2 A 'lobbyist' undertakes lobbying, but not all individuals undertaking lobbying activities should be considered lobbyists. 'Lobbyist' is a professional term referring to an individual or organisation that is paid by a third-party client to communicate with public office holders in regards to influencing certain Government decisions. The professional lobbyist dedicates all their time to the practice of lobbying and building contacts in order to further their ability to influence officials.
- 4.3 Government has therefore already defined 'lobbyists' within the consultation. These are those within the 'lobbying industry', represented by the three registered membership organisations Chartered Institute of Public Relations (CIPR), Public Relations Consultants Association (PRCA) and Association of Professional Political Consultants (APPC). We note that these bodies have already attempted to construct a register for the industry through the foundation of the UK Public Affairs Council (UKPAC) in 2009, explicitly acknowledging both the need for a register and that this group are lobbyists.
- 4.4 This type of third-party, or consultant, lobbyists are also those listed on the Australian register⁷. RadioCentre submits that organisations of this type are where the majority of Government attention and resource should be concentrated when constructing the statutory register in the UK.
- 4.5 Neither the Australian system nor UKPAC includes 'public affairs' departments acting in-house for major organisations. However, we acknowledge that this is also an area about which the public may be concerned⁸. One option therefore may be to incorporate part of the Canadian example into a UK register; where a differentiation is made between Tier I consultant lobbyists (who provide the name and policy area of their clients) to Tier II in-house lobbyists who are required simply to register their organisation⁹.

5. Funding and operator

- 5.1 Since October 2010 the Government has been working to decrease the amount of public bodies in order to reinvigorate the public's trust in democracy and also ensure that it operates in a more efficient and business-like way. To date 56 of the public bodies reviewed are now either no longer an NDPB, Public Corporation or Non-Ministerial Department¹⁰. Clearly this approach is partly driven by the fiscal problems the country, and more specifically the public sector, currently face in reducing a multi-billion pound deficit.
- 5.2 In such an economic climate we believe that it would be a disproportionate measure to develop a new body to administer the lobbying register. Indeed, from the examples

⁷ Australian Government: Register of Lobbyists, 'What is the definition of lobbyist?'

<http://lobbyists.pmc.gov.au/faq.cfm#4>

⁸ HoC PASC, 'Lobbying', p. 6.

⁹ Holmes, *Federal Lobbyists Registration*.

¹⁰ Public Bodies Reform - quarterly status checks, 1 February 2012.

<https://www.gov.uk/government/publications/public-bodies-reform-quarterly-status-checks>

included in the consultation regarding similar bodies in the UK and abroad, such statutory bodies could ultimately cost millions of pounds per annum to administer.

- 5.4 Whilst we are certain the register (and any administrative body) should be both independent of parliament and the lobbying industry, we see no reason why an invigorated and more independent UKPAC – possibly under the administration of Cabinet Office (as in Australia) – should be considered as the administrator of the list.
- 5.5 Considering the economic downturn RadioCentre does not believe it appropriate that the general public be asked to pay for the register. Instead, we suggest that the lobbying industry (which we believe these measures are principally designed to address) is required to fund the register at an (efficient) rate to be determined by Government.
- 5.6 Furthermore, if Government decides on a two tier model similar to that of Canada, then fees should be appropriate to status. In an expanded list we propose that ‘consultant lobbyists’ – as the industry requiring more listed information and therefore greater administration – should take the full burden of any cost. During a financial downturn it would not be beneficial for the wider economy to remove funding from charity groups championing good causes, or not-for-profit membership bodies which represent industries facing a tough economic climate¹¹.

6. Functions and sanctions

- 6.1 Part of the Government’s better regulation agenda highlights the removal of burdensome regulation in order to put further trust in individuals¹² and we would urge it to reflect these values when constructing the statutory register and any administrative body.
- 6.2 Giving the body a range of additional functions, such as the ability to enforce sanctions or introduce a code of practice, should be approached with caution as it is the first step down the path towards increased administration, more staff and spiralling budgets. In the case of Canada, existing regulation has expanded to an organisation to include an agency devoted to enforcing the legislation and costs over \$5 million per year¹³.
- 6.3 RadioCentre agrees with Government’s initial proposals that that the register should have a level of detail which lists the names of individual lobbyists and lobbying firms accompanied by the names of their clients, which could be completed on a quarterly basis. However, we believe that any administration the proposed body undertakes should be set at a level which safeguards against unnecessary and costly clerical burdens on those required to register or undertake the function.
- 6.4 It seems sensible that all bodies on the register, including those on any lower tiers, should list staff members who are part of their organisation. This level of transparency will enable elected representatives and decision makers to recognise the purpose of an organisation

¹¹ Total industry revenue for commercial radio in 2010 was £523m. This is down nearly 20% from the £641m revenue peak in 2004. <http://www.radiocentre.org/facts/key-facts>

¹² HM Government, ‘One-in, One-out: Third Statement of New Regulation’, February 2012, p. 5. <http://www.bis.gov.uk/assets/biscore/better-regulation/docs/o/12-p96a-one-in-one-out-third-statement-new-regulation.pdf>

¹³ Office of the Commissioner of Lobbying of Canada, 2011–2012 Future-Oriented Financial Statements <http://www.ic.gc.ca/eic/site/012.nsf/eng/00509.html>

and individual, and premise on which they are being approached. RadioCentre, like many bodies that do not represent third parties, already list staff names and positions on our website¹⁴. We believe it is unnecessary for staff to list former public sector affiliations as a mandatory requirement, and this administrative burden should be left to the determination of those on the register.

- 6.5 Financial details should not be included as part of the register as a matter of course, as they may contain commercially sensitive information. Private companies undertake individual negotiations with other businesses and are not at any liberty to disclose this information in the public space. Forcing them to do so could potentially undermine these companies for no tangible gain.

7. Conclusion

- 7.1 Lobbying is an essential part of the UK political process and is vital to generating effective, consistent and rational public policy. Optimal public policy outcomes are more likely to be secured where government openly engages with external parties to clearly consider facts that are put before them when reaching their conclusions.
- 7.2 Government has previously acknowledged that there is no 'one-size-fits-all' or 'off-the-shelf' solution to the regulation of lobbying¹⁵. RadioCentre welcomes this pragmatism, but feels that there are many other state models – specifically those in Australia and Canada – which could be adopted to improve the transparency of the lobbying industry in the UK.
- 7.3 In order for this register to have real impact, it needs to primarily focus on consultant third-party lobbyists which first and foremost have an identified affiliation to the lobbying industry and work on behalf of clients. The industry has previously attempted to regulate its members through the UKPAC, and a similar, better funded, body with statutory powers could well help to provide the required level of transparency.

¹⁴ <http://www.radiocentre.org/about-radiocentre/staff>

¹⁵ HoC PASC, 'Lobbying', p. 127.