

Annual stakeholder conference

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Programme

Good afternoon, ladies and gentlemen. May I thank you for taking the time to attend this afternoon. The Minister, Chris Skidmore is unable, due to his parliamentary commitments to join us in person, but has pre-recorded a video which we will play in a moment. I'm also very pleased to welcome Billy McLaren, the Scottish Lobbying Registrar, who has taken time out from his hectic programme of preparing to implement lobbying legislation north of the border, to address us. There are many organisations that will have to prepare themselves to conform to the requirements of lobbying in the Scottish parliament and I've asked Billy to talk about his plans and timetable, and to answer your questions. I would like to speak for a few minutes after that about my own progress and future plans, and of course, I'm happy to answer questions after that. So with no more ado, let us hear from the Minister.

The role of the Registrar

As I know there are some in the audience, who may still be unclear about the legislation, I will start with a brief explanation. The role of Registrar was established following the Transparency of Lobbying, Non-Party Campaigning and Trade Union Administration Act 2014, the first time there has been a statutory register in this country.

The Registrar is an independent statutory office, established to keep and publish the Register of Consultant Lobbyists, in which those who directly communicate with Ministers or Permanent Secretaries on behalf of a third party in return for payment will be required to declare the names of their clients and whether or not they subscribe to a relevant code of conduct.

I have a duty to monitor compliance with the requirement to register and a power to undertake enforcement action in instances of non-compliance.

Current state

The Register was launched on 25 March 2015, so it's not long till its second anniversary. Today, there are 123 active registrants, including accountants, think tanks and lawyers, as well as public affairs organisations. The growth in the size of the Register is quite small, only a net of 12 since I addressed you last year and that is reflective of reductions due to industry consolidation; some changes in the nature of services provided by consultant lobbyists to their clients and the outcome of my compliance activities.

Current state

We have worked very hard to improve the accuracy and content of the Register, with a particular focus on reducing over-declaration of clients. This tends to happen when registrants “err on the side of caution” in making their quarterly returns. My experience is that generally speaking, consultant lobbyists approach the need for registration in a professional manner and try their hardest to comply properly and in a timely fashion. Where the Office finds inaccuracies, it identifies the changes made on the face of the Register in a transparent manner.

Current state

During the past year, I have conducted a series of investigations of think tanks, law firms and providers of support services to All-Party Parliamentary Groups. I have used information provided to me by whistle-blowing, review of Ministerial diaries and other sources to enhance the quality of my investigations. As a result, I have satisfied myself that evidence of unregistered consultant lobbying taking place is rare.

Current state

Generally speaking, registrants approach their statutory obligations with professionalism. Throughout the year, there have been minor breaches identified which include late payments, late submissions and inaccurate declarations. I deal with most of these as administrative errors, though there have been some rare instances of serious non-compliance where I have used the mechanism of civil penalties available to me.

Current state

I keep all my guidance under review, but my focus during this past year has been on the provision of specialist guidance for organisations such as think tanks and the providers of support services to All-Party Parliamentary Groups. I have also invested significant personal time in communicating with registrants and stakeholders (which is probably why I recognise so many more of you this year) to enhance their understanding of the requirements for registration and client declaration, and this has undoubtedly had a positive effect on the quality and accuracy of the information in the Register.

Current state

In response to sectoral feedback, I conducted a consultation about what constitutes a relevant code of conduct. I would say there was considerable disagreement between respondents-on the one hand those who say that a code cannot be relevant unless it applies to multiple organisations and has independent disciplinary mechanisms, and those who say that if they are not allowed to use their individual company code that their costs of compliance will increase and they will be disadvantaged.

Current state

Such is the lot of the independent Registrar!
I am not announcing the outcome of my deliberations this afternoon, but I will take all views into account and arrive at what I trust will be considered to be a balanced viewpoint, which will be incorporated into an update of my registration guidance in due course.

Current state

And just to conclude my state of the nation report, a reference to good governance and cost effectiveness. My team has worked very hard to minimise costs and optimise value for money and to achieve all the targets set out in the legislation for operational processing, as well as laying unqualified accounts before Parliament.

Current state

And today we are announcing some changes and improvements to both our website and the Register itself. I would describe the changes as modest enhancement to look, feel and usability. We listen hard to what users tell us about their experience of interacting with the Register, and we are constantly trying to find ways to improve that experience within the limited resources we have. Please do let us know what you think when you've had the opportunity to use the new system.

Achieving compliance

Earlier this afternoon, I hosted a session for compliance officers, and those that interact with the Register at a working level. This is part of my programme to continue to educate and communicate with those that need to register. I thought it would be helpful to summarise the most important issues that we talked about, since at the end of the day, it is you, the directors, who are accountable for getting things correct.

Achieving compliance

The quality of client returns has improved, but the Office is still having to do a lot of work to chase late returns and check accuracy of information declared.

On the one hand, any direct communications personally addressed to Ministers need to be carefully considered as to whether they are registrable, but on the other, over-declaration is not a good thing-the legislation does not require “transparency” or “erring on the side of caution”, phrases that have been used to me many times in my meetings with registrants.

Achieving compliance

By way of example, drafting a letter for a client, which the client signs, or briefing a client for a meeting, which the consultant lobbyist does not attend, are not registrable and nor are communications with a Minister's office or secretary-the communications have to be direct.

Achieving compliance

Secretariat services provided to APPGs may or may not be registrable-it depends on what kind of contact takes place with Ministers.

The client will be the sponsoring organisation-*most of the time*. There are rare instances where the client is the APPG, this tends to be where the APPG has associate members who pay annual subscriptions.

Achieving compliance

Information must be kept up to date-if directors or partners change, or there are changes to codes of conduct subscribed to.

And when making a payment, and using a credit card, the user needs to know the password for the card, otherwise the transaction will fail at that point.

Good practice for compliance

The most important point about good compliance is that directors are accountable-it is not a defence if directors don't know what's going on! The compliance process must work even if the usual person is on leave or resigns. All relevant dates should be in the diary. In short, the process must be bigger and better than the people in it. So please remember those of you that are directors-it's your responsibility.

Good practice for compliance

And just to clarify-registration is a statutory requirement-not a quality mark or badge of office. Showing the Registrar's logo on registrant websites can create the wrong impression, which is why I've asked the small number of companies that were doing it to remove them..

Looking ahead

As we enter the third full year of operation of the Register, and in a situation where further legislative changes seem unlikely, I anticipate a year of business as usual, although I recognise from experience that that means hard work! I intend to continue to operate a transparent, professional and efficient service for registrants and other stakeholders, so that confidence in the Register and in the value for money of the service can remain at a high level.

Looking ahead

During the year ahead, I anticipate the continuing need for reviewing and refreshing guidance; for further modest investment in the technical development of the Register and website; and to enhance my programme of education and communication, with a particular focus on the improved use of social media. Where necessary, I will use the enforcement powers available to me where I identify situations of serious non-compliance, although I hope you know by now that this really is a last resort.

Finance issues

The Register costs just over a quarter of a million pounds per annum to operate—we do all we can to contain costs and provide value for money. The registration fee has now been fixed by Ministers until 2020. Only direct costs are required to be offset by registration fees, and there will be a small surplus next year compared to income which will contribute to paying back the original set-up costs. Income and expenditure is independently audited, and presented to Parliament in my annual statement of accounts.

Conclusion

I am very conscious that the costs of compliance are wider than paying the annual fee for registration. Many organisations here today will be required to conform not only to UK legislation, but also that of the EU, Ireland and shortly Scotland. I am all too aware that multiple jurisdictions and different registration regimes cause complexity and therefore cost.

My team and I are keen to do all we can to help minimise that burden, so please tell us if you are unsure about anything or if further changes to the Register would help.

Conclusion

As Registrar, I look at the content of the Register, and I can see from the clients being declared, information now available in the public domain about the biggest political issues and decisions of our day.

I am well aware of the doubts and objections that were, and continue to be, voiced about the effectiveness of this regime and about the Register itself. Those issues are not a matter for me, the person charged with implementation, and I will continue to make no comment about them.

Conclusion

But in conclusion, I would like to say this-the Citizen can take confidence in the information in the Register. It provides more transparency about our democratic process. It seems to me to be a positive step on a journey, and I would like to thank registrants for their continued commitment to making sure that that remains the case into the year ahead and beyond.

Any questions?