

Committee:	Date:
Public Relations and Economic Development Sub-Committee	6 November 2014
Subject: Transparency of Lobbying, Non-party Campaigning and Trade Union Administration Act 2014	Public
Report of: City Remembrancer	For Information

Summary

This report provides an overview of those parts of the Transparency of Lobbying, Non-party Campaigning and Trade Union Administration Act 2014 that are relevant to the City of London Corporation.

The Act establishes a statutory register of consultant lobbyists. Only those who are paid to lobby Ministers or Permanent Secretaries on behalf of a third party as part of a commercial enterprise are required to register. In-house lobbyists are not affected. As a result, the City Corporation will not have to register, and thereby will not be placed alongside commercial lobbying firms. The City Corporation may, however, appear in the register as a client of any consultant lobbyist it engages.

The Act imposes spending limits on polling, media activity and support, and public events, when these activities can be viewed as intended to promote the electoral success of one or more political parties. Spending over £20,000 on such activities would require the City Corporation to register as a 'non-party campaigner' with the Electoral Commission alongside overtly partisan campaigning organisations, such as trade unions and pressure groups. This could compromise the City Corporation's political neutrality.

The City's interest arises from the nature of some of its events. On the basis of discussions with the Electoral Commission, it seems unlikely that the City will be required to register with the Commission, because City events are demonstrably not organised with the intention to promote or oppose the electoral success of any political party.

Recommendation

- Members are invited to note the contents of this report.

Main Report

Statutory Register of Lobbyists

1. The Act provides for a statutory register of consultant lobbyists, defined as an individual or firm that "in the course of a business and in return for payment" makes written or oral communications on behalf of another person to Ministers or Permanent Secretaries. Firms and individuals that satisfy this definition are required to place their names on the register alongside their

clients and any voluntary code of conduct to which they are signatories. The Act creates an offence of carrying on the business of consultant lobbying without registering, or providing inaccurate or incomplete information. The registrar is empowered to impose civil penalties for minor breaches and instigate criminal proceedings for more serious breaches.

2. If the City Corporation were to enter the statutory register of lobbyists, it would be placed in the same category as commercial lobbying firms. This would misrepresent the nature of its activities.
3. The Act includes a number of exemptions to the definition of 'consultant lobbyist'. An individual or firm carries on the business of consultant lobbying only if the lobbying is carried out in return for payment and the person is VAT registered. Employees who make lobbying communications in the course of the business of their employer are specifically exempted. Those who make relevant communications with government only incidentally as part of a mainly non-lobbying business are also exempted. As a result of these exemptions, the provisions do not apply to the City Corporation. Officers of the Corporation also benefit from the specific exemption granted to employees.

Non-Party Campaigning

4. As a result of the Act, any organisation that intends to spend more than £20,000 in England on party political campaigning during the 12 months before a general election, or 4 months before a European election, will be required to register with the Electoral Commission as a 'non-party campaigner'. Spending that can count towards this threshold includes spending on polling, media activity and support, public events and rallies and the publication of material.
5. Exceeding the £20,000 threshold would require the City Corporation to register with the Electoral Commission as a 'non-party campaigner' alongside overtly partisan campaigning organisations such as trade unions and pressure groups. This would compromise the party political neutrality of the City Corporation, and should be avoided.
6. During the regulated period before an election, spending on an event will count towards the £20,000 registration threshold if it is **both** a public event **and** if the event in question could be reasonably viewed as intended to influence the voting intentions of members of the public for or against one or more parties or candidates.
7. Although prominent politicians speak at the City's set-piece events, such as the Lord Mayor's Banquet, it is clear that the City Corporation does not organise its set-piece events with the intention of influencing the voting intentions of the electorate. Where an event occurs in close proximity to a European or general election, or a particularly partisan speaker is invited, the Electoral Commission has advised that speakers be reminded of the constraints placed on the City by the legislation, and asked to confine their

speech to matters such as government policy, rather than their party's election pledges.

8. Most other public affairs events organised by the City Corporation at which politicians speak are unlikely to be regulated. The only exceptions are events on issues that have a high profile in the election campaign or are unusually controversial, especially when the event is within a few months of a regulated election. In these cases, the Electoral Commission has advised that the events are unlikely to be regulated providing that invitations to feature in the event are extended to all political parties, unless there are impartial reasons to exclude them, such as a party's record in previous elections or polling. It would also be possible to secure compliance by holding several comparable events within the regulated period, each featuring a speaker from a different political party, and treating these events as a series. In both cases, invitations should be extended to speakers of comparable calibre, or the parties should be asked to decide for themselves who to send.

Consultees

9. The Comptroller and City Solicitor has been consulted in the preparation of this report. The Director of Public Relations and the City Bridge Trust Chief Grants Officer have also been consulted.

Conclusion

10. If the City Corporation were to enter the statutory register of lobbyists, it would be placed in the same category as commercial lobbying firms, which would misrepresent the nature of the City Corporation's activities. However, owing to exemptions contained within the Act, the City Corporation will not be required to enter the register.
11. The Act imposes spending limits on polling, media activity and support, and public events, when these activities can be viewed as intended to promote the electoral success of one or more political parties. Spending over £20,000 on such activities would require the City Corporation to register as a 'non-party campaigner' with the Electoral Commission, alongside overtly partisan campaigning organisations, such as trade unions and pressure groups. This could compromise the City Corporation's political neutrality.
12. Provided the actions indicated in paragraphs 7 and 8 above are taken the City Corporation should be able to continue its existing programmes. Overall, compliance with the legislation should be relatively straightforward.

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