

Briefing: ongoing lobbying loopholes despite recent government commitments to reform

After reforms to lobbying rules are eventually implemented, there will still be no requirement to disclose non-diarised informal lobbying in departments' transparency releases, even if it impacts upon or shapes government policy. This major loophole was highlighted by a recent [Financial Times article](#).ⁱ

In July 2023, the government published its long-awaited response to reports by the Committee on Standards in Public Life, Public Administration and Constitutional Affairs Committee and Nigel Boardman on lobbying and standards in public life. In Spotlight on Corruption's analysis of the response we highlighted significant gaps, including:ⁱⁱ

- **No implementation timeline for the new single database where all departmental transparency returns will be published;** or for when the government will make departments' transparency publications quarterly rather than monthly.
- **Failure to widen the application of transparency obligations** (as recommended by CSPL and Boardman) **to include special advisers**, despite their influence over ministerial decision-making and role in formulating government policy.
- **No measures** to improve accountability for transparency returns **by penalising departments that fail to file the right information on time.**
- The government **rejected giving any stronger independence for ethics regulators**, including the Independent Adviser on Ministers' Interests (though the government did accept some tweaks in the Independent Adviser's role in May 2022).ⁱⁱⁱ
- A **refusal to widen the scope of the register of consultant lobbyists to cover in-house lobbyists**, and **no requirement for registered lobbyists to meet a statutory code of conduct** or grant any **powers for the Registrar of Lobbyists to impose tougher penalties** for non-compliance.
- The government has recently indicated that all current Ministers will have to sign an enforceable "deed of undertaking" committing them to abide by the Business Appointment Rules, with fines of £19,000 if the rules are breached.^{iv} While welcome, **the Committee might question whether the fine amount is a sufficient deterrent or whether it may become a cost of doing business for firms hiring ex Ministers.**
- The government has committed to require disclosure of diarised phone calls and virtual meetings which occur in place of an in-person meeting, as well as in-person meetings. However, **the government will not expand those transparency requirements to include letters, WhatsApp messages, impromptu phone calls or emails**, which it argues "*do not alone evidence a substantive lobbying engagement*". As demonstrated by the case study below, this is a major loophole.

On 5 October the Financial Times published an article, based on records obtained by Spotlight on Corruption through a Freedom of Information request, revealing that cryptocurrency firm Copper secured a meeting with Treasury officials in February 2022 within weeks of a weekend phone call between UK government minister John Glen and former chancellor Lord Philip Hammond, then an adviser to the company (now its Chair)^v and reportedly a significant shareholder.^{vi}

While the call between Hammond and Glen - who had previously worked as Parliamentary Private Secretary to Hammond in 2016/17^{vii} - was correctly reported back to HM Treasury, it did not have to be disclosed in transparency releases because of its “informal” nature. Nor did the meeting because no ministers attended.

At the time of the call between Hammond and Glen and the subsequent meeting between Treasury officials and Copper, Glen - then Economic Secretary to the Treasury - was responsible for policy and regulation on crypto assets.^{viii} Copper meanwhile was struggling to obtain a full licence from the Financial Conduct Authority to operate in the UK.^{ix}

The documents released under FOI were extensively redacted, with the government citing exemptions to FOI laws around commercial confidentiality and government policy decision-making. The records did show however that in the meeting Copper highlighted the need for “public assurances that crypto/blockchain businesses are welcome in the UK”.

Two months after the meeting, Glen delivered a keynote speech in which he said the UK “is a hospitable place for crypto” and the government wanted the UK to be a “global hub” for starting and scaling crypto companies.^x

It should not be for campaign groups doing FOI requests to find who had meetings to discuss government policy, particularly on new policy areas like crypto. The Committee may also consider asking Mr Burghart whether Lord Hammond’s lobbying for Copper demonstrates the need to change the Business Appointment Rules to introduce a lobbying ban of up to five years in certain circumstances as recommended by the CSPL, including for former senior ministers.

For more details, see our evidence submitted to the Committee’s inquiry on lobbying and influence,^{xi} and additional evidence submitted after the government’s response to the CSPL, Boardman and PACAC reports.^{xii} For further information, please email James Bolton-Jones, james@spotlightcorruption.org

ⁱ <https://www.ft.com/content/53ea6108-a9dc-4437-ac0e-8f215d78867b>

ⁱⁱ <https://www.spotlightcorruption.org/integrity-lite-standards-reforms-stack/>

ⁱⁱⁱ <https://www.gov.uk/government/publications/terms-of-reference-for-the-independent-adviser-on-ministers-interests--2>

^{iv} <https://www.telegraph.co.uk/politics/2023/09/23/rishi-sunak-cabinet-face-fines-break-lobbying-rules/>

^v <https://www.ft.com/content/53ea6108-a9dc-4437-ac0e-8f215d78867b>

^{vi} <https://www.theguardian.com/politics/2022/apr/17/cryptocurrency-firm-linked-to-philip-hammond-still-lacks-uk-approval-copper-technologies>

^{vii} <https://www.gov.uk/government/people/john-glen>

^{viii} <https://www.gov.uk/government/ministers/economic-secretary-to-the-treasury--3>

^{ix} <https://www.ft.com/content/53ea6108-a9dc-4437-ac0e-8f215d78867b>

^x <https://www.gov.uk/government/speeches/keynote-speech-by-john-glen-economic-secretary-to-the-treasury-at-the-innovate-finance-global-summit>

^{xi} <https://committees.parliament.uk/writtenevidence/112239/pdf/>

^{xii} <https://committees.parliament.uk/writtenevidence/124303/pdf/>