



THE STATUTORY REGISTER OF LOBBYISTS: DRAFT REGULATIONS

GOVERNMENT RESPONSE

Government Response to Consultation: The Statutory Register of Lobbyists: Draft Regulations

Introduction

1. Part 1 of the Transparency of Lobbying, Non-party Campaigning and Trade Union Administration Act 2014 (The Act) provides for a Statutory Register of Consultant Lobbyists. The Register is designed to increase the transparency of consultant lobbying by requiring firms to disclose the names of their clients on a publicly available register. It will also enhance scrutiny of the industry by requiring firms to declare whether or not they subscribe to a relevant code of conduct.
2. While the register and surrounding framework is provided for in the Act, certain practical matters need to be provided for in regulations. The Cabinet Office consultation invited views on draft regulations, enabling interested stakeholders to inform the process of finalising the secondary legislation. It also sought to gather data to inform the Cabinet Office's estimate of the charge level for the first year of the register's operation and to assess the impact more generally on the lobbying industry of the new regulatory requirements.

Conducting the consultation exercise

3. A consultation document, which included draft regulations, was published at <https://www.gov.uk/government/consultations/statutory-register-of-consultant-lobbyists> on 11th September. Responses were sought by a deadline of 17th October. 13 responses were received.

Key findings and future actions

Administrative and Familiarisation Costs

4. We are grateful to those who responded to the consultation. Some respondents submitted information about the nature of the new procedures which consultant lobbyists may need to introduce to meet the requirements of the register. This informed the Cabinet Office assessment of the impact of the requirement to register on industry, in particular our assessment of the administrative and familiarisation costs associated with the requirement to register.
5. Following the consultation, the Regulatory Policy Committee validated our assessment of this measure as low-cost to industry at £0.48 million annual net cost to business. We have subsequently taken steps to reduce that cost based on responses to the consultation. This is outlined below in the section that deals with charges.

Regulations

6. We are grateful for the responses we received on a number of substantive matters relating to the content of the regulations. We have reviewed these carefully and noted a range of views and comments on aspects of the regulations. We have summarised below our response to the different elements of the regulations.

Content of the application to be entered in the Register and Form of Information Return

7. A number of respondents sought clarity on the nature of the details that consultant lobbyists would be required to provide when registering. We have considered these points carefully but believe that the requirements set out in these regulations (and the accompanying Act) are clear and that it is not necessary to amend Regulations 2 and 3.
8. A number of matters on which clarity has been sought relate to the practical application of the legislation and will, therefore, be addressed in guidance issued by the Registrar.

Limitation on duty to supply information

9. We received a range of responses in relation to this aspect of the draft regulations, some of which reflected a misunderstanding of the regulation. Having considered these responses we remain satisfied that a limitation on the duty to supply legally privileged information in response to an information notice is a necessary and proportionate measure. We were not persuaded that the limitation on the duty to supply information should be extended to other categories of information.

Charges

10. The Act provides a power for the Registrar to impose charges on consultant lobbyists who are required to register. The Act further provides that Ministers should set that charge to recover the costs of maintaining the register. The regulations determine the structure and level of these charges.
11. We noted concerns from some respondents about the potential level of the charges and the impact this might have on the industry. The Cabinet Office has sought to minimise the charge imposed by agreeing to provide certain services, namely accommodation, IT and secretariat staff. This will not include the salary of the Registrar. This agreement has been made under the terms of paragraph 8, Schedule 2 of the Act. The charge will be set to recover all other costs associated with the operation of the Register.

Supply of Information Regarding VAT registration

12. We received a range of responses on this aspect of the regulations. We do not believe a compelling case was made for amendments to be made to this regulation, or for not granting the power to HMRC to confirm to the Registrar that a business is VAT registered. As noted in the consultation paper, Section 2 (1) (b) of the Act provides that one of the criteria for determining if a person is a consultant lobbyist is that “ the person is registered under the Value Added Tax Act 1994.” In this light, the Government remains of the view that the power granted in Regulation 6 is necessary to allow the Registrar to determine whether or not a firm or individual is exempt from registering on the basis of whether they are registered for VAT.

Conclusion

13. The Government is grateful to those who responded to the consultation on the draft regulations, and to those who provided information about the potential impact of the requirement to register. These responses informed the Cabinet Office assessment of the impact on industry and our approach to setting the charge level.
 14. We considered the range of responses we received on other substantive aspects of the Regulations carefully. In many cases respondents sought clarity on aspects of the requirements, which will be addressed by the Registrar in guidance.
 15. Having considered the responses, we are satisfied that the Regulations as drafted are the most effective means of achieving the purpose of supporting the practical arrangements relating to registration. We are satisfied that there is no compelling reason to amend the draft regulations other than a minor drafting change that ensures consistency in the text of regulation 5(1) (c) with section 22(1) of the Act.
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