The PRCA's response to its consultation on Code for Professional Lobbying

Introduction

This document outlines our conclusions following our consultation on proposed changes to the PRCA's current Public Affairs Code (PA Code).

All of the PRCA's members (Company, Professional and Associate) are bound by our general Code of Conduct. This sets out the ethical standards that all our members are required to comply with. The PA Code sets out the additional standards that apply to members undertaking 'public affairs' activities - in summary, activities that are aimed at influencing government or advising clients how to do this. This is often referred to as 'professional lobbying'.

We have reviewed the PA Code to make sure that it provides the right framework to ensure ethical, fair and transparent behaviours in the field of professional lobbying. The consultation followed an initial high level public Call for Evidence in December 2024 to which we received 18 responses.

The public consultation, which closed on 28 April 2025, sought views from our members and wider interested parties on a new set of proposed standards to replace the PA Code. The consultation attached a draft Code, which we proposed should be called the Code for Professional Lobbying, as well as a summary of the views expressed in the initial Call for Evidence. The consultation explained our approach to reviewing the draft Code and asked for views on the draft. It also asked about two specific issues: i) the Code's new name and its scope and ii) extending or revising the existing restrictions on the employment of MPs, Peers and their equivalent, which we proposed should also apply to Non-Executive Directors (NEDs) who work in Government departments.

As part of the consultation, in April 2025 we held a virtual roundtable event, the recording of which was subsequently made available on our website, and we wrote specifically to a number of key stakeholders asking them to respond to the consultation.

We received a total of 32 responses to the consultation, mainly from individual or company members.

We have carefully considered all of the responses we received. This document summarises the views received, explains the rationale for the decisions we have made and sets out the next steps. This document annexes the final draft Code that will be formally adopted at the PRCA's AGM in September 2025.

Consultation overview

Overall, the majority of the responses to the consultation supported the proposals we made to simplify and strengthen the rules. We explain this in more detail in **section one** below.

The most controversial rules were, as we expected, about the ability of members to employ MPs, Peers or their equivalent to do professional lobbying or to make payments in kind to them. These provisions are currently contained in rule 10 of the PA Code and are now reflected in a new rule 4. We consulted on two options for this rule. Because of the range of views we received on this topic, we have set out our analysis of the responses received and our views on them in **section two**.

We also proposed extending the current list of persons affected by the prohibition in Rule 4 to include NEDs of Government Departments. This also provoked strong views, both for and against this proposed extension. We have set out our analysis of the responses received and our conclusions on this issue in **section three**.

<u>Section one – the new Code for Professional Lobbying</u>

The vast majority of responses supported the change of name to the "Code for Professional Lobbying". They also supported our revised definitions - including what is meant by 'Professional Lobbying' (which has been clarified and slightly extended), "Influencing' and 'Relevant Public Body'. We proposed this latter change as we considered that this was an easier concept to understand than the current complicated definition of 'Government' and most of the responses agreed, although many requested further guidance on this issue. A number of responses suggested we should also include within the definition of 'Relevant Public Body' directly elected Regional Mayors due to the increasing number and influence of these roles. **We agree with this suggestion which we have incorporated in the final draft.**

No significant issues were raised on the proposed rules 1, 2, 3 and 5.

Although there were some divergent views, most responses agreed with the continuation of the ban in rule 6 on the holding of parliamentary passes by our members. There were no comments on the wording of the rule we had proposed, which we have therefore adopted. There were, however, requests for clear, published criteria relevant to the consideration of any requested exceptions. One suggested that if an exception was granted, the member should be subject to some form of 'compliance document', outlining the conditions that apply and the procedure for revocation of our consent. We agree with both suggestions and will publish a policy on this in due course.

Most responses also supported the proposed consolidation and rationalisation of the various register requirements, which are now set out in one simplified rule - rule 7. There was significant broad support for the operation of the register and its aim of ensuring greater transparency and accountability. Some emphasised the need, however, to balance the aim of transparency with the reporting burdens imposed on our members. Some suggested minor clarifications to the requirements and some extensions. The two extensions we have accepted in the final version of the Code are:

• A new reporting requirement in rule 7(a) about Relevant Roles which has been made consequential to changes to Rule 4 (see section 2 below); and

• the need for members to declare if they are selected as a parliamentary candidate which we have added to rule 7(e).

We will issue guidance on the detail of the Register requirements in the declaration forms which members are required to submit each quarter.

Finally, most agreed with our proposal to set out in rule 8 the mandatory requirements designed to make sure that members and relevant staff understand the standards required of them and have access to training. Some responses called for the PRCA to develop more comprehensive and accessible training to support this. We agree with this suggestion and will take steps to put this in place. We will encourage compliance by amending the quarterly register declaration forms and the form for annual renewal to include a specific declaration to confirm that relevant staff understand their obligations and Company Members have provided the required access to training.

Section two - Rule 4: our members employment of MPs / Peers and others

There was almost unanimous support for maintaining the principle (in rule 9 of the current PA Code) that our members should not be allowed to employ current MPs/Peers/Members of devolved legislatures and their staff to conduct professional lobbying. We have described such persons in the new Code as having a 'Relevant Role.' We deal with the issue of Government NEDs in **section 3** below.

There were significant differences in views on the two options we consulted on for the replacement to rule 9, set out in rule 4. The first option broadly continued the existing position and would allow our members to employ or remunerate persons with a Relevant Role but only in connection with activities which do not fall within the definition of professional lobbying. The second option would not allow our members to employ such persons in any capacity if the member or their organisation engages in professional lobbying. This would significantly broaden the extent of the prohibition.

We have carefully considered all the views we received. We consider that it is important to strike the right balance between the valuable expertise that Peers and other such persons can provide to our members and their freedom to be engaged in work where they have a contribution to make, on the one hand, and the importance of public confidence in professional lobbying and in our government institutions on the other.

On balance, we have proposed that we should proceed with a simplified and strengthened version of option one, that is, one that prohibits our members from engaging persons in a Relevant Role to undertake professional lobbying (as defined) but with additional safeguards, and not an outright prohibition from employing them in any capacity.

Our broad reasons for proceeding with a strengthened version of option one include:

 Although we accept that option two is clearer as it is more absolute, it risks being disproportionate in some cases. The majority of concerns raised about employing MPs/Peers and the like were mainly based on anecdotal evidence and assumptions about perceptions of public concern. We did not receive any representations or evidence from other external organisations on this issue. In our view, the weight of the evidence we have received does not therefore presently support an outright prohibition especially when combined with our clearer definitions and greater transparency requirements .

- The new definition of professional lobbying broadens and strengthens the activities that are in scope of the Code, making it clearer what is and is not professional lobbying. In particular, the new definition makes it clear that the definition of 'influencing' now covers more broadly "informing, advising or advocating for particular interests or points of view."
- The new requirements will provide significant safeguards which make an outright ban unnecessary. We consider that there should be greater transparency around the employment by our members of persons in a Relevant Role to do other activities other than professional lobbying. The final version of Rule 4.2 now (i) expressly requires publication of any such employment on the register (by adding Relevant Roles to the register requirements in rule 7 (a)(2) and (ii) requires the employing PRCA member to provide a written declaration of compliance in terms set by us. As the relevant person is unlikely to be a PRCA Member, we cannot impose such obligations on the person directly. Instead, we will require the member who employs them to confirm that the person is aware that they cannot engage in professional lobbying and that the member is satisfied that employment of the person would not otherwise involve a breach of the Code (in particular Rule 5 on conflicts of interest) and that they will not misuse any confidential information. Such a declaration should enable greater scrutiny and accountability. Any breaches of these requirements should be referred to the PRCA and if established, may lead to the PRCA taking action against the employing member.

On reflection, we considered that the wording we had used in option 1 to the new rule 4 to reflect the prohibition on our members from employing such persons or paying them benefits in kind was unnecessarily complex. We have simplified the drafting to make it clearer. Rule 4(a) now states that.

Members must not engage any MP, Member of the House of Lords, any member of a Devolved Legislature or a Non-Executive Director of a Government Department to carry out Professional Lobbying.

The simplified wording makes it clear that the prohibition applies to our members "engaging" persons in a Relevant Role to undertake professional lobbying and dispenses with the two limbs now in place in rule 9 – directly employing or paying benefits in kind. Most of the comments we received on the rule 4 options we consulted upon were to request clarification on what "payment in money or in kind" meant and the extent of reasonable expenses. We appreciate that the word "engages" is broad and we will publish supporting guidance on the scope of rule 4 at the same time that the new Code comes into effect.

In light of the importance of this issue, the Standards Committee will keep this rule under review.

Section three – Rule 4: the inclusion of Government NEDs in a Relevant Role

We have included in the definition of 'Relevant Roles' NEDs of Government Departments. This would mean that our members would be prohibited from engaging a Government NED to carry out professional lobbying (as defined). Like the other Relevant Roles, our Members could, however, under rule 4(b) employ or remunerate a Government NED to carry out activities other than professional lobbying.

One consequence of including NEDs in rule 4(a) is that an individual professional or associate member of the PRCA could not act as a Government NED and also be employed by a Company Member if their normal role was to carry out professional lobbying.

Many respondents to the consultation argued that NEDs in government departments should <u>not</u> be subject to the same restrictions as MPs/ Peers. They were concerned that including NEDs in the same category as MPs and Peers might deter future candidates from taking on such positions. Some argued that such NEDs would not be involved in lobbying or setting policy so any influence would be minimal. Others supported the proposal due to the risks involved. We have reviewed a number of job specifications for such roles and note that they clearly include acting as a sounding board to the Minister and a degree of policy and governance oversight, The fact that such Government NEDs would inevitably have regular access to Ministers and other senior staff seems to us to have significant force, Even if the NED tried hard to avoid discussions in Board meetings that might be regarded as seeking to influence policy, we consider this too fine a distinction to work in practice.

We therefore consider it is appropriate to include Government NEDs in rule 4 due to concerns that through such appointments, our individual members, who work for Company Member agencies, would acquire access to, and influence upon, senior politicians and officials. This could lead to conflicts of interests and lead to a perception of poor ethical standards which could damage public confidence in the industry.

Some large organisations that are Company Members pointed out the disproportionate impact that Rule 4 could have had on them. These are members which are not agencies but have a small in house team of communications and PA professionals which do lobbying solely for their employer. It was not our intention to prevent a senior board member of any such organisation accepting an appointment as a Government NED if they are not involved in professional lobbying (as defined). The rule now makes this clearer.

Other concerns were raised about the wider reach and application of the Code for Professional Lobbying on such organisations and their employees. We have taken the opportunity to clarify in the introduction to the Code, that the Code only applies to individual members who undertake professional lobbying, solely for their employer, the Company Member, and not to other employees.

Conclusion

We are very grateful for those who took the time to reply to the consultation and engage with us. We are confident that the new Code for Professional Lobbying will help enhance standards and promote ethical behaviours, transparency and accountability in the industry,

We welcome the broader support in the responses for the PRCA to take action to enforce the standards we have proposed and to deal more robustly with failures to adhere to them. We will aim to put in place procedures to reflect the desire for us to take proportionate action to deal with such issues. We also noted the helpful responses on some of wider strategic issues that the consultation raised. These included the need to encourage Government to apply the same standards to non-members who undertake professional lobbying, consequential extensions to ORCL's remit and the need for greater alignment on the reporting requirements imposed by the PRCA, ORCL and the Scottish Parliament. We will continue the work we have already started to encourage government to take action to raise standards throughout the industry.

In terms of next steps:

- ➤ The final Code for Professional Lobbying will formally be approved at the PRCA's AGM on 12 September 2025. The AGM will also be asked to note the making of some consequential amendments to the general Code of Conduct which arose out of the consultation.
- ➤ We will continue to make sure that all our members and other key stakeholders are aware of the changes we have made.
- ➤ We will develop FAQs/guidance (as indicated above) to assist our members with interpreting the new Code. We are aiming to publish these at the same time that the Code for Professional Lobbying comes into effect 15 September 2025.
- > We will update our web content and review our online forms to reflect the above.
- > We will develop supporting training resources including online resources.

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