

A close-up photograph of a person's hand holding a bright yellow envelope. The person is wearing a dark grey suit jacket, a light blue dress shirt, and a grey and blue striped tie. The background is dark and out of focus.

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**TAXPAYER FUNDED
LOBBYING AND
POLITICAL CAMPAIGNING**

Matthew Sinclair



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About the author

Matthew Sinclair is the Research Director at the TaxPayers' Alliance. Since joining the TPA in May 2007, he has produced major reports on government capital procurement, environmental policy, NHS performance, the dynamic effects of corporate tax cuts, the economic and social burden of crime and the effects of aid policy, among others. He frequently represents the TaxPayers' Alliance on the television and radio, particularly in on economic matters.

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Executive Summary

This report exposes, for the first time, the true extent of taxpayer funded lobbying and political campaigning in the UK. The Conservatives have pledged to stop public bodies spending taxpayers' money on lobbying, and this report suggests there is significant political spending that could be cut.

Detailed scrutiny of annual reports, accounts and Freedom of Information requests show that a huge range of British political groups received significant public funding.

The key findings are:

- Over £37 million was spent on taxpayer funded lobbying and political campaigning in 2007-08. That is nearly as much as the £38.9 million all three major political parties combined spent through their central campaigns at the 2005 election. But, the true amount spent on taxpayer funded lobbying and political campaigning may be much higher as this report has taken a conservative approach, focussing just on the most clear-cut examples.
- This report's estimate is composed of a) public sector bodies spending on lobbying, by hiring political consultants and funding trade associations, and b) spending on taxpayer financed political campaigns and think tanks.

| Section | | Taxpayer funding, 2007-08 |
|---------|-------------------------|---------------------------|
| 4 | Political consultancies | £4,041,979 |
| 5 | Trade associations | £23,223,261 |
| 6 | Health policy campaigns | £1,781,244 |
| 7 | Environmental campaigns | £6,701,516 |
| 8 | Think tanks | £1,622,824 |
| | Total | £37,370,824 |

The report does not include the huge amounts spent by councils and other public sector bodies on publicity, though a certain proportion of that is definitely going on lobbying and public affairs.

Instead, it focuses on the amounts spent hiring external lobbying and public affairs support:

- Public sector organisations spent over £4 million on hiring political consultancies.
- 77 public sector organisations were found to be spending on political consultancies.
- The biggest spender was Liverpool City Council, which spent over £209,942.
- 13 consultancies received more than £100,000 in payments from public sector organisations.



- The political consultancy that took the most in payments from public sector organisations was FD Public Affairs, which received £796,850.
- Just three taxpayer funded trade associations have a subscription income of more than £23 million from their public sector organisation members.

While a range of organisations – from major international development charities to defence firms – invest significant resources in lobbying, many also receive considerable amounts of taxpayers' money. It is impossible to accurately discern how much of their funding supports lobbying efforts.

Therefore, this study focuses on the amounts paid by taxpayers through public sector organisations (including the EU) to charities and other groups whose primary focus is campaigning for policy change:

- Nearly £1.8 million is spent on health policy campaigns. Including, for example, £515,000 paid to Alcohol Concern and £130,000 paid to the Family Planning Association.
- Environmental policy campaigns received over £6.7 million. This includes everything from the £4.1 million spent on the Sustainable Development Commission, to the £153,994 Friends of the Earth received for a Safe Climate poster campaign aimed at students and the £3,500 given by Birmingham Council to the Islamic Foundation for Ecology and Environmental Sciences.
- With the notable exception of Greenpeace, most of the major campaigns calling for greater government intervention to curb greenhouse gas emissions receive substantial government funding.
- Major think tanks – Demos; the New Economics Foundation; the Institute for Public Policy Research; and the New Local Government Network - received over £1.6 million in taxpayer funding.
- The New Economics Foundation was paid £601,518 in 2007-08. Much of that funding seems to have been intended to turn its ideological position into a decision making tool for the Regional Development Agencies. This is remarkable, as the organisation has a radical platform and is responsible for the Happy Planet Index, which places Jamaica, Saudi Arabia and Burma above the United Kingdom and Sweden in terms of "achieving long, happy lives without over-stretching the planet's resources".
- Some of these organisations make misleading claims about their funding. For example, the Institute of Alcohol Studies claims "We are lucky in being one of the few organisations that do not depend on the Government or the alcohol industry for funds – so that we can be an independent voice on alcohol policy." Given that they rely almost entirely on funding from the Alliance House Foundation, a campaign against drinking, and have received government money directly and through the Alliance House Foundation that statement is potentially misleading.



Funding of lobbying and political campaigning by government bodies has a number of negative effects:

- It distorts decision making in favour of the interests and ideological preoccupations of a narrow political elite.
- It slows adjustments in the direction of policy in reaction to new evidence or circumstances.
- It increases political apathy among the public.
- Taxpayers are forced to fund views they may seriously disagree with.

Taxpayer funded lobbying and political campaigning should be entirely abolished building on the example set by the Byrd Amendment in the United States. The Conservatives have already pledged to introduce such a rule.

Beyond that, the following policy changes are needed:

- Public spending transparency should be instituted so that these kinds of spending decisions can be scrutinised by the public. The Conservatives have pledged to open up the Treasury COINS database to the public in order to emulate the Federal Spending Transparency Act that provides a detailed account of public spending to taxpayers in the United States through the USASpending.gov website.
- Recipients of taxpayer funding, for any of their activities, should have to make that status clear in their publications – possibly using a simple kite mark of some kind – and broadcasting regulations should be amended to require that recipients of public funds are identified. That will make it clear when debates are between government and quasi-government.

It is vital that steps are taken urgently to stop taxpayer funded lobbying and political campaigning seriously compromising Britain's democratic debate.

1. Introduction

Taxpayer funding of lobbying and political campaigning occasionally hits the headlines. For instance, in response to a written question from Peter Luff MP, the Department for Communities and Local Government revealed that they had paid £166,000 to the charity Shelter. This grant financed a positive report supporting the need for DCLG eco-town proposals.¹ Research by the Conservative Party in 2008 revealed that £2 million a year was being spent by public sector bodies hiring political consultants.²

The idea that government spends significant amounts of money lobbying government would strike most people as an outrageous waste of money. At the same time, when listeners hear charities like Alcohol Concern on the radio, or students see a poster from Friends of the Earth on their campus, they expect that those charities are independent. The idea that one side of a political debate enjoys massive funding from the taxpayers' pocket would strike most people as deeply undemocratic and unfair.

What this report reveals is that public sector organisations are spending far more than was previously thought on lobbying, and are spending many millions of pounds supporting campaigning charities.

This kind of spending massively distorts the British political debate. When public policy and debate is driven by campaigns that represent the priorities of politicians and bureaucrats instead of the public, the views of ordinary people are increasingly pushed to the sidelines. Taxpayer funded lobbying and campaigning needs to end.

It is unlikely that this report exposes more than the tip of the iceberg. Most public sector organisations list very few of the grants they make and many charities provide little or no information about the amount they receive in government grants. Despite that, through Freedom of Information requests, scrutinising accounts and chasing down government reports this study finds over £37 million of taxpayer funded lobbying and political campaigning.

Hopefully, particularly with increased transparency in public spending, taxpayer funded lobbying and political campaigning can be exposed and brought to an end.

- **Section 2** places this report in context by providing a brief overview of the debate over the proper place of lobbying and professional campaigning. It then sets out why taxpayer funded lobbying and political campaigning fulfils no legitimate objective and should be abolished.

¹ Hansard, 25 November 2008: Column 1285W

² The Conservative Party 'Government lobbying Government', 29 November 2008



- The method used to produce the report and the criteria used to decide what constituted taxpayer funded lobbying and political activity are set out in **Section 3**.
- Public sector spending on political consultancy is discussed in **Section 4**. Many public sector organisations hire political consultancies. These consultancies are used to defend the political interests of the organisation, often by defending its record in the media or its funding and/or existence when ministers are making decisions.
- Taxpayer funded trade associations are considered in **Section 5**. Many public sector organisations have formed associations to defend their interests, for example the Local Government Association, and these are funded with taxpayers' money.
- Campaigns for health policy and lifestyle changes are discussed in **Section 6**. It appears that most of the campaigns arguing for greater controls on these activities receive support from taxpayers' money.
- Campaigns for more stringent policies to reduce greenhouse gas emissions are discussed in **Section 7**. A number of prominent groups appear to receive large amounts of taxpayers' money.
- Think tanks are considered in **Section 8**. Several receive substantial amounts of taxpayers' money.
- **Section 9** concludes the report and proposes policy changes to put a stop to taxpayer funded lobbying.
- The **Appendices** contain the Freedom of Information requests used to obtain some of the original information contained in the reports and full tables showing the amounts spent on public sector lobbying contracts.



2. Context

Policy decisions in a democracy are invariably the product of a range of inputs. Events will change public perceptions, increasing or decreasing sympathy for particular groups within society. Countries may face competition for strategic pre-eminence or scarce capital and talent. Political leaders may make a particularly eloquent appeal for support. Volunteer groups and uncoordinated expressions of grassroots feeling can also have a significant impact.

Along with all of these other factors, professional political activity – whether ideological campaigning or interest group lobbying – can play a critical role in the democratic process. Professional campaigns have a number of advantages over amateur political efforts. They often have greater resources and can sustain a higher level of activity. Amateur organisations will always struggle to balance their political work with their other priorities.

Of course, there are clearly big differences between the kind of work carried out by a political consultancy and the efforts of a campaigning charity. However, both organisations are essentially attempting the same task; to bring about a change in democratic policy decisions. For that reason, this report covers lobbying *and* political campaigning.

2.1 The importance and dangers of professional politics

The right to 'petition' political leaders is of such importance that it is protected in the First Amendment to the United States Constitution and the British Bill of Rights. Lobbying is, essentially, the professional use of that right to petition your rulers. Campaigning is normally a combination of petitioning political leaders with an attempt to convince the public of the merits of the campaigner's views.

Professional politics is essential for the proper functioning of a modern democracy. Politicians do not have the resources or the inclination to fully consider the consequences of their decisions without external input. Specialist, full time and well supported lobbyists and campaigners can provide that input at a scale and quality that could not be supplied entirely by amateur organisations. Equally, the public would not be nearly as well informed if campaigners were not there to defend their point of view directly and through the media.

However, there is a significant body of academic literature which argues that interest group lobbying, in particular, does not produce efficient or democratic results. For example:

- Elmer Eric Schattschneider argued that interest group lobbying has a narrow scope, as it only involves a small number of people, and is therefore less conducive to popular sovereignty than a competitive party system.³
- Mancur Olson described how it might be far easier for smaller groups to mobilise latent political strength than larger ones and how interest group lobbies will tend to prioritise increases in their group's share rather than increasing total welfare.⁴

These sources, and others, point to a number of risks associated with interest group lobbying. It may undermine popular sovereignty if it is too effective and may represent narrow economic interests to the detriment of the broader social good.

In light of these dangers, many countries place significant controls on lobbying or are considering such controls:

- The 1995 Lobbying Disclosure Act,⁵ in the United States, requires all professional lobbyists and lobbying firms to be registered along with the amount that they are paid by other organisations to lobby, or spend lobbying on their own behalf.
- In the United Kingdom, the Public Administration Select Committee recently released a report calling for a compulsory register of lobbying activity and stronger safeguards "on the 'revolving door' between government and business."⁶ Their proposal to make available diary records and minutes of meetings between lobbyists and decision makers was criticised for being overly onerous, and the report has not yet led to significant policy change. But their enquiry suggests there is mounting political concern over the influence of lobbyists in Westminster.

2.2 Taxpayer funded lobbying and political campaigning

Professional political organisations result from an exchange between political entrepreneurs and the donors, customers or members who financially support the organisation.⁷ Organisations representing significant economic interests can be expected to enjoy more financial support, which may make them more effective. Other factors can also increase the potency of a professional political organisation though, such as the number or quality of its supporters. Imbalances in the potency of lobbying and campaigning organisations may result in less efficient or democratic decision making.

³ Schattschneider, E. E. *The Semisovereign People: A Realist's View of Democracy in America*, 1960

⁴ Olson, M. *The Logic of Collective Action: Public Goods and the Theory of Groups*, 1965

⁵ The Act is available from <http://www.law.cornell.edu/uscode/2/1601.html>.

⁶ Public Administration Select Committee, *Lobbying: Access and influence in Whitehall*, First Report of Session 2008-09, Volume 1, 5 January 2009

⁷ Salisbury, R. H. 'An Exchange Theory of Interest Groups', *Midwest Journal of Political Science*, XIII: 1, February 1969



However, while lobbying and professional political campaigning may sometimes be ugly, they have a vital democratic purpose. Taxpayer funded lobbying and political campaigning does not represent any independent economic or popular interest. It promotes the priorities of politicians or officials and allows them to cement or expand their existing influence. It acts to reinforce existing political judgements.

The objectives of taxpayer funded politics are closely aligned to those of the politicians and officials granting the funding:

- They are likely to approve of the present direction of policy, as they are the ones who set that direction, and will be reluctant to concede that it should be changed. This will mean that taxpayer funding lobbying and political campaigning slows changes in response to new evidence or circumstances.
- Officials and politicians are, in many ways, not representative of the broader population. They are more likely to live in London, less likely to drive, generally well off and work in the public sector.

The result is a significant dilution of both popular pressure and economic interests as drivers of policy change. This is an important change from the traditional dichotomy between a state that is resistant to populism and one that is willing to trample over economic interests. If taxpayer funded lobbying and political campaigning takes place on a serious scale, then the political system becomes less responsive to popular or economic interest pressure. This could be seen, to borrow Schattschneider's terminology, as a dramatic reduction in the scope of political debate.

That reduction in the scope of the debate will increase voter apathy and may help to explain the widely reported decline in political involvement. It may also help to explain the public's resentment of politicians. Party memberships are in long-term decline and most people do not trust the Government to tell the truth.⁸

If the public's views are crowded out by taxpayer funded lobbies, then there is less reason for people to get involved in politics. At the same time, many companies may also feel that they are unable to defend their economic interests and this may drive investment in some industries abroad. Other companies could increase their lobbying spend in response to taxpayer funded lobbying, further marginalising public opinion.

Taxpayer funded politics therefore shifts the balance of the political debate in favour of those who are – thanks to their geographical location and position in the public sector hierarchy – best connected to the media, parliament and the democratic process.

⁸ Ipsos-Mori 'Government Delivery Index – Trust and Influence', March 2008

2.3 Taxpayer funded lobbying and corporate lobbying

A defence of taxpayer funded lobbying and political campaigning might be that it forms an important counterweight to corporate lobbying. But, there are three key problems with that argument:

- Taxpayer funded political campaigning often supports the same objectives as corporate lobbying. For example, the Campaign for Better Transport, discussed in **Section 7**, is supported by both the taxpayer and mass transit companies. This phenomenon will be discussed in more detail in the sections on taxpayer funded political campaigns.
- Corporate lobbying and PR represents an actual economic interest, employers and employees who will lose out if a decision doesn't go their way. It may improve decision making by ensuring that political decisions better reflect a balance of economic costs. While the economic interests of particular firms will often not coincide with the broader social good, that situation is not improved by adding a further political bias on the basis of the interests and preoccupations of those currently enjoying political power.
- Taxpayer funded campaigns are accountable to politicians and officials, rather than the public they nominally represent. This is likely to distort their priorities. For example, energywatch – now merged into Consumer Focus – focused on criticising energy company profits rather than government regulations, despite the latter adding more to the final price paid by consumers.

The only proper counterweight to corporate lobbying is a range of popular campaigns. In some areas these exist but, when they don't, taxpayer funded campaigns are not an effective substitute for political entrepreneurship. It appears that Greenpeace do not enjoy government funding and that makes them a more credible environmentalist group than those receiving taxpayer funding, such as Friends of the Earth.

2.4 Existing policy on taxpayer funded lobbying and political campaigning

The Conservative Party have pledged to put an end to “growing expenditure by central government bodies on hiring public affairs firms to lobby the government” and follow the example of the United States,⁹ where there is a ban on spending federal appropriations on lobbying:¹⁰

"A provision commonly referred to as the Byrd Amendment (31 U.S.C. 1352) prohibits the use of Federal contract, grant, loan or cooperative agreement funds to pay any person for influencing or attempting to influence the executive or legislative branch with respect to certain specified actions. The specified actions include the following:

⁹ The Conservative Party 'Government lobbying Government', 29 November 2008

¹⁰ Department of Energy, 'Lobbying: What You Should Know as a Federal Employee, Contractor, Cooperative Agreement Participant, or Grantee', http://management.energy.gov/policy_guidance/1385.htm



- *awarding of a Federal contract;*
- *making of a Federal grant;*
- *making of a Federal loan;*
- *entering into of a cooperative agreement; or*
- *the extension, continuation, renewal, amendment or modification of any of these.*

Any person who requests or receives a Federal contract, grant, loan or cooperative agreement is required to file a certification that no payments prohibited by the Byrd amendment have been made using appropriated funds, and a declaration providing information with respect to any payments made using other than appropriated funds. Violations of the Byrd amendment may result in the imposition of civil penalties of \$10,000 or more.”

The effectiveness of the Byrd amendment is limited. Americans for Prosperity estimate that \$138.1 million of taxpayers’ money was spent on lobbying in the United States in 2007.¹¹

The weaknesses of the amendment are that it only covers Federal spending and recipients can easily claim that the money they use for lobbying comes from other sources. They can then use Federal money to subsidise their other activities freeing resources for lobbying. This problem, that public spending does not just support what it directly pays for, is known in development economics as ‘fungibility’ and affects a number of policy areas. Any policy aiming to put an end to taxpayer funded lobbying will need to take it into account.

Possible policy that might bring transparency – and an end to – taxpayer funded lobbying and political campaigning will be considered in **Section 9** of this report.

¹¹ Kerpen, P. *Taxpayer-Funded Lobbying: Runaway Government Growth*, Americans for Prosperity, Policy Paper No. 0803, December 2008

3. Method

There is currently no way of systematically studying the problem of taxpayer funded lobbying and political campaigning in its entirety. Some of the figures used in this report were available in official documents, but others could only be obtained by submitting Freedom of Information requests. At the same time, it was important to set clear criteria for what constitutes taxpayer funded lobbying and political campaigning.

3.1 What constitutes taxpayer funded lobbying?

Taxpayer funded lobbying includes all spending by public sector organisations to promote their political interests.

Disentangling legitimate public sector advertising from taxpayer funded lobbying is extremely difficult. For that reason, public sector advertising has not been included in this report. That means leaving out, for example, the £540 million budget of the Central Office of Information in 2008-09¹² and the £430 million spent on publicity by councils in 2007-08.¹³

Publicity budgets are often used with the intention of promoting an organisation's political interests. An example is given in Figure 1.1. Network Rail, which is underwritten by the Government, bought television advertising to promote its record:

Figure 1.1: Network Rail television advert



At the time of writing, the advert can be viewed here: <http://www.youtube.com/watch?v=CqsT026BzPg>

¹² Central Office of Information 'Annual Report 2008-09', pg. 40

¹³ TaxPayers' Alliance 'Council Spending Uncovered II No. 1: Publicity', 12 December 2008



There is also significant spending on legitimate advertising to let consumers know about public services, though. For example, if bin collection days are changing then a council may need to let residents know. Equally, while there may be doubts over the efficacy of public information campaigns designed to change behaviour, such as the prominent anti-smoking campaigns, they are clearly designed to achieve a policy objective rather than change policy or promote a public sector organisation.

In practice, it is only really possible to identify public sector lobbying spending when those public sector organisations pay for outside support, either from consultancies or trade associations. These are the two areas that are included in this report.

3.2 What constitutes taxpayer funded political campaigning?

Taxpayer funded political campaigning is spending that supports political campaigns aimed at achieving policy change, either directly or indirectly through influencing public opinion.

Many charities receive unrestricted funding from government or its agencies and it is impossible to know what fraction of that supports political campaigning. For example, many development charities receive millions of pounds from the Department for International Development; it would only be possible to ascertain what portion of that money is spent on political work with a complete and honest understanding of the charity's priorities at the margin, and hence what would be cut if they did not enjoy that government funding. Others groups are paid for producing reports, hosting events or other activities.

When funding is attached to specifically political projects then the case is clear. When funding is tied to apolitical projects or buys services (like the hiring of facilities) this still builds the capacity of an organisation and contributes to its ability to campaign. Most funding for political groups in the UK – whatever the source – is tied to particular projects but that specific funding is also expected to enhance the broader capacity of the organisation.

There is also funding from outside the United Kingdom, particularly from the European Union institutions. While UK taxpayers may only bear a portion of the cost, the entire amount distorts the political debate in the UK. Some organisations in this report may also spend money campaigning abroad, and it may not be possible to distinguish this from spending in the UK.

In order to provide a reasonable, conservative estimate of taxpayer funded political campaigning we have taken the total amount of government funding to UK-based organisations whose primary purpose is political campaigning. That means leaving out



significant spending on everything from major development charities to the Union Modernisation Fund, which provides several million pounds in funding to the unions.

3.3 Public sector spending on political consultancies

In order to ascertain the scale of spending on political consultancies, we started by building a list of which organisations had used which consultancies during the period under study, the 2007-08 financial year. This information was sourced from the register maintained by the Association of Professional Political Consultants (APPC).¹⁴ Freedom of Information requests were then sent to all the relevant public sector organisations, asking for the amount they paid to each listed political consultancy.

There are a number of limitations to this methodology:

- Not all political consultancies are listed in the APPC register as many are not part of the APPC. Those that are not on the APPC register are therefore not captured by this research.
- The responses to Freedom of Information (FOI) requests may not contain all of the payments that should have been returned. Again, this report will err on the side of caution as some of the public sector organisations that FOI requests were sent to had ceased to exist, and pursuing a successor organisation was not always possible. Equally, changes in the names of the political consultancies, and names for the payment that do not match the brand listed in the APPC register, may mean that searches by those answering the FOI requests did not yield all of the relevant information.

The Freedom of Information request submitted is provided in **Appendix 1**.

3.4 Other spending on taxpayer funded lobbying and political campaigns

The amounts of taxpayers' money provided to public sector trade associations and the amounts spent supporting political campaigns have largely been obtained from annual reports and accounts.

There are again some limitations on this methodology, though:

- There is no systematic way of deciding which organisations' accounts to look through, short of going through the entire Charity Commission database. As such, there has been a certain amount of guesswork (with the help of some documents like a Department of Health list of Third Sector grants and the FakeCharities.org website) over which campaigning organisations might enjoy taxpayer support. That means

¹⁴ These registers can be obtained from http://www.appc.org.uk/index.cfm/pcms/site.ourclients.register_home/



this report cannot definitely answer the question of how much is spent on taxpayer funded politics, even leaving aside the classification issues discussed earlier and the figures provided are almost certainly an underestimate.

- Many organisations' accounts did not make it easy to ascertain the amount coming from the public sector. Descriptions of grants like "Tomorrow's England" and "London" meant that further inquiries were needed to discover whether those grants came from the public sector or private donations.

Finally, some campaigning organisations do not provide an itemised list of their public sector grants in their accounts. This generally meant that the organisations had to be left out of this report. In the case of the Institute for Public Policy Research, the New Economics Foundation and the New Local Government Network though, we decided to try and get some indication of the scale of their taxpayer funded lobbying by sending Freedom of Information requests to key government departments and quangos, such as the regional development agencies.

The Freedom of Information request sent is provided in **Appendix 1**. It is highly unlikely we have discovered all of their public sector funding, though, so caution should be exercised in drawing comparisons with other groups.

4. Public sector spending on political consultancy

In 2008 Conservative Party research revealed that nearly £10 million of taxpayers' money had been spent on political consultancies over five years. They argued that this "expenditure is not only a waste of taxpayers' money, but adds to the 'culture of spin' in Whitehall, blurs accountability and creates a bias for more regulation and public expenditure."¹⁵ Nick Hurd, the Shadow Minister for the Cabinet Office, said that the "hiring of lobbyists by government bodies to grab more government cash is a financial scandal" and should not be allowed.¹⁶

This report presents new evidence suggesting that the scale of public sector spending on political consultancies may be significantly higher than the Conservative research suggested.

4.1 Why do public sector organisations hire political consultancies?

These firms are not advertising agencies that assist with the promotion of a range of messages. They are there to assist with political strategy and communication, and/or help organisations develop their staff's political skills. Even if they are simply used to promote events or messages that are not overtly political, their function is likely to be ensuring that the organisation is portrayed in positive terms. This is similar to the use of corporate PR spending for good causes.

Public sector organisations give a variety of reasons for hiring lobbyists, just like the private sector. Below are some representative examples of the reasons public sector organisations had for employing political consultancies:¹⁷

- Penwith District Council was fighting against moves to absorb the council into a larger unitary authority. The former Chief Executive told the TaxPayers' Alliance that the council had, over several months, failed to secure a meeting with the minister responsible. They knew that Atherton Associates had links with that minister and hired them in order to secure that meeting, which they felt they should have been entitled to anyway. The lobbyist succeeded in setting up the meeting, though it did not ultimately change the decision and Penwith District Council was absorbed in the new Cornwall Unitary Authority. The amount they paid is not listed in the table below, as the council's abolition made it impossible to obtain.
- Transport for London had contracts with Four Communications and with the Waterfront Partnership. The contract with Four Communications was to promote the London leg of the Tour de France and "cycling as a way of getting around and

¹⁵ The Conservative Party 'Government lobbying Government', 29 November 2008

¹⁶ Oliver, J. 'Quangos spend £10m seeking more money', *The Sunday Times*, 30 November 2008

¹⁷ This information was obtained from responses to Freedom of Information requests and discussions with council officers.



London as a world class visitor destination.” The contract with the Waterfront Partnership was intended to support negotiations with the Department for Transport and is credited with resulting in Transport for London obtaining £7 billion of investment from the Department.

- The Gambling Commission use Grayling Political Strategy for “a broad range of communications support including public affairs, media relations and press office support.”

4.2 Results

Our research suggests that the true extent of spending by public sector organisations on political consultancies is significantly higher than was previously thought:

- 77 public sector organisations hired political consultancies in 2007-08.
- Total spending by public sector organisations on political consultancies was over £4 million in 2007/08. This is more than double the annual amount found in earlier research by the Conservative Party.
- The biggest public sector spender on political consultancies was Liverpool City Council, which spent over £209,000.

The top ten public sector spenders on political consultancies are listed in Table 4.1.

Table 4.1: Public sector organisations by amount paid

| Organisation | Amount paid, 2007-08 |
|---|----------------------|
| Liverpool City Council | £209,942 |
| National Lottery Commission | £208,643 |
| Identity and Passport Service | £192,195 |
| Remploy | £186,958 |
| Civil Aviation Authority | £174,734 |
| Sport England | £172,384 |
| Scottish Enterprise | £165,370 |
| Transport for London | £155,251 |
| West Midlands Passenger Transport Authority | £140,000 |
| National Endowment for Science and Technology | £138,795 |

- The political consultancy that took the most in payments from public sector organisations was FD Public Affairs, which received £796,850.
- 13 consultancies received more than £100,000 in payments from public sector organisations.



The top ten political consultancies, by amount received from public sector organisations, are listed in Table 4.2.

Table 4.2: Political consultancies, by amount received from public sector organisations

| Consultancy | Amount received 2007-08 |
|---|----------------------------|
| FD Public Affairs (FD-LLM) | £796,850 |
| Fishburne Hedges | £391,667 |
| AS Biss & Co. / Mandate Communications | £280,011 |
| Weber Shandwick Public Affairs | £277,529 |
| Grayling Political Strategy / Citigate Public Affairs | £269,412 |
| Four Communications | £248,864 |
| Hill & Knowton | £208,643 |
| Consolidated PR | £204,970 |
| Portland PR | £174,680 |
| Fleishman-Hillard | £165,370 |

A full table showing all payments uncovered from public sector organisations to political consultancies is provided in **Appendix 2**.

5. Taxpayer funded trade associations

Trade associations allow firms to pool their resources to more effectively influence policy. Examples of these associations, who do not receive taxpayer funding, include the Airport Operators Association, the British Venture Capital Association and the Engineering Employers' Federation (EEF). Just as public sector organisations increasingly emulate private businesses in their use of political consultancies, they have also established a series of trade associations. These organisations are explicitly designed to try and influence the public debate and direction of policy.

Table 5.1: Taxpayer funded trade associations

| No. | Charity | Taxpayer funding, 2007-08 |
|-----|---------------------------------------|---------------------------|
| 5.1 | The Local Government Association | £14,755,000 |
| 5.2 | The NHS Confederation | £7,023,274 |
| 5.3 | The Association of Police Authorities | £1,444,987 |
| | Total | £23,223,261 |

5.1 The Local Government Association: £14,755,000

The Local Government Association had a net income of £19,437,000 in 2007/08. This was composed of £14,755,000 from subscriptions, a £1,464,000 profit on conferences and seminars and £3,218,000 in other income.¹⁸ Their subscription fees come from their member organisations, which are all part of the public sector and funded by taxpayers.¹⁹ For that reason, £14,755,000, their subscription income, seems a reasonable conservative estimate of taxpayer funding for the Local Government Association and that standard will also be used for other taxpayer funded trade associations.

The Local Government Association exists to represent local councils and their political interests:²⁰

"The Local Government Association was set up as an unincorporated body on 1 April 1997 following the merger of the three previous local authority associations covering England and Wales (the Association of County Councils, the Association of District Councils, and the Association of Metropolitan Authorities), to provide a single voice for local government. As the national voice for local communities, the Association speaks for over 400 local authorities and nearly 500 member bodies in total, and seeks to promote the case for better local government and democratic local

¹⁸ Local Government Association, 2008 accounts, <http://www.lga.gov.uk/lga/aio/1043502>, pg. 9

¹⁹ Local Government Association 'LGA Membership', 8 June 2009, <http://www.lga.gov.uk/lga/core/page.do?pageId=21575>

²⁰ Local Government Association, 2008 accounts, <http://www.lga.gov.uk/lga/aio/1043502>, pg. 4



communities which are prosperous, safe, healthy and environmentally sustainable, and which provide equality of opportunity for all citizens."

It has frequently been involved in wider political disputes. For example, it called for a windfall tax on energy companies in order to fund a council-led "national home insulation programme."²¹

5.2 The NHS Confederation: £7,023,274

The NHS Confederation has a total income from charitable activities of £29,726,009 but £19,795,239 of that is for "NHS workforce and employment activities", which appears to represent payment for some kind of practical service to NHS organisations. The income from subscriptions is £7,023,274.²²

When promoting their services to prospective members, the NHS Confederation says that:

*"We provide our members with a strong influencing voice in Government, parliament and the media and ensure that they are kept up-to-date with the changing agenda."*²³

They also describe themselves as "influencing policy, implementation and the public debate".²⁴

5.3 Association of Police Authorities: £1,444,987

The Association of Police Authorities has a total income of £2,152,758 including grants from the Home Office for work on performance measurement, income from conferences and seminars and bank interest. The association's subscription income is £1,444,987.²⁵

They describe their activities as:²⁶

"We work closely with our member authorities and our partners to:

- *develop APA policies on all national policing, criminal justice and community safety related issues;*

²¹ Local Government Association 'New research torpedoes energy firm windfall tax claims', LGA press release, 5 September 2008

²² NHS Confederation, 2008 accounts, pg. 16

²³ NHS Confederation 'Become a member', <http://www.nhsconfed.org/AboutUs/Pages/Becomeamember.aspx>

²⁴ NHS Confederation 'About us', <http://www.nhsconfed.org/AboutUs/Pages/Aboutus.aspx>

²⁵ Association of Police Authorities, 2008 annual report, <http://www.apa.police.uk/NR/rdonlyres/4A2F9937-711F-467C-890A-025E41F6FEF0/APAAnnualReport200708.pdf>, pg. 5

²⁶ Association of Police Authorities 'What we do – How do we do it?', <http://www.apa.police.uk/APA/ABOUT+THE+APA/What+We+Do/>



- *raise public awareness of police authority concerns;*
- *lobby Government and others to ensure that the views of local police authorities and their communities influence the national policing agenda;*
- *keep local police authorities up-to-date with current national developments;*
- *develop guidance and advice to assist authorities in carrying out their role locally; and*
- *identify and spread good practice through conferences, seminars and training workshops, research and publications.”*

Most of their work is, therefore, clearly political in nature and many of their non-political activities are funded separately (through payments for conferences and seminars or the Home Office grant).

6. Campaigns for health policy and lifestyle changes

Policies to regulate unhealthy lifestyle choices are increasingly common. Smoking in public places is now banned, and attempts to curb binge drinking and obesity are commonplace. Whatever the merit of such policies though, a number of charities involved in these debates enjoy significant public funding:

Table 6.1: Campaigns for health policy and lifestyle changes receiving taxpayers' money

| No. | Charity | Taxpayer funding, 2007-08 |
|-----|---|---------------------------|
| 6.1 | Alcohol Concern | £515,000 |
| 6.2 | Sustain | £380,508 |
| 6.3 | National Heart Forum | £315,000 |
| 6.4 | Action on Smoking and Health (ASH) | £191,000 |
| 6.5 | Living Streets | £150,000 |
| 6.6 | Family Planning Association (fpa) | £130,000 |
| 6.7 | Alliance House Foundation and the Institute for Alcohol Studies | £76,236 |
| 6.8 | Consensus Action on Salt and Health | £23,500 |
| | Total | £1,781,244 |

Many of the groups were funded under the Section 64 power which allows the Secretary of State for Health to "make grants to voluntary organizations in England whose activities support the Department of Health's policy priorities".²⁷ The scheme is now a part of the department's 'Third Sector Investment Programme'.

6.1 Alcohol Concern: £515,000

Alcohol Concern received £400,000 in an unrestricted grant from the Department of Health and £115,000 in a restricted grant. This compares with just £19,014 from membership fees and £4,991 from donations and sundry receipts. Other finance came from other charities, such as Comic Relief who provided £116,649.²⁸

Alcohol Concern describe their function as follows:²⁹

"Alcohol Concern is the national agency on alcohol misuse campaigning for effective alcohol policy and improved services for people whose lives are affected by alcohol-related problems.

Alcohol Concern is a membership body working at a national level to

²⁷ Department of Health 'What is the Section 64 Scheme', 8 February 2007,

http://www.dh.gov.uk/en/Managingyourorganisation/Financeandplanning/Section64grants/DH_4032519

²⁸ Alcohol Concern, 2008 accounts, http://www.charity-commission.gov.uk/registeredcharities/ScannedAccounts/Ends05/0000291705_ac_20080331_e_c.pdf, pg. 29

²⁹ Alcohol Concern 'About Alcohol Concern', <http://www.alcoholconcern.org.uk/servlets/home/aboutus.jsp>



influence alcohol policy and champion best practice locally. We support professionals and organisations by providing expertise, information and guidance. We are a challenging voice to the drinks industry and promote public awareness of alcohol issues.”

While they do provide information to those delivering assistance to those suffering from alcohol abuse, Alcohol Concern explicitly cite as their primary function campaigning for policy change at a local and national level. They provide the secretariat for the All Party Parliamentary Group on Alcohol Misuse;³⁰ such support for an All Party group is recognised as a typical lobbying activity.

As such, the £515,000 donation from the Department of Health should be counted as taxpayer funded political campaigning, particularly the £400,000 unrestricted grant. Alcohol Concern’s policy positions are controversial and not necessarily representative. They support higher duties on alcohol³¹ and increased restrictions on alcohol advertising.³²

6.2 Sustain: The Alliance for Better Food & Farming: £380,508

Sustain has received a range of grants from public sector organisations and central government departments: £56,750 from the Department of Health; £80,970 from the Department of Environment Food and Rural Affairs; another £48,145 from the DEFRA Environment Action Fund; £32,467 from the European Regional Development Fund; £38,415 from the Government Office for London; £80,029 from the London Development Agency; and £43,732 from the National Consumer Council. This makes a total of £380,508 in taxpayer funding with £82,147 unrestricted.³³

Sustain define their purpose as follows:³⁴

“Sustain: The alliance for better food and farming advocates food and agriculture policies and practices that enhance the health and welfare of people and animals, improve the working and living environment, enrich society and culture and promote equity. We represent around 100 national public interest organisations working at international, national, regional and local level.”

³⁰ Alcohol Concern 'All Party Parliamentary Group on Alcohol Misuse', <http://www.alcoholconcern.org.uk/servlets/press/appq.jsp>

³¹ Alcohol Concern 'Higher duties, Fewer Deaths', 22 April 2009

³² Alcohol Concern 'Watching Alcohol on TV can encourage drinking – new study shows', 4 March 2009

³³ Sustain, 2008 accounts, http://www.charity-commission.gov.uk/registeredcharities/ScannedAccounts/Ends43/0001018643_ac_20080331_e_c.pdf, pg. 27

³⁴ Sustainweb 'About Sustain', <http://www.sustainweb.org/about/>



Looking at the “success stories” page on their website provides a further insight into their work.³⁵ The stories fit into three groups: building their campaign network; securing administrative changes from public sector organisations such as hospitals; and lobbying for policy change. All of this is political campaigning, and therefore their restricted funds should be understood as taxpayer funding of political campaigning.

Sustain takes a number of controversial positions, including using concerns about potential global warming to justify a move towards veganism:³⁶

"Reduce the amount of foods of animal origin (meat, dairy products and eggs) served, as livestock farming is one of the most significant contributors to climate change, and promote meals rich in fruit, vegetables, pulses, wholegrains and nuts. Ensure that meat, dairy products and eggs are produced to high environmental and animal welfare standards. See the website of Compassion in World Farming's Eat Less Meat campaign: <http://www.eatlessmeat.org> for more information."

Some detail of the projects funded with the London Development Agency grant, intended to “raise awareness”, is provided in Sustain’s accounts:³⁷

"...including a sustainable community picnic, an edible roof garden, and training for would-be beekeepers."

6.3 National Heart Forum: £315,000

The National Heart Forum receives an unrestricted grant from the Department of Health of £315,000.³⁸

The National Heart Forum describe their purpose entirely in terms of influencing policy:³⁹

"The National Heart Forum (NHF) was established in 1984 following the recommendation of a group of 80 scientists, medical practitioners and lay representatives for the establishment of an "active authoritative body at the national level to speak out for policies directed at the prevention of coronary heart disease" and to maximise the contributions of not-for-profit sector organisations."

³⁵ Sustainweb 'Working together – our success stories',

http://www.sustainweb.org/about/working_together_our_success_stories/

³⁶ Sustain 'Serving up sustainability', http://www.sustainweb.org/pdf/SFG_Catering.pdf

³⁷ Sustain, 2008 accounts, http://www.charity-commission.gov.uk/registeredcharities/ScannedAccounts/Ends43/0001018643_ac_20080331_e_c.pdf, pg. 12

³⁸ National Heart Forum, 2008 accounts, http://www.charity-commission.gov.uk/registeredcharities/ScannedAccounts/Ends86/0000803286_ac_20080331_e_c.pdf, pg. 13

³⁹ National Heart Forum 'About NHF', <http://www.heartforum.org.uk/about-nhf.aspx>

And, they cite their achievements as a change in policy priorities:

"At the time that the NHF was established, coronary heart disease was not a priority for the government or the National Health Service. Since its launch, the NHF has been instrumental in driving the national coronary heart disease prevention policy agenda, developing consensus and evidence-based recommendations for action across a diverse range of issues and settings and co-ordinating advocacy for their implementation. The prevention and treatment of coronary heart disease is now one of four government health priorities."

The National Heart Forum is therefore a political campaign trying to achieve a change in political priorities.

6.4 Action on Smoking and Health (ASH): £191,000

ASH receives £191,000 in funding from the Department of Health.⁴⁰ The funding was intended to support the next phase of the ASH campaign "Smoking Kills".⁴¹

This appears to be related to the report, released in October 2008, "Beyond Smoking Kills". That report had a number of policy priorities:

"The report calls on the Government to introduce a comprehensive tobacco control strategy which could help a further 4.5 million smokers to quit by 2015 by:

- *Requiring plain packaging for all tobacco products*
- *Prohibiting the display of tobacco products in shops*
- *Clamping down on smuggling*
- *Giving smokers access to safer non-tobacco alternatives to smoking"*

It is clearly a political campaign and, if this is the project being funded with taxpayers' money, a clear case of taxpayer funded political campaigning.

Action on Smoking and Health has been involved in a number of policy debates. In particular, they were central to the debate over the ban on smoking in public places. As a result of the ban, they described 2007 as a "momentous year for ASH as we finally achieved a key goal".⁴²

⁴⁰ Action on Smoking and Health, 2008 accounts, http://www.charity-commission.gov.uk/registeredcharities/ScannedAccounts/Ends67/0000262067_ac_20080331_e_c.pdf, pg. 17

⁴¹ Department of Health 'Section 64 General Scheme of Grants to Voluntary Organisations 2007-08: Newly approved grants and continuing grants approved in earlier years', 22 March 2007

⁴² Ibid.



6.5 Living Streets: £150,000

Living Streets receives an unrestricted grant from the Department for Communities and Local Government of £150,000.⁴³

Living Streets acknowledges in their accounts that 12 per cent of their spending is on "Policy & Campaigning" and a further 4 per cent on "Policy Coordination". Many of the other headers within their spending appear to also involve political work. The organisation describes its purpose as challenging "the authorities":

"Living Streets is a national charity with a clear and urgent challenge to the authorities who, for decades, have allowed traffic priorities to overwhelm our local streets and public places, and failed to keep them clean and safe."

6.6 Family Planning Association (fpa): £130,000

The fpa receives an unrestricted grant from the Department of Health of £130,000.⁴⁴ While the charity does run advice and information services, they are an explicitly political campaign. Their logo contains the strap line "putting sexual health on the agenda" and the first entry on their "What we do" page is "Free contraception for all; sexual health services from the NHS; abortion rights – we have helped achieve them all. fpa is the organisation that makes sexual health a priority public health issue."⁴⁵ They provide the secretariat for the All Party Parliamentary Pro-Choice and Sexual Health Group;⁴⁶ such support for an All Party group is recognised as a typical lobbying activity. Their current campaigns include attempts to "secure the same rights of access to abortion services for women in Northern Ireland" and introduce sex education at younger ages.⁴⁷

6.7 Alliance House Foundation and the Institute of Alcohol Studies: £76,236

The Alliance House Foundation is a descendant of the United Kingdom Alliance, which sought to ban the sale and production of alcohol. It describes its objectives as:⁴⁸

"To spread the principles of total abstinence from alcoholic drinks and to promote the moral and physical welfare of the community; promote the scientific study of the properties of alcohol and the effects of its use upon the human system, the social and moral consequences and the distribution of information on the subject."

⁴³ Living Streets, 2008 accounts, http://www.livingstreets.org.uk/cms/downloads/0-living_streets_signed_and_audited_accounts_2008.pdf, pg. 19

⁴⁴ fpa, 2008 accounts, http://www.charity-commission.gov.uk/registeredcharities/ScannedAccounts/Ends87/0000250187_ac_20080331_e_c.pdf

⁴⁵ fpa 'What we do', <http://www.fpa.org.uk/Aboutus/Whatwedo>

⁴⁶ fpa 'Policy and lobbying', <http://www.fpa.org.uk/News/Policyandlobbying>

⁴⁷ Ibid.

⁴⁸ Alliance House Foundation, 2008 accounts, http://www.charity-commission.gov.uk/registeredcharities/ScannedAccounts/Ends54/0000208554_ac_20080331_e_c.pdf, pg. 10



They have received significant grants from the European Union: £41,138, in an unrestricted grant, for the "Eurocare Bridging the Gap Project", which is intended to "further the development of an integrated Community strategy",⁴⁹ and £35,098, in restricted funds, for the "Alcohol Policy Youth Network", which appears to be an anonymous network of policy campaigners on alcohol issues. While these funds are attached to particular projects, both of the projects are clearly aimed at improving the ability of the Foundation to promote its policy objectives.

The Alliance House Foundation provides 96 per cent of the funding for the Institute of Alcohol Studies.⁵⁰ That organisation claims:⁵¹

"We are lucky in being one of the few organisations that do not depend on the Government or the alcohol industry for funds – so that we can be an independent voice on alcohol policy. This means we can translate the scientific evidence honestly, whatever the implications of those that have to make the hard decisions in practice."

This statement is either dishonest or mistaken. Their funding is entirely dependent upon an organisation with a clear ideological position, which is receiving significant funding from the European Union. The Institute itself received £38,228 directly from the European Commission in 2007.⁵²

This statement is also suspect:⁵³

"The core aim of the Institute is to serve the public interest on public policy issues linked to alcohol, by advocating for the use of scientific evidence in policy-making to reduce alcohol-related harm. The Institute does not have a view on whether individuals should drink or not drink."

It is hard to attach much credibility to this statement when the Institute is almost exclusively funded by a well-established temperance group that aims to promote total abstinence from alcohol. The Alliance House Foundation describes how the Institute for Alcohol Studies is funded in their accounts:

"In April 2006 the Institute of Alcohol Studies was constituted as a separate charitable company and Alliance House Foundation made a three-year funding commitment, by way of grant funding for IAS to pursue those objects. The funding would be reviewed in 2009."

⁴⁹ Eurocare 'Bridging the Gap', http://www.eurocare.org/eu_projects/bridging_the_gap

⁵⁰ Institute of Alcohol Studies, 2008 accounts, http://www.charity-commission.gov.uk/registeredcharities/ScannedAccounts/Ends71/0001112671_ac_20080331_e_c.pdf

⁵¹ Institute of Alcohol Studies 'Who we are', http://www.ias.org.uk/aboutus/who_we_are.html

⁵² Institute of Alcohol Studies, 2008 accounts, http://www.charity-commission.gov.uk/registeredcharities/ScannedAccounts/Ends71/0001112671_ac_20080331_e_c.pdf

⁵³ Institute of Alcohol Studies 'Who we are', http://www.ias.org.uk/aboutus/who_we_are.html



This suggests that the Institute of Alcohol Studies can be considered a subsidiary of the Alliance House Foundation. Their background as an offshoot of the temperance movement and financial links to the European Union are significant as the group is credited with inspiring policy changes such as the Conservative Party Social Justice Policy Group's proposal to increase the price of alcohol.⁵⁴

6.8 Consensus Action on Salt and Health (CASH): £23,500

CASH received £23,500 from the Food Standards Agency.⁵⁵

Many of their objectives involve raising awareness among other organisations, in an attempt to increase voluntary reductions in salt intake, but their statement of objectives in their annual accounts also includes:⁵⁶

"To ensure the body of evidence from the scientific community about the dangers of excessive salt consumption becomes translated into policy by the Government and relevant professional organisations."

This appears to be a substantial part of their work; their autumn newsletter highlighted a submission to a Food Standards Agency consultation:⁵⁷

"CASH has submitted a very detailed response to the recent FSA Consultation on proposals to further reduce the voluntary salt reduction targets. Overall, CASH believes that far stricter targets can be achieved by 2010 and that more challenging targets should be set for 2012."

The Food Standards Agency is funding a group that attempts to influence its policy decisions. The extent that salt poses a risk to human health⁵⁸ and the feasibility of reducing salt content at the pace currently planned⁵⁹ is controversial and, while the target is currently voluntary, there is an implicit threat of regulation if voluntary measures do not yield the desired effects. The Food Standards Agency is essentially funding one side of this debate.

⁵⁴ Walters, S. 'Tories 'binge drinking tax' to add 7p on a pint', *Daily Mail*, 8 July 2007

⁵⁵ Consensus Action on Salt and Health, 2008 accounts, http://www.charity-commission.gov.uk/registeredcharities/ScannedAccounts/Ends18/0001098818_ac_20080430_e_c.pdf, page 8

⁵⁶ Consensus Action on Salt and Health, 2008 accounts, http://www.charity-commission.gov.uk/registeredcharities/ScannedAccounts/Ends18/0001098818_ac_20080430_e_c.pdf

⁵⁷ Consensus Action on Salt & Health 'Autumn Newsletter', 2008

⁵⁸ Le Fanu, J. 'Misleading meta-analysis', *British Medical Journal*, 17 June 1995

⁵⁹ BBC News 'Call for 'action' on salt levels', 18 May 2009

7. Environmental campaigns

There is a significant public debate over the proper policy response to climate change. There have been proposals, some of them implemented, for a range of policies ranging from increased green taxes, to new regulations and campaigns for lifestyle changes. A number of the most widely quoted voices in this debate receive significant government funding. Many of the think tanks in **Section 8** also devote substantial resources to campaigning on environmental policy issues.

Table 7.1: Campaigns for more stringent policies to reduce greenhouse gas emissions

| No. | Charity | Taxpayer funding, 2007-08 |
|------|---|---------------------------|
| 7.1 | The Sustainable Development Commission | £4,113,000 |
| 7.2 | The Forum for the Future | £1,643,640 |
| 7.3 | The Campaign for Better Transport (Transport 2000) | £417,210 |
| 7.4 | The Climate Group | £186,523 |
| 7.5 | Friends of the Earth | £153,994 |
| 7.6 | The Green Alliance | £137,120 |
| 7.7 | UK Public Health Association | £84,090 |
| 7.8 | People and Planet | £73,833 |
| 7.9 | Women's Environmental Network | £25,725 |
| 7.10 | The Islamic Foundation for Ecology and Environmental Sciences | £3,500 |
| | Total | £6,701,516 |

It is worth noting that Greenpeace have a policy that:⁶⁰

"Greenpeace does not solicit or accept funding from governments, corporations or political parties. Greenpeace neither seeks nor accepts donations which could compromise our independence, aims, objectives or integrity. Greenpeace relies on the voluntary donations of individual supporters, and on grant-support from foundations."

Other groups appear to take a different position and accept funding from a variety of public sector bodies.

7.1 The Sustainable Development Commission: £4,113,000

The Sustainable Development Commission differs from the other organisations in this report. It is constituted as an Executive Non-Departmental Public Body, rather than as a charity or non-profit company. Founded in October 2000, they report directly to the Prime Minister and the First Ministers in the devolved regions. They received £4,113,000

⁶⁰ Greenpeace UK 'About Greenpeace', <http://www.greenpeace.org.uk/about>

in taxpayer funding in 2007-08.⁶¹ Most of this came from DEFRA with smaller amounts from the devolved assemblies and other departments and minor grants towards specific projects.

The Sustainable Development Commission is included in this report, while the hundreds of other public sector advisory groups are not, because its advice appears to be overwhelmingly political and ideological rather than technical in nature. While other public bodies do campaign for political objectives, only the Sustainable Development Commission, as the clearest case, has been included in this report. Again, that means that the aggregate figures in this report should be taken as a conservative estimate.

The organisation recently released a report from one of its commissioners entitled "Prosperity without Growth?" This "challenges the assumption of continued economic expansion in rich countries and asks: is it possible to achieve prosperity without growth?"⁶² The organisation is now recruiting a Senior Economic Policy Analyst who will "[work] with the SDC's Economics Commissioner to lead and develop opportunities for engagement and advocacy of SDC's recent report: Prosperity without Growth: Transition to a sustainable economy with stakeholders including government."⁶³

That clearly political report is part of a broader pattern. Another recent report called for a "sustainable new deal", which would involve spending £30 billion a year for three years on a "green recovery package".⁶⁴ Their most recent report states that "Natural justice tells us that individual emissions of CO₂ must, in the long run, "converge" around the same per capita entitlement" and calls for "personal carbon budgets", a form of cap and trade for individual people.⁶⁵

Since its foundation, the Chairman of the Sustainable Development Commission has been Jonathan Porritt. He describes himself as a "hardened anti-nuclear campaigner"⁶⁶ and "an environmentalist with a bit of a track record".⁶⁷

Mr. Porritt is a patron of the Optimum Population Trust which argues that the UK's sustainable population is 17 million⁶⁸ (under a third of the present level) and has attacked the UN declaration that people have a "basic human right to determine freely and responsibly the number and timing of their children".⁶⁹ He has praised China's One

⁶¹ Sustainable Development Commission, 2007-08 annual review, http://www.sd-commission.org.uk/publications/downloads/2007-08Annual_Review.pdf, pg. 16

⁶² Sustainable Development Commission 'Prosperity without Growth? – Summary', 26 March 2009

⁶³ Sustainable Development Commission 'Job vacancies – Senior Economic Policy Analyst SDCE 4', 6 July 2009

⁶⁴ Sustainable Development Commission 'A Sustainable New Deal', 7 April 2009

⁶⁵ Sustainable Development Commission 'Breakthroughs for the twenty-first century', 1 July 2009

⁶⁶ Porritt, J. 'Nuclear comes clean', *Forum for the Future blog*, 5 June 2009

⁶⁷ Porritt, J. 'A sustainable population', *JonathanPorritt.Com*, 4 March 2009

⁶⁸ Optimum Population Trust 'Towards sustainable and optimum populations', <http://www.optimumpopulation.org/opt.optimum.html>

⁶⁹ Optimum Population Trust 'Report challenges "right" to have children', <http://www.optimumpopulation.org/releases/opt.release11Jul08>

Child Family Policy:⁷⁰

"I can't recall any environmental or climate change organization ever suggesting that "births averted" is probably the most single most substantial and cost-effective intervention that governments could be using. Just to give another example, the Chinese government calculates that since the introduction of the One Child Family Policy in the early 80s, at least 400 million births have been averted.

Each Chinese citizen today emits an average of 3.5 tonnes of CO2 every year. Multiply the one (400 million) by the other (3.5 tonnes per annum), and you get a figure of 1.4 billion tonnes of CO2 per annum. By a million miles, that's the biggest single CO2 abatement achievement since Kyoto came into force – a fact that George Bush conveniently forgets when he whinges on about Kyoto being useless because China doesn't have the same target as the United States."

The organisation does some less controversial work monitoring and advising government departments on their greenhouse gas emissions. But the organisation is primarily a political campaign, aiming to secure policy change in line with their ideological principles. All of their funding contributes to the scale and campaigning reach of the organisation and should be considered taxpayer funding of political campaigning.

7.2 The Forum for the Future: £1,643,640

In 2007, Forum for the Future received £868,578 from central government and £775,062 from local and regional government. This makes total taxpayer funding of £1,643,640.⁷¹

Much of the Forum for the Future's work consists of working with companies. This work is part of a political campaign, though. They attack, in the media, those companies who do not share their agenda, for example in the "Green List" series with the Guardian.⁷² Their Public Sector Programme works with organisations like Regional Development Agencies, NHS Trusts and Strategic Health Authorities to affect policy in areas such as planning. They also support the Tomorrow's England project which promotes the view that:

"Whatever it means to you, the England we know and love is in peril owing to climate change."

Their board includes Jonathon Porritt, whose views are discussed above. Mr. Porritt writes blogs for the Forum for the Future, recently including attacks on the nuclear

⁷⁰ Porritt, J. 'Population: boom and bust', *JonathanPorritt.com*, 17 May 2007

⁷¹ Forum for the Future, 2008 annual report, <http://www.forumforthefuture.org/files/AnnualReport08.pdf>, pg. 14

⁷² Uren, S. 'Hall of shame', *The Guardian*, 5 November 2007



industry⁷³ and UK renewable policy.⁷⁴ It is therefore clear that the organisation has a further political function as a platform for prominent environmentalists.

7.3 The Campaign for Better Transport (Transport 2000): £417,210

The Campaign for Better Transport Charitable Trust receives £79,633 from London councils, £272,266 from the Department for Transport for the National Business Travel Network (NBTN) and £65,311 from the Department for Environment, Food and Rural Affairs for the Tomorrow's England project.⁷⁵

The London project aims "to promote research, produce publications and run seminars and other events on solutions to transport problems in London". This implies that it exists to promote the campaign objectives of the Campaign for Better Transport in London.⁷⁶

The NBTN aims to convince businesses to plan staff travel in order to reduce the use of cars and, in turn, their environmental impact.⁷⁷ While it is not a political project but a business support measure, specific project funding for the NBTN, which constitutes around 40 per cent of the campaign's total funding, builds the organisation's capacity significantly.⁷⁸

The Tomorrow's England project was discussed in the last section.

The Campaign for Better Transport website makes it entirely clear that they are a political campaign. Their policy priorities are to promote public transport and oppose road building. They attack policy decisions in national newspapers⁷⁹ and organise direct action and demonstrations:⁸⁰

"Let's campaign together for better, greener transport. Whether you're concerned about the environment and climate change, or desperate for a public transport system that works, take action and make a difference today."

Part of the Campaign for Better Transport is the "Road Block" campaign. Rebecca Lush Blum, now the Campaign for Better Transport's "Road Block Coordinator" co-founded

⁷³ Porritt, J. 'Nuclear comes clean', *Forum for the Future blog*, 5 June 2009

⁷⁴ Porritt, J. 'Good times, bad times', *Forum for the Future blog*, 5 May 2009

⁷⁵ Campaign for Better Transport, 2008 accounts, http://www.charity-commission.gov.uk/registeredcharities/ScannedAccounts/Ends29/0001101929_ac_20080331_e_c.pdf, pg. 15

⁷⁶ Ibid.

⁷⁷ National Business Travel Network 'What is NBTN?', <http://www.nbtn.org.uk/what.aspx>

⁷⁸ Campaign for Better Transport, 2008 accounts, http://www.charity-commission.gov.uk/registeredcharities/ScannedAccounts/Ends29/0001101929_ac_20080331_e_c.pdf

⁷⁹ Milmo, D. 'Road safety, bus and cycle schemes under threat from transport budget cuts', *The Guardian*, 7 June 2009

⁸⁰ Campaign for Better Transport 'Take action', http://www.bettertransport.org.uk/take_action



Road Alert, the network organising the 1990s anti-road protests. She once “pied” Jeremy Clarkson; by throwing a banana-meringue pie at him when he accepted an honorary degree from Oxford Brookes University.⁸¹

The Campaign for Better Transport has been accused of engaging in partisan politics. They sent the following message to their members:⁸²

"We've been approached by a campaigner in Nottingham who's alerted us that the Conservatives, who have just won control of the local council, have said they're going to cancel the planned tram extension there. So to help, we've been wondering if we can find other examples of things the Tories are doing which are bad for sustainable public transport. Can you tell us if they've done or said anything in your area that's grabbed your attention about local bus, tram or rail travel, planned roads, or airports? We're thinking of 'negative' things – things that show that they're hostile to good public transport. Perhaps also, what they do and say locally can give us some idea of how they'll really behave in government.

When you tell us what they've been up to near you, we'll try to put that in the national picture and see if we can build up a profile of their local actions and policies across the country.

Please send all your comments to me...."

They issued a retraction the following day:⁸³

"Good morning,

This is an email to clarify a note we sent round yesterday asking for examples of transport policies being made or considered at a local level, because I realise the note may have come across as party political.

The email referred to the Conservative Party because in the elections earlier this month the Conservatives gained control of 30 of the 34 councils. It should instead have asked for examples of 'council' actions or thinking. Because of the dominance of the Conservatives at the council level, the term Conservatives was used almost as shorthand. It should not have been. We are interested in information about local council transport decisions, not solely Conservative council decisions.

We are a non-partisan organisation. We are interested in securing good transport policies and programmes, not in party political issues. We work with all political parties to improve public transport. I'm sorry if yesterday's

⁸¹ Curtis, P. 'Clarkson hit by pie at degree ceremony', *The Guardian*, 12 September 2005

⁸² Phibbs, H. "Charity" seeks to gather attacks on Tory Councils, *ConservativeHome*, 17 June 2009

⁸³ Phibbs, H. 'Anti Tory group funded by TfL and London Councils', *ConservativeHome*, 18 June 2009



email gave you a different impression.

I hope this email clarifies things and am happy to take any questions."

This retraction is implausible given that both the terms Conservatives and Tories are used in the original e-mail, along with "how they'll really behave in government". The original e-mail does appear to be an attempt to intervene in the partisan political debate.

The Campaign for Better Transport is also a clear example of how public sector organisations can collude with corporate interests in lobbying and campaigning on certain issues. As well as receiving £417,210 of taxpayers' money, they also receive a substantial amount from private companies. An investigation by the Daily Telegraph yielded the admission that around a fifth of the campaign's funding comes from bus and train companies.⁸⁴

7.4 The Climate Group: £186,523

There is some uncertainty in the figures for the Climate Group as, while they are headquartered in Britain, they are an international group with offices in ten countries. Their accounts list restricted grants from government of £186,523.⁸⁵ It is possible that part of that funding comes from foreign governments, though, and significant amounts are likely to be spent abroad.

Unfortunately, they did not respond to queries on the matter. The entire figure is therefore in the report's total, as taxpayer funded lobbying going on at UK organisations. This is in line with the criteria set out in **Section 3** of this report.

The initial BBC report when the Climate Group was founded makes it clear that the organisation is aiming to influence the policy response to potential global warming:⁸⁶

"Environment campaigners have set up an organisation to work for faster progress on tackling global warming."

The organisation's own description of its work also suggests a focus on campaigning for policy change:⁸⁷

"Through this coalition, we're helping to set the targets, create the policies, build the confidence, and generate the political willpower needed to make the changes the world requires by 2050."

⁸⁴ Daily Telegraph 'Funding leads to another', 4 February 2006

⁸⁵ The Climate Group, 2008 accounts, pg. 30

⁸⁶ Kirby, A. 'UK group to push climate process', *BBC News*, 27 April 2004

⁸⁷ The Climate Group 'About the Climate Group', <http://www.theclimategroup.org/about>

7.5 Friends of the Earth: £153,994

Friends of the Earth received £153,994 from the Department of Environment Food and Rural Affairs.⁸⁸ This grant is restricted to support a website and poster campaign targeted at students, and designed to “positively influence attitudes towards action to tackle it.”⁸⁹

Figure 2 provides an example of the posters funded with a DEFRA grant. The ClimateSafe.co.uk website appears to have been discontinued.

Figure 7.1: Friends of the Earth climate change poster funded by DEFRA grant



⁸⁸ Friends of the Earth, 2008 accounts, http://www.charity-commission.gov.uk/registeredcharities/ScannedAccounts/Ends81/0000281681_ac_20080531_e_c.pdf, pg. 28

⁸⁹ Friends of the Earth *'Condoms turn students onto climate change'*, http://www.foe.co.uk/resource/images/bigask_protection/slides/protect_against_climate_change2.html



7.6 The Green Alliance: £137,120

The Green Alliance says that 17 per cent of their funding in 2007/08 came from Government. Their income in that year was £806,586, which implies that their income from Government was £137,120.⁹⁰

The Alliance describes their work entirely in political terms:⁹¹

"Green Alliance is an influential environmental think tank working to ensure UK political leaders deliver ambitious solutions to global environmental issues.

We understand political decision-making and have helped to change policy bringing climate change and environmental issues into the mainstream.

While not a formal alliance we work closely with partners in the third sector, business and other spheres to advocate proposals influential on all sides of the political spectrum.

Our activities include research, advocacy and convening high-profile events with senior politicians and key influencers."

7.7 UK Public Health Association: £84,090

The UK Public Health Association received a £75,000 unrestricted grant from the Department of Health and a £9,090 restricted grant. The restricted grant was used for the "Annual Forum Grass Root Activities Stream".⁹²

The Department of Health grant was made under the Section 64 scheme and most of the campaigning organisations funded under that scheme are included in Section 3 of this report. Despite its name, though, the Public Health Association seems to have little interest in public health in itself, but has recently focussed almost entirely on a purported link to climate change policy.

The organisation's last four press releases have been: "Swine flu and climate change are inextricably related" on 29 April 2009; "Climate Change and Health Take Centre Stage at a Conference in Brighton" on 12 March 2009; "The Climate Connection Launch" on 2 December 2008; "Climate Change – Public Health Workforce Development Partnership Launch" 30 July 2008.

⁹⁰ The Green Alliance Trust, 2008 accounts, http://www.charity-commission.gov.uk/registeredcharities/ScannedAccounts/Ends95/0001045395_ac_20080331_e_c.pdf, pg. 8

⁹¹ Green Alliance 'What is Green Alliance?', <http://www.green-alliance.org.uk/grea1.aspx?id=32>

⁹² Department of Health 'Section 64 General Scheme of Grants to Voluntary Organisations 2007-08: Newly approved grants and continuing grants approved in earlier years', 22 March 2007, http://www.dh.gov.uk/en/Managingyourorganisation/Financeandplanning/Section64grants/DH_100660?IdcService=GET_FILE&dID=136852&Rendition=Web, pg. 10



The first press release suggests that the UK Public Health Association is campaigning against, among other things, economic growth:⁹³

"Swine flu and climate change are inextricably related" says Angela Mawle, CEO of the UK Public Health Association. "Both are the end results of unbridled economic growth, environmental degradation and industrial agricultural practices."

Even leaving aside this new campaign on global warming policy and economic growth, the UK Public Health Association is clearly primarily a campaigning organisation:⁹⁴

"Our mission states that through our members, activities and co-operation with others, we aim to be a unifying and powerful voice for the public's health and well being in the UK, focusing on the need to eliminate inequalities in health, promote sustainable development and combat anti-health forces."

7.8 People and Planet: £73,833

At the time of writing, People and Planet had still not produced 2007-08 accounts. In 2006-07, they were given £73,833 by the European Commission.⁹⁵ This grant was restricted and it is unclear what it was intended to finance, but People and Planet's activity is entirely political.

People and Planet describe themselves as:

"People & Planet is the largest, student network in Britain campaigning to end world poverty, defend human rights and protect the environment."

For the purposes of this report, it has been assumed that a similar level of funding remained in place in 2007-08.

7.9 Women's Environmental Network: £25,725

The Women's Environmental Network received £19,419 from the Department for Communities and Local Government, £806 from the London boroughs and £5,500 from the London Borough of Tower Hamlets.⁹⁶

The London council funding appears to be connected to the "Real Nappies for London"

⁹³ UK Public Health Association 'Swine flu and climate change are inextricably related', 29 April 2009

⁹⁴ UK Public Health Association 'About us', <http://www.ukpha.org.uk/about-us.aspx>

⁹⁵ People and Planet, 2006-07 accounts, http://peopleandplanet.org/dl/fundraising/company_accounts0607.pdf, pg. 11

⁹⁶ Women's Environmental Network, 2008 accounts, http://www.charity-commission.gov.uk/registeredcharities/ScannedAccounts/Ends97/0001010397_ac_20080331_e_c.pdf, pg. 17



campaign which aims to encourage the replacement of disposable nappies with reusable cloth nappies. This is despite the Government cancelling its promotion of real nappies, after spending £30 million on their campaign, thanks to a four-year Environment Agency report which suggested they produce no net environmental benefits.⁹⁷

The Department for Communities and Local Government grant appears to be connected to the "Local Food" campaign. This campaign "offers training and support to groups of women growing food in urban areas." While this is an extremely dubious use of taxpayers' money, it is not a political campaign in itself. The organisation themselves make it clear that it is an integral part for a policy campaign, though:⁹⁸

"Our projects with local women inform our advocacy work with national organisations."

7.10 The Islamic Foundation for Ecology and Environmental Sciences: £3,500

The Islamic Foundation for Ecology and Environmental Sciences (IFEES) received £3,500 from Birmingham City Council for its "Aston Mosques Project".⁹⁹ It is unclear what this grant is for but IFEES is a member of the Stop Climate Chaos coalition and takes part in marches "against Climate Change" advocating more stringent policies to reduce greenhouse gas emissions.¹⁰⁰

⁹⁷ Doughty, S. 'The great real nappy myth – they are just as bad for the environment as disposables, admits Minister', *Daily Mail*, 3 July 2007

⁹⁸ Women's Environmental Network 'Local Food', http://www.wen.org.uk/local_food/index.htm

⁹⁹ The Islamic Foundation for Ecology and Environmental Sciences, 2008 accounts, http://www.charity-commission.gov.uk/registeredcharities/ScannedAccounts/Ends98/0001041198_ac_20080405_e_c.pdf, pg. 4

¹⁰⁰ Ecoislam 'Issue No.1 - January 2006', http://www.ifees.org.uk/newsletter_1_small.pdf

8. Think tanks

Think tanks play a significant role, advocating policy ideas in line with their ideological principles. Many of the groups in this section did not list public sector grants in their accounts and the information provided had to be obtained using Freedom of Information requests. Centre right think tanks were included in that survey, but no taxpayer funding was found.

Table 8.1: Think tanks in receipt of taxpayer funding

| No. | Charity | Taxpayer funding, 2007-08 |
|-----|--|---------------------------|
| 8.1 | New Economics Foundation | £601,518 |
| 8.2 | Demos | £553,004 |
| 8.3 | The Institute for Public Policy Research | £350,330 |
| 8.5 | The New Local Government Network | £117,972 |
| | Total | £1,622,824 |

The TaxPayers' Alliance fits within this category, but neither solicits nor accepts taxpayer funding of any kind.

8.1 New Economics Foundation: £601,518

The New Economics Foundation does not list grants from public sector organisations in its accounts. Freedom of Information requests revealed the following payments in 2007-08:

Table 8.2: Public sector organisations funding the New Economics Foundation think tank

| Organisation | Grant, 2007-08 |
|--|-----------------|
| Department for Communities and Local Government | £2,115 |
| Department of Health | £3,361 |
| Department for Environment, Food and Rural Affairs | £148,379 |
| North West Regional Development Agency | £5,836 |
| Advantage West Midlands | £7,503 |
| South West of England Regional Development Agency | £23,113 |
| East Midlands Development Agency | £392,013 |
| East of England Development Agency | £12,341 |
| South East of England Development Agency | 6,857 |
| Total | £601,518 |



This spending is attached to a number of projects. The East Midlands Development Agency grants are attached to the production of the "Enterprising Communities Toolkit: Local Alchemy".

This appears, at least in part, to involve pursuing the normal regional development agency model of grants to business, but to projects that fit the New Economics Foundation's ideological priorities. For example, they funded the "Vegtastic" fruit and vegetable co-op" to hire a "part-time community food co-ordinator".¹⁰¹ In that respect, an ideologically driven campaign has been given control of policy delivery.

The project also clearly aims to affect policy:¹⁰²

"Institutions and agencies to think differently about communities experiencing economic disadvantage. Challenging them to become responsive and solution orientated - focused on removing the barriers facing entrepreneurs and enterprise in areas experiencing economic disadvantage, and supporting them to use their procurement budgets to strengthen local economies.

"Policy makers to rethink regeneration practice, and to put enterprise in its broadest sense, at the heart of regeneration."

The South West RDA made payments to the New Economics Foundation in connection to two projects. They paid a £16,255.54 invoice for the first 50 per cent of "Business models for a low carbon economy in the South West", which it appears has not yet been released, and £6,857.12 as their contribution to funding the "Measuring Regional Progress: regional index of sustainable economic well-being for all the English regions" report.

That report consisted of calculating an ISEW (Index of Sustainable Economic Well-being) for each of the English regions.¹⁰³ This measure of well being has been heavily criticised in the academic literature. One estimate suggested that, if the ISEW's various flaws were corrected and omitted variables included, "the revised ISEW calculation suggests growth of real GDP per person substantially underestimates rather than overestimates growth of utility-based real national income per person."¹⁰⁴

¹⁰¹ Pluggingtheleaks.org 'Vegtastic' Fruit and Veg Co-Op, Somercotes Nottingham', <http://pluggingtheleaks.org/downloads/vegtastic.pdf>

¹⁰² Pluggingtheleaks.org 'Local Alchemy – Plugging the Leaks in the East Midlands', http://pluggingtheleaks.org/communities_taking_action/in_the_uk.htm

¹⁰³ Jackson, T., McBride N., Abdallah, S. & Marks, N. 'Measuring regional progress: regional index of sustainable economic well-being (R-ISEW) for all the English regions', New Economics Foundation, 10 July 2008

¹⁰⁴ Crafts, N. F. R. 'UK real national income, 1950-1998: some grounds for optimism', *National Institute Economic Review*, No. 181, July 2002

The New Economics Foundation is a highly ideological campaign. In the past they have called for “tobacco style warnings” to be placed on 4x4s. They provided this mock-up of how those warnings might look:

Figure 8.1: New Economics Foundation warning on 4x4s¹⁰⁵



The New Economics Foundation also produces the Happy Planet Index. They argue that “the nations that score well show that achieving, long, happy lives without overstretching the planet’s resources is possible.”¹⁰⁶ The rankings place Saudi Arabia (13th), Mexico (23rd) and Burma (39th) ahead of Sweden (53rd), the United Kingdom (74th) and the United States (114th).¹⁰⁷

The New Economics Foundation, despite working on the basis of a radical ideology, is being given substantial public funding and its views are being allowed to influence the policy decisions of the Regional Development Agencies in particular.

8.2 Demos: £553,004

The Demos think tank receives significant amounts from public sector bodies, as well as companies and other charities.

¹⁰⁵ New Economics Foundation ‘4x4s should have tobacco style warnings’, 26 November 2004, http://www.neweconomics.org/gen/news_4x4HealthWarning.aspx

¹⁰⁶ New Economics Foundation ‘About the Happy Planet Index’, <http://www.happyplanetindex.org/learn/>

¹⁰⁷ New Economics Foundation ‘The Happy Planet Index 2.0: Why good lives don’t have to cost the Earth’, July 2009

Table 8.3: Public sector organisations funding the Demos think tank¹⁰⁸

| Organisation | Grant, 2007-08 |
|---|-----------------|
| Arts Council England | £27,700 |
| British Council England | £18,383 |
| British Council Manchester | £3,325 |
| British Library | £4,584 |
| British Museum | £4,584 |
| Cabinet Office | £15,625 |
| Clackmannanshire County Council | £9,600 |
| Commission for Racial Equality | £19,206 |
| Department of Health | £20,000 |
| FSA | £34,200 |
| Children's Workforce Development Agency | £25,750 |
| London Borough of Hackney | £12,000 |
| NESTA - unrestricted | £51,250 |
| Neighbourhood Renewal Unit | £18,950 |
| Scottish Enterprise | £109,010 |
| Victoria & Albert Museum | £4,583 |
| Department for Communities and Local Government | £85,000 |
| Department of Trade and Industry | £14,066 |
| Glasgow Housing Association | £16,988 |
| NESTA – the disrupters | £58,200 |
| Total | £553,004 |

All of this funding is attached to specific projects, either as unrestricted 'contract' payments or as restricted funds attached to a particular project. This is quite normal for think tank fundraising in the United Kingdom, though, and probably means that these public sector organisations enjoy the same relationship with Demos as individual and corporate donors. All of Demos' work is political, they define their mission as:¹⁰⁹

"Demos is a think-tank focused on power and politics. We search for and communicate ideas to give people more power to shape their own lives. Demos' vision is a democracy of free citizens, with an equal stake in society."

8.3 The Institute for Public Policy Research: £350,330

The IPPR does not provide detail on the amounts it has received in grants or contract payments from other organisations. There is, though, a list of its funders on the think

¹⁰⁸ Demos Limited, 2008 accounts, http://www.charity-commission.gov.uk/registeredcharities/ScannedAccounts/Ends46/0001042046_ac_20071231_e_c.pdf

¹⁰⁹ Demos 'Who we are', <http://www.demos.co.uk/about>



tank's website. That list does not appear to have been updated for 2007 but it listed 25 public sector organisations that contributed in 2006.¹¹⁰

Freedom of Information requests revealed the following payments in 2007-08:

Table 8.4: Public sector organisations funding the IPPR think tank

| Organisation | Grant, 2007-08 |
|---|-----------------|
| Department for Communities and Local Government | £9,341 |
| Arts Council England | £10,743 |
| Foreign and Commonwealth Office | £161,906 |
| North West Regional Development Agency | £30,000 |
| One North East | £44,946 |
| East of England Development Agency | £25,049 |
| Learning and Skills Council | £43,345 |
| Scottish Enterprise | £25,000 |
| Total | £350,330 |

IPPR's work is entirely political. They describe their work in the following terms:¹¹¹

"Over 21 years, ippr's research and policy ideas have helped shape the progressive thinking that is now the political centre ground.

Our work has always been driven by a belief in the importance of fairness, democracy and sustainability. But, at a time of economic and political crisis, it is clear we now need more radical thinking to take this agenda forward."

8.4 The New Local Government Network: £117,972

The New Local Government Network does not list grants from public sector organisations in its accounts. Freedom of Information requests revealed the following payments in 2007-08:

Table 8.4: Public sector organisations funding the New Local Government Network think tank

| Organisation | Grant, 2007-08 |
|---|----------------|
| Advantage West Midlands | £5,875 |
| South West of England Regional Development Agency | £26,478 |
| Yorkshire Forward | £10,765 |

¹¹⁰ Ippr 'How we are funded', <http://www.ippr.org.uk/supportingippr/?id=2509>

¹¹¹ IPPR 'ippr at 21: independent, radical, progressive', <http://www.ippr.org.uk/aboutippr/>



| Organisation | Grant, 2007-08 |
|------------------------------------|-----------------|
| East of England Development Agency | £18,454 |
| Learning and Skills Council | £56,400 |
| Total | £117,972 |

They describe their work as a political project to change policy and attitudes in the public sector:¹¹²

"A not-for-profit making, independent think tank, NLGN seeks to transform public services, revitalise local political leadership and empower local communities. NLGN is also the primary advocate of New Localism.

NLGN works closely with individual local authorities, national agencies, central government and the private sector to promote ideas about how our objectives can be achieved in practice. NLGN has also been a key proponent of directly elected mayors, something reflected in the ongoing work of our Mayoral Forum."

¹¹² New Local Government Network 'About NLGN', <http://www.nlgn.org.uk/public/about-nlgn/>

9. Conclusions

In total, the report has found that over £37 million of taxpayers' money has been spent by public sector bodies on lobbying and political campaigning:

Table 9.1: Total taxpayer funded lobbying and political campaigning

| Section | | Taxpayer funding, 2007-08 |
|---------|-------------------------|---------------------------|
| 4 | Political consultancies | £4,041,979 |
| 5 | Trade associations | £23,223,261 |
| 6 | Health policy campaigns | £1,781,244 |
| 7 | Environmental campaigns | £6,701,516 |
| 8 | Think tanks | £1,622,824 |
| | Total | £37,370,824 |

That is nearly as much as the £38.9 million all three major political parties combined spent through their central campaigns at the 2005 election.¹¹³

Unfortunately, the Government appears to be planning increases in this spending. The Cabinet Office has announced that the Government is going to make £750,000 of "grants available to small charities with innovative ideas for making their voices heard on subjects such as disability and social inclusion."¹¹⁴

But, taxpayer funded lobbying and political campaigning has a number of negative effects:

- It distorts decision making in favour of the interests and ideological preoccupations of a narrow political elite.
- It slows adjustments in the direction of policy in reaction to new evidence or circumstances.
- It increases popular political apathy.
- Taxpayers are forced to fund views they may seriously disagree with.

Taxpayer funded lobbying and political campaigning should be abolished entirely:

- Public sector bodies should be forbidden from spending taxpayers' money on lobbying or political campaigning, whether directly (through publicity budgets or political consultancies) or indirectly (through trade associations).
- Policy objectives should not be delivered through organisations whose primary

¹¹³ Pinto-Duschinsky, M. 'Paying for the party: Myths and realities in British political finances', Policy Exchange, April 2008

¹¹⁴ Cook, S. 'Editorial: A grey line between charity and campaigning', *Third Sector*, 14 April 2009

purpose is campaigning for ideological objectives. For instance, there is no reason companies who benefit from the work of the 'National Better Transport Network' could not finance it themselves, but if it is to continue to be taxpayer funded then it should be folded into the Department for Transport. The Sustainable Development Commission should be abolished; departments can monitor their own emissions with scrutiny from civil society, or rely on a purely a technical watchdog role.

- No taxpayer funding should be provided to organisations that engage in lobbying or political campaigning. Charities, including the major development charities not included in this report, should have to decide whether they want to be lobbying, political campaigns or instruments for delivering public policy that can receive government funding. If they want to be political campaigners or combine both political and delivery roles then they should have to rely on philanthropic support.

In order to achieve that objective and abolish taxpayer funded lobbying and political campaigning, a number of policy changes are needed:

- A strengthened version of the US Byrd Amendment (see 2.4) should be put in place. The Conservatives have already pledged to introduce such a rule, and that would stop significant amounts of taxpayer funded lobbying.
- Public spending transparency should be instituted so that these kinds of spending decisions can be scrutinised by the public. The Conservatives have pledged to open up the Treasury COINS database to the public in order to emulate the Federal Spending Transparency Act that provides a detailed account of public spending to taxpayers in the United States through the USASpending.gov website.¹¹⁵
- Recipients of taxpayer funding, for any of their activities, should have to make that status clear in their publications – possibly using a simple kite mark of some kind – and broadcasting regulations should be amended to require that significant recipients of public funds are identified. That will make it clear when debates are genuine, or simply between government and quasi-government.

These changes would be important steps towards restoring the integrity of the British democratic process which is currently hopelessly compromised by taxpayer funded campaigns.

It cannot be acceptable for the political debate to be so massively skewed in favour of the ideological priorities and personal interests of those already wielding bureaucratic or political power.

¹¹⁵ Conservatives *'It's your money: a new plan for disciplined spending in government'*, 26 January 2009, pg. 7



Appendix 1: Freedom of Information requests

Freedom of Information Request 1: Payments to political consultancies

FOI Team

[Public sector organisation]

Freedom of information request for details of payments made by [Public sector organisation] to [Political consultancy]

Dear Sir/Madam

I am writing to obtain details of the money paid by [Public sector organisation] to [Political consultancy] in 2007-08. Please state clearly the total amount paid by [Public sector organisation] to [Political consultancy] in the year 2007-08.

While this information does concern a third party, we will not accept an assertion that disclosure would, or would be likely to, prejudice commercial interests of third parties as legitimate grounds for refusing this request, under the exemption at section 43 of the Freedom of Information Act, for a number of reasons:

1. In *Freedom of Information Act Awareness Guidance No. 5* the Information Commissioner's Office (ICO) clearly states that the exemption is subject to the public interest test. That means that only if the public interest is better served by not revealing the information should it be kept secret, even if disclosure prejudices a commercial interest. The ICO state that, "*[g]enerally speaking, the public interest is served where access to the information would;*
 - *further the understanding of, and participation in the debates of issues of the day;*
 - *facilitate the accountability and transparency of public authorities for decisions taken by them;*
 - *facilitate accountability and transparency in the spending of public money;*
 - *allow individuals to understand decisions made by public authorities affecting their lives and, in some cases, assist individuals in challenging those decisions;*
 - *bring to light information affecting public safety.*"

The information requested appears to fit within the first three of these objectives. As such, even if disclosure is felt to prejudice a commercial interest, unless that creates a significant public harm the public interest is still likely to lie in disclosure.

2. Disclosure of the amount paid to a company is, on its own, unlikely to prejudice that company's commercial interests. Such a disclosure does not reveal anything about an ongoing tendering process or provide any other insight into the strategy or capabilities of the company in question. While it may affect the company's reputation, that is entirely a matter of embarrassment (and the ICO state clearly that "there is no exemption for embarrassment") and not any revelation about their commercial soundness.

3. In *Commercial detriment of third parties* the ICO makes it clear that use of the exemption needs to be justified on the basis of a harm identified by the individual or organisation whose commercial interest is prejudiced:

"This guidance explains to public authorities that if they are seeking to rely upon the exemption at section 43 of the FOIA for disclosures that would, or would be likely to, prejudice commercial interests of third parties, then they need to explain how the commercial interests of the third party will be adversely affected.

[...]

If a public authority believes that by responding to a FOIA request it will prejudice the commercial interests of a third party, then it should when necessary (for example to determine whether or not an exemption applies) and wherever possible consult the third party for its view. The public authority must not speculate as to whether there is any commercial detriment and the reasons why without any evidence or input from the third party.

If the third party does not express any concerns regarding prejudice to its commercial interests, then the public authority should not put forward any arguments of its own. However, we acknowledge that there may occasionally be situations where the public authority cannot realistically obtain input from the third party, for example due to time constraints for responding to requests. In such situations, it will be acceptable for a public authority to put forward evidenced arguments based on its prior knowledge of the third party's concerns."

Should an exemption be applied we will expect an explanation that is based on the concerns of the third party, and will not accept an assertion that there is a significant prejudice of a commercial interest.

I would be grateful if you could confirm by e-mail or in writing that you have received this request.



Freedom of Information Request 2: Payments to political groups

FOI Team

[Public sector organisation]

Freedom of information request for details of payments made to political groups

Dear Sir/Madam

I am writing to obtain details of the money paid by [Public sector organisation] to a range of political groups in 2007-08. Please state clearly the total amount paid to [List of public sector groups] in the year 2007-08.

While this information does concern a third party, we will not accept an assertion that disclosure would, or would be likely to, prejudice commercial interests of third parties as legitimate grounds for refusing this request, under the exemption at section 43 of the Freedom of Information Act, for a number of reasons:

2. In *Freedom of Information Act Awareness Guidance No. 5* the Information Commissioner's Office (ICO) clearly states that the exemption is subject to the public interest test. That means that only if the public interest is better served by not revealing the information should it be kept secret, even if disclosure prejudices a commercial interest. The ICO state that, "*[g]enerally speaking, the public interest is served where access to the information would;*

- *further the understanding of, and participation in the debates of issues of the day;*
- *facilitate the accountability and transparency of public authorities for decisions taken by them;*
- *facilitate accountability and transparency in the spending of public money;*
- *allow individuals to understand decisions made by public authorities affecting their lives and, in some cases, assist individuals in challenging those decisions;*
- *bring to light information affecting public safety."*

The information requested appears to fit within the first three of these objectives. As such, even if disclosure is felt to prejudice a commercial interest, unless that creates a significant public harm the public interest is still likely to lie in disclosure.

2. Disclosure of the amount paid to a company is, on its own, unlikely to prejudice that company's commercial interests. Such a disclosure does not reveal anything about an ongoing tendering process or provide any other insight into the strategy or capabilities of the company in question. While it may affect the company's reputation, that is entirely a matter of embarrassment (and the ICO state clearly that "there is no exemption for embarrassment") and not any revelation about their commercial soundness.
3. In *Commercial detriment of third parties* the ICO makes it clear that use of the exemption needs to be justified on the basis of a harm identified by the individual or organisation whose commercial interest is prejudiced:

"This guidance explains to public authorities that if they are seeking to rely upon the exemption at section 43 of the FOIA for disclosures that would, or would be likely to, prejudice commercial interests of third parties, then they need to explain how the commercial interests of the third party will be adversely affected.

[...]

If a public authority believes that by responding to a FOIA request it will prejudice the commercial interests of a third party, then it should when necessary (for example to determine whether or not an exemption applies) and wherever possible consult the third party for its view. The public authority must not speculate as to whether there is any commercial detriment and the reasons why without any evidence or input from the third party.

If the third party does not express any concerns regarding prejudice to its commercial interests, then the public authority should not put forward any arguments of its own. However, we acknowledge that there may occasionally be situations where the public authority cannot realistically obtain input from the third party, for example due to time constraints for responding to requests. In such situations, it will be acceptable for a public authority to put forward evidenced arguments based on its prior knowledge of the third party's concerns."

Should an exemption be applied we will expect an explanation that is based on the concerns of the third party, and will not accept an assertion that there is a significant prejudice of a commercial interest.

I would be grateful if you could confirm by e-mail or in writing that you have received this request.

Appendix 2: Full political consultancy spending data

| Organisation | Consultancy | Amount |
|--|--------------------------------|-------------|
| Audit Commission | Consolidated PR | £66,175.00 |
| BBC | Four Communications | £12,032.00 |
| BBC | EUK Consulting Ltd | £40,000.00 |
| Belfast City Council | Stratagem | £5,483.37 |
| Blackpool Council | FD Public Affairs (FD-LLM) | £68,012.93 |
| Bristol City Council | PPS Group | £2,875.00 |
| British Transport Police | Politics International | £29,938.91 |
| British Waterways | Four Communications | £60,968.72 |
| British Waterways | Cavendish Communications | £54,448.69 |
| British Waterways | Atherton Associates | £9,361.10 |
| Channel 4 | Euro RSCG Apex | £58,500.00 |
| Charity Commission | Mandate Communications | £5,023.13 |
| Cheshire County Council | FD Public Affairs (FD-LLM) | £77,752.00 |
| Cheshire County Council | Euro RSCG Apex | £16,930.00 |
| Civil Aviation Authority | Waterfront Public Affairs | £111,756.84 |
| Civil Aviation Authority | AS Biss & Co. | £62,977.16 |
| Commission for Rural Communities | Connect Public Affairs | £11,889.88 |
| Competition Commission | Euro RSCG Apex | £11,867.50 |
| Derbyshire Police Authority | Connect Public Affairs | £19,215.00 |
| East of England Development Agency | Fishburne Hedges | £59,472.47 |
| Environment Agency | Bellenden Public Affairs | £4,300.00 |
| Equality and Human Rights Commission | APCO Worldwide Limited | £84,136.31 |
| Exeter City Council | Connect Public Affairs | £17,080.00 |
| Financial Services Authority | Connect Public Affairs | £18,089.00 |
| Financial Services Authority | College Public Policy | £15,150.00 |
| Food Standards Agency | Edelman | £3,525.00 |
| Food Standards Agency Northern Ireland | Stratagem | £19,752.69 |
| Gambling Commission | Grayling Political Strategy | £11,374.00 |
| Halton Borough Council | Politics International | £15,600.00 |
| Havering Council | Connect Public Affairs | £20,702.75 |
| Health and Safety Executive | AS Biss & Co. | £119,830.00 |
| Hertfordshire County Council | PPS Group | £10,810.00 |
| Imperial College Healthcare NHS Trust | Mandate Communications | £10,106.26 |
| Lambeth Primary Care Trust | Four Communications | £1,101.76 |
| Learning and Skills Council | Weber Shandwick Public Affairs | £34,646.98 |
| Leeds City Council | Connect Public Affairs | £258.73 |
| Leicestershire County Council | PPS Group | £6,621.13 |
| Lincolnshire County Council | PPS Group | £35,782.25 |
| Liverpool City Council | FD Public Affairs (FD-LLM) | £209,942.05 |
| London Assembly | Connect Public Affairs | £8,006.26 |
| London Borough of Barking and Dagenham | Grayling Political Strategy | £9,000.00 |
| London Borough of Barking and Dagenham | Citigate Public Affairs | £5,875.00 |

| Organisation | Consultancy | Amount |
|---|--------------------------------|-------------|
| London Borough of Greenwich | Citigate Public Affairs | £18,989.42 |
| London Borough of Hammersmith and Fulham | Four Communications | £1,880.00 |
| London Borough of Hounslow | FD Public Affairs (FD-LLM) | £44,464.70 |
| London Development Agency | Mandate Communications | £11,330.65 |
| London Development Agency | AS Biss & Co. | £15,871.69 |
| Merthyr Tydfil Council | Positif Politics | £292.58 |
| Met Office | Politics International | £54,361.53 |
| Milton Keynes Council | Grayling Political Strategy | £75,359.69 |
| National Endowment for Science and Technology | Consolidated PR | £138,794.90 |
| National Institute for Health and Clinical Excellence | Weber Shandwick Public Affairs | £17,560.00 |
| National Institute for Health and Clinical Excellence | Citigate Public Affairs | £4,283.00 |
| National Lottery Commission | Hill & Knowton | £208,642.71 |
| NHS Health Scotland | Weber Shandwick Public Affairs | £1,925.00 |
| NHS Health Scotland | Citigate Dewe Rogerson | £89,973.66 |
| NHS Information Centre | Grayling Political Strategy | £55,060.50 |
| Norfolk County Council | Weber Shandwick Public Affairs | £39,078.00 |
| North Yorkshire County Council | PPS Group | £15,944.75 |
| Northern Ireland Authority for Utility Regulation | Weber Shandwick Public Affairs | £76,758.00 |
| Northern Ireland Legal Services Commission | Weber Shandwick Public Affairs | £44,948.80 |
| Northumberland County Council | FD Public Affairs (FD-LLM) | £120,000.00 |
| Nottingham City Council | FD Public Affairs (FD-LLM) | £110,691.66 |
| Olympic Delivery Authority | Mandate Communications | £5,432.89 |
| Ordnance Survey | Mandate Communications | £49,439.54 |
| Oxford City Council | FD Public Affairs (FD-LLM) | £65,599.22 |
| Reemploy | Portland PR | £174,680.16 |
| Reemploy | Greenhaus Public Communication | £12,277.50 |
| Scottish Enterprise | Fleishman-Hillard | £165,369.77 |
| Scottish Environmental Protection Agency | Weber Shandwick Public Affairs | £5,755.15 |
| Shropshire County Council | Weber Shandwick Public Affairs | £55,866.00 |
| South Gloucestershire Council | PPS Group | £10,694.00 |
| Sport England | FD Public Affairs (FD-LLM) | £100,387.78 |
| Sport England | Edelman | £71,995.90 |
| Springfield Hospital Trust | Four Communications | £43,275.00 |
| Telford and Wrekin Council | Grayling Political Strategy | £22,567.82 |
| Telford and Wrekin Council | Citigate Public Affairs | £32,413.72 |
| The British Museum | Weber Shandwick Public Affairs | £991.41 |
| The City of London | Sovereign Strategy | £21,000.00 |
| The Royal Parks | Bellenden Public Affairs | £4,700.00 |
| Thurrock Thames Gateway Development Corporation | Connect Public Affairs | £12,906.89 |
| Transport for London | Four Communications | £127,656.33 |



| Organisation | Consultancy | Amount |
|---|-----------------------------|-------------------|
| UK Atomic Energy Agency | Grayling Political Strategy | £34,488.81 |
| Visit Scotland | PPS Group | £3,000.00 |
| VisitBritain | Connect Public Affairs | £10,888.56 |
| Welsh Assembly Government | Green Issues | £3,323.74 |
| West Lancashire District Council | PPS Group | £52,948.01 |
| West Midlands Passenger Transport Authority | Fishburne Hedges | £140,000.00 |
| Total | | £4,041,979 |