Public Interest Investigations
SpinWatch is a project of Public Interest Investigations (PII), a non-profit company incorporated in January 2005.

PII’s aim is to undertake leading-edge, public interest investigations into important social, political, environmental and health issues in the UK and Europe.

SpinWatch
PII takes a particular interest in organisations and individuals that seek to shape the public and political agenda. This includes investigating the way that the public relations (PR) industry and corporate and government propaganda, distort public debate and undermine democracy. To this end, a major component of PII to date has been SpinWatch, dedicated to monitoring and reporting on corporate and government spin, as well as the activities of the lobbying industry.

The UK has the second biggest PR industry in the world – it is worth around £6.5 billion and employs some 55,000 people. The UK lobbying industry – a sub-sector of PR – is thought to have doubled in size since the early nineties. Despite their growing influence on public policy and debate, lobbyists in the UK, unlike in the United States and other countries, are almost entirely unregulated, and operate largely out of sight.

In what has been a busy year, SpinWatch has taken a lead in campaigning for greater transparency in lobbying in the UK (page 2). We have also stayed closely involved in a similar campaign in Brussels, which began in 2005 (page 6). We have continued our commitment to exposing nuclear industry spin (page 6), as well as disseminating and building on our knowledge of PR, spin and corporate lobbying through various online projects (page 7).

We would like to thank all our funders for their support.
What we’ve been up to

Spotlight on lobbying

In September 2007 SpinWatch co-founded the Alliance for Lobbying Transparency (ALT), a coalition of civil society groups and trade unions. Its purpose is to campaign for new rules to open up lobbying in the UK to greater public scrutiny.

The 15-strong coalition includes Friends of the Earth, Action Aid, National Union of Journalists, Greenpeace and Unlock Democracy. SpinWatch coordinates ALT’s campaign activity, manages its website, www.lobbyingtransparency.org, and acts as the main spokesperson for the campaign.

ALT’s central demand is for government to introduce a mandatory public register of lobbyists, with full financial disclosure. It is also calling for new enforceable ethics rules for lobbyists, as well as a tougher line on the so-called ‘revolving-door’ between lobbyists and public bodies.

The Parliamentary Inquiry

A Parliamentary inquiry into lobbying by the Public Administration Select Committee (PASC) has provided a political focus for the campaign for the regulation of lobbyists.

The PASC inquiry, the first into lobbying for 17 years, questioned whether the lobbying industry required external regulation, and how the UK government should interact with lobbyists.

PASC took evidence from ALT, as well as lobbying consultancies, like Bell Pottinger and giant law firm DLA Piper. In-house lobbyists were also called, including from Tesco and BAA, as well as government ministers, MPs and others with insight into lobbying in the UK.

“The Alliance for Lobbying Transparency’s views greatly influenced PASC’s call for a mandatory registration of all lobbyists and publication of their diaries. The lobbyists howled in rage at PASC’s report. Proof enough that we had hit the spot.”

Paul Flynn Labour MP, PASC member

“Basically conspiracy theorists.”

Charles Walker, Conservative MP and PASC member
Four members of ALT were called to give oral evidence, including SpinWatch’s David Miller and Will Dinan. SpinWatch also presented two written submissions, detailing cases of deceptive lobbying, privileged access and undue influence by business interests.

PASC published its report into lobbying in January 2009. Its central conclusion is that “reform is necessary”. It also condemns the current “failed” system of self-regulation, and calls for “a statutory register of lobbying activity to bring greater transparency to the dealings between Whitehall decision-makers and outside interests”. This is ALT’s key ask.

**Leading debate**
SpinWatch organised three high-profile ALT events in 2008, focused on the issue of lobbying transparency. The first, a fringe debate at the 2008 Labour Party conference, asked “Will Lobbyists Come Clean?”. With an audience of 60, including many lobbyists intent on facing down criticism, it was reported as “an impassioned shouting match”.

SpinWatch also launched a new publication at the conference: *Spinning the Wheels. A guide to the PR and lobbying industry in the UK*. It provides a tour of some of the major players in UK commercial lobbying, reveals some of their common techniques and tactics, and examines the links between lobbyists and UK politics.

An ALT event on 5th November 2008 in the House of Commons also ended in fireworks. Chaired by the Guardian’s Westminster correspondent David Hencke, speakers included SpinWatch’s David Miller, lobbyists’ spokesman Robbie McDuff and outspoken Westminster blogger Guido Fawkes.

An ALT seminar in early 2009 in the House of Commons saw PASC members Kelvin Hopkins MP and Gordon Prentice MP discuss their recommendations with Sheila Krumholz, Director of the US Centre for Responsive Politics.

“SpinWatch, the only campaigning group that appeared to exist before our inquiry focusing predominantly on the negative aspects of public relations, has stated, rightly in our view, that self-regulation [of lobbyists] “has demonstrably failed to ensure transparency, does not cover all of the industry and suffers from a lack of effective oversight.”

PASC report into lobbying

“… I agree, we have got to take very seriously the problem of lobbyists and what they are doing both in the House of Lords and Commons. And we will have to look at all measures that will make the system work better.”

PM Gordon Brown, February 2009
**Transparent lobbying**  
In early 2009 SpinWatch and ALT member Unlock Democracy met with Cabinet Office minister, Tom Watson, who is coordinating the government’s response to PASC’s recommendations. There is also growing support among MPs: two parliamentary petitions have called on the government to introduce transparency regulations for lobbyists. ALT members and their supporters have urged MPs to support these. Both petitions have been signed by some 200 MPs.

**Beyond Westminster**  
Investigations by SpinWatch relating to Parliamentary influence received considerable coverage in the national press in 2008. The Alliance for Lobbying Transparency has also been regularly quoted on lobbying and transparency issues.

For example, the PASC report cites concerns about lobbying by former government ministers. It refers to a specific example involving Stephen Ladyman MP, a former transport minister now lobbying for a company selling traffic information. The story is based on documents uncovered for SpinWatch under the Freedom of Information Act, which were reported in the national press.

The case of Stephen Ladyman was subsequently included in the Press Association’s coverage of the PASC report, which formed the basis of articles by most national newspapers. As a result, an investigation by SpinWatch ended up being used to illustrate the need for action on lobbying in the Financial Times, The Times, Telegraph, Independent, Daily Mail, The Guardian and on the BBC. SpinWatch Director and ALT spokesperson, David Miller, was also quoted calling for greater transparency in the Telegraph, The Guardian and a number of online news sites.

“A few months ago, ALT would have been laughed out of Westminster for daring to demand a compulsory register of all lobbyists. Now those same campaigners are being invited into the Cabinet Office for a cosy chat with the minister in charge of regulating the industry... It may be round one to the ALT, but if lobbyists work with the Government they can still shape the detail of any impending regulation. A knockout blow is by no means inevitable.”

David Singleton, PR Week

“With impeccable timing, the Alliance for Lobbying Transparency launches its campaign in parliament for public scrutiny of the contacts between legislators and professional hustlers.”

George Monbiot, The Guardian
Just three weeks after the PASC published its report, The Sunday Times splashed the ‘Cash for Legislation’ scandal, in which four senior Lords were allegedly willing to take cash to exert influence. In its wake, investigations by SpinWatch into potential conflicts of interest involving Lords and MPs featured in a number of national newspapers. SpinWatch’s David Miller, was again widely quoted, including in the Financial Times, Guardian, Daily Mail, and on BBC radio.

As a result of its investigations, SpinWatch submitted an official complaint to the House of Lords Committee responsible for overseeing the outside interests of Lords.

The Alliance for Lobbying Transparency also ran a full-page advert (right) in The Times newspaper in the week following the scandal. It was paid for by ALT member enoughsenough.org. A send-up of an Access credit card advert, it encouraged people to write to their MPs to support greater transparency in lobbying.

**What next?**

SpinWatch’s work on the campaign for lobbying transparency is funded by the Joseph Rowntree Charitable Trust’s Power and Responsibility programme (see page 8 for a full list of funders).

We will continue to push this government - or the next - to introduce lobbying transparency and ethics regulations, both through the Alliance and SpinWatch investigations into undue influence and privileged access in UK politics. Other planned projects include SpinWalks – a short tour in central London of some of the major PR and lobbying firms operating in the UK.

> It is a sign that the public affairs industry has come of age in the UK that a slightly frumpy campaign should have been launched earlier in the year to ‘do something about it’... But the Alliance for Lobbying Transparency isn’t all that it seems. Maybe the Committee should be told. ALT’s members include something called SpinWatch, which is funded by a gaggle of groups...

Jonathan McLeod, chairman of public affairs at lobbying giant Weber Shandwick, PR Week, February 2008
Transparency in Brussels

SpinWatch has also been involved in the ALTER EU campaign for lobbying disclosure in Brussels. Activity in 2008 included the following:

Too Close for Comfort?, a SpinWatch report published in July 2008, investigates MEP’s links to commercial interests, and potential conflicts of interest. The aim of the report is to prompt questions about - and changes to - the rules governing MEP’s outside interests.

The 32-page report for SpinWatch by Andy Rowell, profiled twelve MEPs whose activities illustrate these potential conflicts. One example is John Purvis, an MEP with financial interests in a firm that invests in the biotechnology sector, while at the same time being regarded as the leading Conservative MEP promoting biotech in the European Parliament.

The investigation was featured in the Independent on Sunday in the UK, the Brussels’ press and a number of specialist publications.

SpinWatch also co-authored a report with Corporate Europe Observatory - published in early 2009 - which examined the European Commission’s High Level Group of financial experts, called the de Larosière Group. The group’s remit was to advise EU officials on how to reform supervision and regulation of the financial system. Would you bank on them? reveals that the group comprised of people closely linked to the financial industry or to institutions that, to a greater or lesser extent, have been implicated in the crisis. For example, one committee member was Callum McCarthy, the former head of the UK Financial Services Authority, which was accused of systematically failing in its duty over troubled British bank, Northern Rock.

As in previous years, SpinWatch was also one of the organisers of the EU Worst Lobby Awards, which ‘recognise’ controversial lobbying practices in Brussels.

Nuclear spin

Investigations this year on the lobbying and PR activities of the nuclear industry by SpinWatch project, NuclearSpin, have included the following:

Documents received by SpinWatch under the Freedom of Information Act revealed that a British local council had solicited hundreds of thousands of pounds from two companies that want to build a new nuclear power station - Hinkley C – in its region. This is in spite of the fact that the local council will play a major role in granting planning approval for the project.

A letter obtained by NuclearSpin revealed that Sedgemoor District Council asked nuclear companies British Energy and EDF for a payment of £750,000 in July 2008. The funding was to pay for a planning officer and legal advice to help with planning issues for Hinkley C, raising questions of conflict of interest and triggering a row with neighbouring councillors.

The story received significant coverage in the local media and by the BBC nationally.
SpinWatch Online

SpinWatch.org
SpinWatch’s main website has continued to go from strength to strength. In 2008 it attracted over 175,000 unique visitors and just under 4 million hits, up from 3.5 million in 2007.

New reporters on spin and lobbying have also joined the site. Bloggers on spinwatch.org in 2008 included:

- Nicholas Jones: a campaigner for high journalistic standards and the widest possible media ownership. He was a BBC industrial and political correspondent for thirty years.
- Sam Gardiner: a retired US Air Force Colonel, described as "an expert in military strategy and strategic games”.
- Tamasin Cave: Alliance for Lobbying Transparency campaigner, blogging on lobbying in the UK.

SpinProfiles.org
SpinProfiles is a free encyclopedia of people, groups and issues shaping the public agenda, from PR and lobbying firms, to government agencies.

Launched in early 2009, SpinProfiles is a collaborative venture initiated by Spinwatch in collaboration with Lobbywatch, GM Watch, Red Star Research and Corporate Watch. It is being compiled by a range of contributors interested in the activities of PR and lobbying firms, corporate lobby groups and think tanks. It also includes sections on war and conflict propaganda, neoconservatives, and the ‘terrorism industry’, as well as the covert activities of states, intelligence agencies, and their associated networks.

There are now over 7,700 articles on SpinProfiles within 15 separate ‘portals’. These are the main entry points to the site and each is monitored by a different editor. The portals include: Alcohol, Foodspin, Pharma, Water, Spooks, and Lobbying. The latter, pictured above, features a map of the many lobbying groups around Westminster. A new portal, MEPedia, which launched ahead of the European elections in June 2009, documents the potential conflicts of interest of Members of the European Parliament.

In a short space of time, SpinProfiles has achieved a high Google ranking, and attracted some media interest. Material from SpinProfiles GMWatch portal, for example, was covered in the Guardian and information from the SpinProfile of corporate lobby group, Sense About Science, has featured in The Times Higher Education, Private Eye and Ecologist Magazine.

LobbyingTransparency.org
SpinWatch also manages the campaign website for the Alliance for Lobbying Transparency, which is pushing for transparency regulations for UK lobbyists.
Grant giving bodies SpinWatch has received funding from in 2007 and 2008

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Trading, profit and loss account for 2007 and 2008

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