Lobbyists: Brexit’s Biggest Beneficiaries
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Brexit is turning out to be a nightmare. Whether you are a Brexiter, or a Remainer; Tory, or Labour; a British, or EU citizen. Far from being the easiest thing ‘in human history’, as Trade Secretary Liam Fox would have it, all paths look pretty hazardous.

For one group, however, Brexit is turning out well. Lobbyists. Those people who are paid to influence the decisions of government.

As this pamphlet shows, lobbyists are getting a Brexit dividend. They profit from uncertainty and political change. When potentially every law in Britain is up for a rethink and new trade deals need to be struck, Brexit is a gift to lobbyists.

After a largely rhetorical Brexit campaign, the job of designing workable policies is increasingly being outsourced to private sector lobbyists. We also show how rising demand for insider access and information is leading to significant numbers of ex-ministers and officials moving to lobbying and law firms. With the public divided, we detail how propagandists and experts in ‘shaping public opinion’ are seeing their value rise. And how hospitality as a means of currying favour is still very much part of the lobbyists’ trade.

And the worst thing is, it is all happening in secret. When the decisions being taken are of such importance to the UK’s future, we must demand to see who is influencing whom and about what. Otherwise, we will have ‘taken back control’ only to hand it over to a tiny group of professional persuaders working in the interests of the wealthy and well-connected few.

Tamasin Cave, August 2018
“Of course politicians lack a Brexit plan – but business can now take charge.” ¹

Lobbyist James Frayne, June 2016

Right now, business is very publicly pissed off with government, with the former accusing the latter of not listening to its Brexit demands. The breakdown in relations, however, doesn’t extend to the whole of the business community and is, in any case, unlikely to last. The Conservative Party has long relied on the support of business, not just for money, but also for policy ideas. And at the moment, in the words of lobbyist and former aide to Michael Gove, James Frayne, it is ‘desperate for practical ideas’ it can implement.²

The outsourcing of policy design has always gone on. Under Brexit, though, it has been actively and officially encouraged.

Take the UK’s future trade deal with the US, the substance of which few in Westminster or Washington seem to have thought much about. Step forward a transatlantic network of right wing lobby groups, coordinated by the UK government-endorsed Initiative for Free Trade. At its launch in September 2017, International Trade Secretary, Liam Fox (pictured) said his department would be “a very, very willing partner”. These groups have since set about drafting an ‘ideal’ US-UK free trade agreement. Ideal for US corporations, one assumes.

Industry is also putting ideas to paper on the UK-EU future trading relationship. City interests have been touting round various ideas, some of which are now being presented a government policy.
Again, one wonders if the money men and lawyers who drafted these plans have the whole nation’s interests at heart.

The list of regulations to be put on the Brexit bonfire is being drawn up by another government-sanctioned, but privately-funded group, the Red Tape Initiative.

The slate of EU regulations it wants ditched is set to be published in the Autumn – everything from rules on housing and infrastructure, to health and energy. Helping to draw up the list are commercial lobbyists, Hanbury Strategy (see below), and mega law/lobbying firms Dentons and Squire Patton Boggs, with the latter simultaneously inviting corporate CEOs to contact its Brexit team to discuss ‘UK deregulation’.

Lobbyists have also taken on the job of thinking up retail policies designed to attract voters as Brexit rolls on. The newest of the Conservative think tanks, Onward, backed by a multi-millionaire Tory donor, is planning to muster ‘some brilliant ideas’ on housing, job-security and the cost of living to attract younger voters.

The Thatcherite business lobby group, the Centre for Policy Studies, has also tasked itself with coming up with ‘radical policy ideas for post-Brexit Britain’. It has pulled in a tax haven advocate to tackle tax reform; a property tycoon is the ideas man for the housing crisis; and welfare reform falls to the commercial lobbying firm, Public First, run by lobbyist, James Frayne.

As Frayne urged just after the referendum, the business community must ‘throw themselves’ into designing policy, especially on tax and regulation. Brexit is an ‘opportunity that will not come around again’, he wrote, ‘and businesses must grasp it.’ It seems they have.
“We will ensure that your... corporate priorities are recognised and included in the Brexit process.”  

**Multinational law firm DLA Piper**

Brexit presents huge risks to business. It could also bring immense corporate riches. Everything is potentially on the table from the UK’s departure, from financial regulations to trade policy, employment rights to food standards. Bent in the right way by the right lobbyists and even small changes could mean companies raking it in.

Law firms, some of which are powerful lobbyists in Washington, have positioned themselves as go-to advisers on Brexit. And they have hoovered up political insiders to boost their credentials.

Elite law firm [Freshfields Bruckhaus Deringer](https://www.freshfields.com), for instance, is helping its clients ‘seize opportunities’ from Brexit. It has hired the former EU finance chief and ex-UK minister, [Lord Jonathan Hill](https://www.lordjonathanhill.org). Under EU rules, though, Hill has been banned for eighteen months from any involvement in finance discussions in Brussels, which must’ve been annoying for his new employer. In the period it was barred from tapping Hill for advice, Freshfields twice met the EU’s Brexit Taskforce to discuss the impact of Brexit on financial services.  

Former UK foreign secretary, [William Hague](https://williamhague.net), is another to join the ranks. He’s now in the pay of global law firm Linklaters. His old Cabinet Office colleague [Francis Maude](https://www.francismaude.co.uk) is also helping clients of US law firm Covington & Burling ‘navigate the complexities of Brexit’, although who these clients are isn’t disclosed. (We know that in the US the firm earned $13m last year lobbying for among
others big pharma, arms manufacturers and US bankers). Below, though, is a picture of some of them with Maude and David Cameron enjoying lunch at this year’s World Economic Forum in Davos, where international elites gather to shape global policy.  

Washington law firm, Squire Patton Boggs, claims to have ‘direct access’ to both the UK and the EU negotiating teams via its Brexit team, which it says includes ‘sitting members of the UK Parliament’. We have, though, no clue as to which MPs, or Lords it employs: there is no mention on the Parliamentary registers of interests and Squire Patton Boggs didn’t respond to enquiries. It has, though, hired former Northern Powerhouse minister and Brexiteer, James Wharton, and used to employ Wharton’s predecessor, Jake Berry, when he was Northern Powerhouse minister. Squire Patton Boggs earned $24m from lobbying in the US, where its recent clients include infrastructure giant AECOM, car maker Nissan, and Amazon.

As well as ministers, law firms have also snapped up government and Parliamentary lawyers. Andrew Hood, former legal adviser to
prime minister David Cameron is now advising lobbying law firm **Dechert**.

Paul Hardy, recent EU legal advisor to the House of Lords, has joined legal and lobbying giant **DLA Piper**. Six months ago, it ran an event which promised to tell clients how to ‘influence the content’ of the Withdrawal Bill, the government’s central piece of Brexit legislation. Hardy is sure to know the answer, as would the conference's keynote speaker Sarah Healey, Director General at the Department for Exiting the EU (DexEU). What they said, and who has taken up their advice, though, isn’t public knowledge.

That’s the other thing about the law firms. In the UK, their lobbying clients are secret.
“It was so nice seeing you briefly at The Spectator party and I was very grateful to you for agreeing to be our guest of honour at a CPS Policy Forum Lunch.” 17

**Centre for Policy Studies invitation to Business Secretary, Greg Clark**

Lobbying has always been a sociable business. Hospitality is used to curry favour and form bonds with ministers, provide opportunities to gather information from, or pitch ideas to advisers, or have a quiet word with officials. Since the referendum, the invitations have been coming thick and fast.

One of the most generous hosts has been the lobby shop Portland. Its Brexit team, which is busy ‘maximising the opportunities’ for its corporate clients, notes that government departments are deciding ‘which laws they want to keep, and which they want to amend, repeal or replace’ post-Brexit. It makes sense, then, that Portland has wined and dined the communication leads of three government departments since the vote. One of them was the Department for International Trade’s head of comms, Toby Orr, who only months before had spent a decade working at Portland.

Think tanks have also laid on a spread for ministers and invited guests. Policy Exchange, for instance, hosted a breakfast with Brexit minister Robin Walker, attended by lobbyists from, among others, Goldman Sachs, KPMG and mining giant BHP Billiton. Who attended a Centre for Policy Studies lunch with Business Secretary Greg Clark, however, isn’t known, or at least isn’t publicly known.
Clark’s department is refusing to disclose names. The ‘revolving door’ plays an important role in this cosy, social (and overwhelmingly male) world. Raoul Ruparel, adviser to former Brexit Secretary David Davis in DExEU, for example, has stayed in touch with his ex-workmates at the Eurosceptic think tank, Open Europe; DexEU minister Robin Walker has hung out with his old employer, the lobby firm Finsbury; former alcohol lobbyist David Frost, until recently an adviser to Boris Johnson, has dined with booze giant Diageo.

All this schmoozing has allowed commercial lobbyists to become embedded in our political system. They are insiders.

Just hours after David Davis warned Parliament not to undermine Brexit talks by demanding a say over the final deal, he was at the summer bash of Conservative lobby shop Hanover. Its clients include Goldman Sachs, Tate & Lyle and the vast US pharmaceutical lobby. The following week, just as the Withdrawal Bill passed, Davis was eating quail mini-kievs at lobbying firm Westbourne Communications’ summer do. It acts for, among others, the finance lobby and hard Brexit think tank, Legatum Institute.

Just days into the job, new Brexit Secretary Dominic Raab found time to attend the summer drinks of hard Brexit lobby group, the Institute of Economic Affairs (its funders are unknown).

On and on it goes. ‘The lunches, the hospitality, the quiet word in your ear,’ as David Cameron once put it. ‘The cosy club at the top.’

It’s from them we need to take back control.
Hard Brexeters are in the unlucky position of having to sell their version of Brexit – the turbo-charged, free-market, low tax, deregulated ‘Global Britain’ version – at a time of growing public scepticism about capitalism. According to recent polls, more British people now favour socialism.21

The UK’s business-backed think tanks have responded with efforts to restore the public’s faith and in Michael Gove’s words ‘rescue and re-invigorate capitalism’.

The Institute for Free Trade, for example, is on a mission to ‘make the intellectual and moral case for free trade’; the sixty year old Institute of Economic Affairs has just spawned ‘Freer’, a project to shift debate towards a ‘contemporary reimagining’ of free-market ideas among younger voters; the Centre for Policy Studies is geared up to win ‘the battle of ideas... for a new generation’.

There is nothing new in all this. For as long as capitalism has needed defending, business-backed lobby groups have been on hand with propaganda to sell it to the public.

A ‘crusade for capitalism’ began 100 years ago, launched by UK industrialists nervous of a suddenly much larger electorate and an increasingly popular Labour Party. ‘What is required is some years of propaganda for capitalism as the best system that human
ingenuity can devise’, declared their lobby group, the Economic League (originally called National Propaganda).

The business lobby placed articles in newspapers (and paid journalists to write them) and funded a network of speakers – ‘big men’, it explained, who could handle themselves in a crowd – who would talk to the public about economics in simple terms.

Post-war, the League's successor Aims of Industry, sought to fight off government nationalisation plans and, through mass leafletting, 'inform the public of the achievements and advantages to the country of Private Enterprise’. The ‘70s saw business lobby groups, rebranded think tanks, face down what was described by one industry figure as ‘a chorus of criticism' not just from ‘the minority socialist cadre [but]... perfectly respectable elements of society.'

The current push is a continuation of this century-long campaign by business interests to protect themselves from democracy.

Today's ‘Big Men’ – the IFT's Dan Hannan, the IEA's Mark Littlewood, plus their politician allies – push their simple economic arguments for free market capitalism on TV, in the pages of the tabloids and on social media.

A lesson in economics from Jacob Rees-Mogg MP
“On any given issue there are millions who are open to persuasion” 23

Ameet Gill and Paul Stephenson of Hanbury Strategy

While business warns of the immense risks from Britain’s departure, the one industry experiencing a Brexit dividend is commercial lobbying. Lobbyists make money from political uncertainty and Brexit provides that in spades.

With so much to play for, the already sizeable industry has swelled, with some of the new players offering special services to help their corporate clients shape Brexit in their own interests.

One growing firm is Public First run by two former aides of Michael Gove, James Frayne and Rachel Wolf. It also employs Gove’s long-time communications chief, Gabriel Milland, and several staffers from the think tank, Policy Exchange, where Frayne worked and which Gove chaired.

Public First specialises in public persuasion campaigns to support corporate ends. It promises to create campaigns that will ‘mobilise people’ on its clients’ behalf. With public opinion onside, they argue, government can be persuaded down a particular route.24

Frayne, who borrows his playbook from the US, has a history of running these corporate-backed ‘people power’ campaigns, as he puts it. Others have called it astroturfing. By ‘positioning ordinary people against elites’ he claims to have successfully lobbied against government plans to increase taxes and regulation on
Another new firm that promises to ‘shape public opinion’ is UK Policy Group. It provides a very specialist service: opposition research, the practice of digging up damaging information on political, or corporate rivals. For a fee, it will create ‘dossiers on opponents, competitors and agitators’, information that is then fed to the media and online to influence public opinion.

UK Policy Group is the UK arm of an American operation. Its parent company is Washington lobbying firm, Definers Public Affairs, which also specialises in opposition research. Definers is closely associated with a US political fund called America Rising. (UK Policy Group was originally called UK Rising). America Rising is a Republican smear operation whose sole purpose in the 2016 US election was to erode support for Hillary Clinton. In the UK, while there are clear links to the Tories – almost all of UK Policy Group’s staff are drawn from the Conservative Party – who is paying it for these services, and who is being targeted, isn’t disclosed.25

Another lobby shop created just after the referendum, Hanbury Strategy, similarly promises to ‘shape public opinion’ by building ‘winning campaigns’. It has form. It was co-founded by Vote Leave’s communications lead, Paul Stephenson.

Campaigns involve finding out ‘what motivates people’, Stephenson writes, ‘their hopes and fears’. Add to that ‘cutting edge data and research’, the right messaging and the ‘recruitment of activists’ and you can create ‘winning campaigns’ for corporations, according to Hanbury. ‘On any given issue there are millions who are open to persuasion,’ claims Stephenson.26

Hanbury’s real selling point, however, is more mundane. It sells intel on government thinking, particularly on Brexit. With a team drawn from Theresa May’s office and that of her predecessor, they have been described as a ‘very, very good source’. ‘We see round corners,’ says Stephenson.

Law firms Linklater and Herbert Smith Freehills have both hired Hanbury. It has also contributed to the Red Tape Initiative; been hired by the opposition research outfit, UK Policy Group and worked with AIQ, one of the firms at the centre of the allegations that the Leave campaign cheated in the Brexit referendum.
What now seems a very long time ago, Theresa May pledged that her new government would “make Britain a country that works not for the privileged few, but for every one of us”.

This will not happen unless the government acts to tackle the power of lobbyists.

The first step is to introduce proper transparency rules for lobbyists. The UK, unlike the US, Brussels, Canada and many other countries, does not have a register of lobbyists, or not one that is fit-for-purpose. (In 2015 David Cameron brought in a sham register, which does nothing). As a result, the public has no way of knowing who is lobbying whom in government, what they are lobbying for and how much of an investment they are making to change the laws, regulations and policies of the UK. A robust register of lobbyists would enable such public scrutiny.

The need for democratic oversight of policy making is now urgent. Brexit has the potential to change so much in this country – from financial regulations and trade policy, to agriculture policy, environmental laws, and our employment rights – a fact that is not lost of the armies of lobbies now operating in Westminster.

While lobbying in the UK remains shrouded in secrecy, the winners from Brexit will be big-spending corporates and the losers will be us, the public, who time and again are shut out of the process.

The government needs to let us see who it is talking to and about what. Not after we Brexit, but now.
For more information on Brexit lobbyists visit the Brexit Portal on Spinwatch’s wiki, www.powerbase.info

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In this joint pamphlet by Spinwatch and Unlock Democracy, writer and campaigner Tamasin Cave shines a light on the shady groups of lobbyists who are setting the course for the UK government at a critical time for UK democracy.

Spinwatch is a UK-based non-profit making organisation, which monitors the role of public relations, spin and lobbying in society. Spinwatch campaigns for greater transparency in governance in the UK and EU. It is a project of Public Interest Investigations, a not-for-profit company that investigates the way that the public relations and lobbying industries, in particular, distort public debate and undermine democracy.

www.spinwatch.org

Unlock Democracy is a grassroots campaign for democratic reform and participation. It is owned and run by its members. Unlock Democracy believes politics must work for everyone because currently the rules of democracy aren’t fair. The organisation bring people together in an inclusive, supportive and inspiring movement for political reform, developing people’s skills, knowledge and confidence in order to build power and win significant political change.

www.unlockdemocracy.org