

Running an in-house operation

Skills and resources needed

Using help

chapter 4

4

Running an in-house operation

In this section, we will cover the principles and logistics of organising corporate resources to deal with Government. In doing so, we recognise that no two organisations have the same needs and you will therefore have to adapt the advice that follows to match your own circumstances.

Skills and resources needed

The staff who deal with Government in your organisation should be regarded not as an overhead but as a profit centre. Their task is to ensure that Government's actions are as consistent as possible with your corporate strategy, and averting or softening damaging proposals or securing the policy direction or procurement decision you need can save, or make you, a fortune.

First, who should be primarily responsible for lobbying? The broad attitude of UK and Brussels politicians can be summarised in two statements:

'We want to deal with people who make things happen, not with apologists. We PR you; don't you try to PR us.'

'We appreciate people and organisations who deal with us personally; who understand that politicians and officials see themselves as working in a distinct environment with its own rules and sensitivities. We don't like being regarded as a by-product of some other activity.'

Entertaining politicians and officials

If an issue can be discussed in 20 minutes, arrange a 20 minute meeting. However, entertainment is useful for developing rapport or for lobbying several targets at a time. If you invite politicians or officials, remember:

- Not to mix politicians and officials or, unless the issue is non-controversial, politicians of different parties
- To arrange ministerial invitations through the Diary Secretary. Assume that Ministers will have to bring a Private Secretary with them
- Not to entertain officials until a working relationship has been established
- Not to invite MPs on a Monday or Friday. Accept that dinners may be disrupted by parliamentary business, which is only announced the Thursday before. Entertain MEPs in Strasbourg during plenary; otherwise in Brussels (the best time being when Committees are sitting)
- To hold lunches and dinners close to their offices and to provide transport for them unless the venue is within 200 yards
- To end lunch by 2.20 and have a taxi ready to take them back. Dinners should start by 7.30 and end by 9.30
- Always to write and thank them afterwards.

That means that unless you are well known to them, your job title matters. You may find that they do not mind, but it is better to play safe:

- For dealings with MPs, give someone the title of Parliamentary/Government/regulatory liaison/affairs manager or director. They want to feel they are being handled by someone dedicated to them.
- For dealings with Ministers, field your top executive. Ministers have an acute sense of status and expect to deal with people whom they see as being on their level.
- With officials, the title is less important, although they tend to be suspicious of PR tags; what they want is someone in command of detail. Senior officials (G3/A3 and above) are also status conscious and want to speak to someone of senior management status.

Remember their *amour propre*: if you create a special title for people who handle marketing, advertising, legal affairs, finance and dealing with the public and media, make the system feel you have designated people specially to work with it.

The ideal profile of an in-house specialist depends, as we have said, on the needs and resources of the organisation. If the bulk of your needs are regulatory or can be resolved in negotiation with policy officials, a former Civil Servant or line manager with knowledge in depth may be best. Political liaison ideally demands someone regarded as a political insider (for example, a former Special Adviser or well respected front bench researcher) but this inevitably associates the executive with one Party. Large organisations, or those which have to work with MPs across the board, solve this problem by recruiting two or more people to operate with equal facility on both sides of the House.

In the end, what you are after is someone who understands the way the system works and is acceptable to it. Those who have worked within Whitehall or Westminster tend to have a head start, but there are many examples of very proficient and highly respected operators without that background. Generally, though, they share advantages not enjoyed by everyone: working for an organisation whose name guarantees them easy access at every level; being able to learn from a well-established in-house record of dealing with Government; and being left in post for some years, since there is no fast track to acquiring experience in this area.

The number of people you deploy will of course depend on the extent of your dealings with the system, but even the largest UK organisation will rarely have more than three people centrally handling political and Whitehall liaison, with a typical structure being either two politicians (covering the two main parties) and a researcher who may also maintain the contact database; or a political specialist, a Whitehall expert and an assistant (there are exceptions: companies having to report to regulators may have dozens of people working with Offer, Ofwat etc). Many large companies and trade associations also have a parallel office in Brussels rather than employing a Brussels-watcher in London.

Contact with politicians in peacetime

If you are considering a programme of contact with officials or politicians in order to prepare the ground before any threat arises, bear in mind that friends made in peacetime may not help you when a crisis develops. Influential targets base their decision to support a lobby on the basis of weight of evidence, not friendship. Decide why you want to meet MPs, Ministers etc. Do you have a Government-related aim, or do you simply want as many 'opinion formers' as possible to know about your organisation?

EXAMPLES: A, the holding company of a well-known retailing conglomerate, spends large sums on entertaining MPs and MEPs in order to tell them about itself. It has few policy concerns (and MPs etc are likely to be of little help with them) and in reality it will not make any difference if the holding company is better known and regarded within the system. On the two occasions when major problems have arisen, most of those politicians regarded as favourable to the company were disinclined to assist. Verdict: money wasted.

B liaises extensively with its many constituency MPs on the basis of the issues that most concern them – employment, environmental issues and local economic impacts. Giving them what they want, rather than seeking to promote itself, is the best PR exercise B could conduct. Government will be more inclined to do something for you if you understand what it wants – don't use it; work with it.

C, like B, faces a constant series of problems which have often featured political intervention. It is clearly sensible for it to invest time and money in spotting and educating potential Ministers and those MPs on whom Ministers may rely for views. Since C's experience is that issues which have been smoothly negotiated can be knocked off course by the arrival of new Ministers, it seeks to seed political opinion about it and its concerns before Ministers arrive in post.

Note, however, that organisations need to be both significant and professional if they are to persuade politicians with no present interest in their concerns to listen to them. And, of course, the vast majority of organisations do not face political (as distinct from administrative) problems.

Building relationships in advance of a crisis may help if there is a need to mobilise support rapidly (e.g. ICI's parliamentary response to the Hanson bid) but those troops will only fall into line if you and your problem matter to them.

A final point about roles: the normal rule is that the organisation should make its own representations. This is fair, particularly for public bodies who should not be seen to be using outside assistance. However, if your advisers (whether they are lawyers, lobbyists or economists) are well respected by the system and understand your case inside out, it may be possible for them to discuss matters more candidly with politicians and officials. Some companies and trade bodies take this even further by regarding their advisers essentially as contract members of staff, a seamless extension of their organisation. If there are good people who are viewed by Government as 'one of them', use them.

It is essential to coordinate these job functions across an organisation. If there is one fundamental to dealing with Government, it is to look at it as a system in which most decisions are taken through a complex interplay of linked institutions. There is no logic in putting dealings with Whitehall into one side of your organisation and dealings with politicians into another.

It is true that some liaison with Ministers, MPs, MEPs (and even officials) is pure PR, and the PR department should handle that, but there is nothing worse than ‘experts’ putting arguments together and negotiating with regulators and policy officials and then telling their PR/government relations colleagues to ‘communicate’ them to politicians. Dealings with the system are not usually single-faceted and unless everything really will be settled at official/MP etc level, it is essential to plan representations and assemble your case as a team. The situation has often arisen where PR people try to send a press pack to Civil Servants in lieu of the detailed brief they need, or executives responsible for dealing with Parliament are given a 100 page regulatory study and told to send it to MPs. The answer is usually ‘I wouldn’t start from here’.

The Procter & Gamble test

Procter & Gamble is one of the best planners of government and regulatory strategy. Its simple approach should be considered by others:

- Every year, it asks its managers to consider the regulatory provision that is most burdensome to their work or to propose new Government action which would help P&G (excluding unrealistic aspirations such as abolishing Corporation Tax) and to assess costs and benefits.
- The company then assesses the chances of securing change and the likely cost (company time; consultants) involved in lobbying.
- If it decides to proceed, it checks accumulated costs against benefit gained every two months.

If your organisation is part of a group of companies you will understand the difference between one company and another; but to Government, and particularly to politicians, the distinction may be less clear. When, for example, the same MP receives separate representations on successive days from an oil company’s upstream and downstream companies, it may assume a failure in internal communication even though, as far as the group is concerned, the two companies operate in different areas and with a substantial degree of autonomy. There is also the problem of the quality of dealings with the system by one operation affecting the attitude taken to its sister companies.

Wizard Financial Services Group owns a number of large insurance companies including Wizard Insurance Ltd. The Group Chief Executive wants to discuss pensions reform with the DSS Special Adviser. He contacts the Adviser’s office, to be told that Wizard Insurance has already been in touch with them and asked whether there is any need for two meetings. Result: Special Adviser thinks they are amateurs, Chief Executive is annoyed, parent and subsidiary are embarrassed.

How do you avoid this?

- If you can, make government-related dealings a head office function. The skills required, including a greater emphasis on techniques like rapid rebuttal and telephone lobbying, targeting opinion and telephone lobbying, are so rarified that it makes sense to have a really good central unit rather than spread expertise around your organisation (it also saves money, since duplicating monitoring resources is expensive – see below). However, this is not always possible in organisations such as defence contractors, where hundreds of people may be working with officials at any one time. Whether you are able to centralise or not,
- Encourage everyone to report on their contact with the system to a central point and to check with it beforehand. It pools knowledge and avoids the impression of inefficiency. The best in-house departments have a database, accessible by anyone and capable of telling them who has met whom and what happened. This is easier said than done, but it will help in securing co-operation if the person in charge of dealing with Government gets around the organisation, persuading people that he/she can be of value to them and offering to assist with their lobbying and other contact.
- Try to get your colleagues to agree that dealings with the system, unless they involve no more than pure contact building, should be planned across your organisation. Collective consideration of all the implications at the outset saves a lot of time down the line.

What materials and facilities do you need in-house? The key directories and services are:

Dod's Parliamentary and *Whitehall Companions* (Vacher Dod Publishing, PO Box 3700, London SW1E 5NP) – all the information you want on MPs and Peers, election details, and senior Civil Servants.

Vachers UK and *EU* guides (Vacher Dod Publishing) – information on the UK Parliament and on all EU institutions; useful because they are revised quarterly.

The Civil Service Yearbook (Publications Centre, PO Box 276, London SW8 5DT) – a basic Whitehall directory, but telephone numbers are often out of date, the numbers of desk-level officials are often excluded, and listed enquiry points can be next to useless.

Departmental directories – invaluable if you can get them as they give you the numbers and job descriptions of all officials; but it needs persistence and, occasionally, inside contacts to get some, and others only exist electronically and cannot be copied.

The European Commission's internal directory, the *Guide des Services*, is difficult to obtain (a friendly official may oblige). A less detailed organogram is available from the Office of Official Publications, 2 rue Mercier, L2985, Luxembourg. The *European Public Affairs Directory* (Landmarks SA, Blvd St Michele 78, 1040 Brussels) contains contact

information for all the main institutions. The European Parliament's 'Grey List' (EP, 2 Queen Anne's Gate, London SW1H 9AA) contains constituency office addresses.

Commons/Lords registers of Members' interests (Parliamentary Bookshop, 12 Bridge Street, London SW1A 2JX) - lists the business and other outside links of all MPs and many Peers.

Palace of Westminster phone directory - not really available to the public but a parliamentarian may let you photocopy one.

Municipal Yearbook (32 Vauxhall Bridge Road, London SW1V 2SS) - information on every local authority.

Sources of Community Funding (available from the European Commission London office, 8 Storey's Gate, SW1P 3AT 0171 973 1992).

The main subscription sources are:

The Vote Bundle (Order Papers, *Hansards*: available from the Parliamentary Bookshop) - expensive and, if time is not of the essence, partly (*Hansard* only) available on the Internet around midday.

Weekly Information Bulletin (Parliamentary Bookshop)- useful summary of past week's parliamentary business and following week's agenda.

Weekly Lords Committee list - available free on request from the Lords Committee Office.

Central Office of Information daily list (Col, Hercules Road, London SE1 7DY) - all departmental and many public body press releases, available by fax or post.

House Magazine (10 Little College Street, London SW1P 3SH) - the Palace of Westminster's in-house publication.

Local Government Chronicle (33 Bowling Green Lane, London EC1B 1LG)/Municipal Journal (32 Vauxhall Bridge Road, London SW1V 2SS) - essential for local authority work.

Reuters online EU information service (Reuters, rue de Treves 61, 1040 Brussels) - expensive but very useful whether you are monitoring Brussels from the UK or in situ.

European Report (European Information SA, Ave Ad. Lacomble 66, 1030 Brussels) - the best of the printed EU monitoring services.

Newspoint (3rd floor, Clutha House, 10 Storey's Gate, London SW1P 3AY) - run from the Lobby, it can be useful for early morning briefings on statements, publication of reports and White Papers, press conferences and changes to parliamentary business.

Winners and losers

Good lobbyists treat the system as they would their customers: they find out what the market wants and how it behaves before they put their product together.

- They think Case before Targets
- They work out how decisions will be taken, who will take them and who and what will influence them
- They know that demonstrating expertise and sensitivity to the system's concerns is the best PR for their organisation
- They do not count on friends made in peacetime: the contacts that wield influence will treat problems on their merits
- They will usually see lobbying through the media as a last resort, knowing that few cases are of such public interest that media interest will be sustained
- They know that the noise and volume of a lobbyist's activity are often in inverse proportion to the effectiveness of their case
- And they have job titles that suggest seniority or speciality and avoid the impression that they are apologists for their organisation (the system does not want to think it is being handled by someone in the place of the person with whom it should be dealing):

Most importantly, they do not separate dealings with politicians from liaison with officials or regulators. The former is often seen as a PR function; the latter as purely technical. The result is that one part of an organisation will assemble arguments and expect another part simply to 'communicate' them without any say in their construction or relevance. The best lobbyists see the components of the system as closely-connected and ensure that all advocates have a role in case preparation and in advising on the most appropriate targets.

Conversely, those who fail usually do so for three reasons:

- They do not understand which issues are political and which are administrative in nature
- They use techniques more appropriate to dealing with the media or influencing opinion outside the system
- And they spend more time on communicating their case than on considering how the system will respond to it.

There are some useful Internet services, perhaps the most useful of which are (all preceded by <http://www.>):

British Politics Page Index – *ukpol.co.uk* The best, since it links to all other sites. Also includes MP biographies.

Parliamentary Channel – *parlchan.co.uk* Useful for status of Bills, forthcoming Chamber and committee agenda and lists of MPs and Peers. The cable TV service is good if you need to monitor debates as they happen; but committee proceedings may not be screened for weeks.

HMSO - *parliament.the-stationery-office.co.uk Hansard* on line. Useful for consulting back numbers; but the previous day's material is only put on the net after noon the following day. Also lists all departmental publications.

Houses of Parliament Home Page - *parliament.uk* Also give access to *Hansard*, as well as Select Committee information for both Houses and the Weekly Information Bulletin.

Government Department websites - *yahoo.co.uk/Regional/Countries/United_Kingdom/Government/Departments*.

Europa - *europa.eu.int/index.htm* Access to EU documents and announcements.

UK Online - *ukonline.co.uk/UKOnline/Politics/contents/html* Gives access to a large number of pressure and interest group, MP and local authority sites.

Central Office of Information - *coi.gov.uk/coi* - access to departmental press releases, usually 24 hours after publication

Consider assembling and maintaining a ring file with all of your most regularly needed information in one place. The sections should cover:

Lists of all MPs, both alphabetically and by constituency

Lists of MEPs, together with committee memberships

Ministerial responsibilities, together with Private Office names and numbers

Commissioner responsibilities, together with Cabinet names, numbers and responsibilities

Lists of PPSs and Whips, with responsibilities and numbers

Special Advisers, with numbers, responsibilities and CVs

No. 10 Policy Unit, with backgrounds and responsibilities

Select, All Party and backbench committees, with details of clerks and numbers

Current Select Committee press releases (which will be sent to you regularly if you contact committees and ask to be put on their mailing lists)

Opposition spokesmen

Party research departments

Press Gallery numbers.

There are few textbooks to assist you, but two should be considered: *Lobbying - An Insider's Guide to the Parliamentary Process* by Alf Dubs (Pluto Press, 1988) is now out of print, but if you can obtain a copy it offers the best explanation of the work of Parliament. Sadly there is no comparable book in print about lobbying the Civil Service. James Humphreys'

Negotiating in the European Union (Century Business, 1997) is undoubtedly the most practical guide to working the Brussels machine.

Using help

A small department, or a body that does not have to deal with the system regularly, will have difficulty in finding the time, or in amassing the ability, to monitor the institutions, cover a range of Departments and deal with politicians in the depth and with the facility that their organisation needs. Although a few companies and trade associations have an established culture of doing everything in-house, which means having a fair number of staff at their disposal, most of the rest now take a view that some skills must be available in-house and others should be contracted out. There is no set pattern to this; but the basic factors determining what and how much you buy in are:

- *The skills of in-house staff* – a former senior official or Special Adviser will know what to do but may not have the time to do it all. They probably do not need advice; what they are after is people to help them execute their strategy (arranging meetings or events). Someone without that experience who has been given responsibility for dealing with Government within a much wider portfolio is more likely to need heavyweight advisers to explain how the system works and suggest courses of action.
- *Cost* – it is usually more cost-effective to let an agency handle monitoring (the materials are expensive – the Vote Bundle alone can cost £300 a week – and agencies have economies of scale). Specialist advice, even though it may be charged at £200 an hour, is also surprisingly good value if the consultant knows his stuff because they should be able to reach the right answer quickly. The killer cost, whether in-house or through an agency (particularly through an agency), is organisation – setting up meetings, administering Party Conference programmes and so on. Lots of youngsters running around expending a lot of shoe leather equals big bills. If you have to do a lot of this, employ an organiser in-house and use advisers, if you need them at all, only to give you guidance on what needs to be done.

Use lobbying advisers to:

- Tell you what may or may not be achievable (unreasonable demands may prejudice Government against you)
- Find out how politicians and officials want your case to be constructed (issues to cover, queries to address, methodologies to follow)
- Monitor the system (agencies have economies of scale and it is likely to cost you far less to employ an external parliamentary monitoring service than to handle the process in-house)

- Analyse policy
- Draft submissions and reports in system-friendly format (from a two-page summary for an MP to detailed documents for a Government Department or DG)
- Vet submissions or reports produced by you (or even, for example in competition cases, by your lawyers) to ensure that the policy/political counter-arguments have been considered
- Undertake economic and opinion research to support your arguments. This is particularly important in the area of regulatory appraisals and Fiches d'Impact.

They require a professional understanding of the approach required by Whitehall and the Commission

- Brief both sides in advance of lobbying meetings and to obtain an uncoloured debrief from the system
- Act as Special Advisers, drafting or counselling on policy or regulatory representations
- Handle administrative work (for example, the occasional need to mail a large number of MPs) that is not cost-effective to undertake in-house.

How do you select and make sure you get value from advisers? Follow these six simple rules:

- First, unless you have to (for example, if you are a public body) forget about contracts. They generally only benefit the consultant by requiring you to give them lengthy notice of termination. You should be able to get rid of them without extra cost if you are dissatisfied. Employ them like lawyers, so that you pay only for the work they have done; or, if you need to budget ahead, agree a monthly limit but ask them to bill on an hourly basis, so both sides work to a maximum figure.
- Do not accept the typical proposal document in which six wide-margined pages simply repeat your brief, suggest an 'audit' (why should you pay them to find out who you should lobby? They are meant to know that) and recommend a vague contact programme. Expect a detailed diagnosis of your brief, looked at from the system's point of view; a tough assessment of what is and is not possible; an explanation of the reasons for recommending their preferred course of action ('Why?' is your most powerful accountability tool); relevant CVs of the staff who will be working for you; and references from the people you will need to lobby.
- Do not accept the all too common ploy of Mr Big being there at the pitch and little Johnny handling the work. Insist on the people you want.
- Keep them fully informed. The more information they have about your organisation and its dealings with the system (bearing in mind that you may only be using them for help with one institution) the less excuse they will have for giving poor advice.

- Think carefully about the advisers you need. Most are pure political consultants, meaning that they deal predominantly with politicians. If that is the area in which you need help, fine, but if you are not experienced in these things you must ensure that your consultants understand how the system as a whole will work.
- Most reputable consultants are regulated, either as members of the Association of Professional Political Consultants in the UK (0171 828 7127) or as signatories to the Code of Conduct for Public Affairs Practitioners in Brussels (00322 282 0986). Both organisations are required by Parliament and the Commission respectively to subscribe to regulatory codes governing their conduct towards clients and the system in the course of giving advice and lobbying. Regulated lobbyists are required to disclose the identity of their client whenever they deal with politicians or officials.