

Liberal Democrats to step up demands for lobbyist register as Patrick Mercer scandal grows and peers are snared by undercover reporters

Nick Clegg will push David Cameron to deliver on promise for reform

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More politicians were drawn into the Patrick Mercer lobbying affair last night as pressure grew on the Prime Minister to impose new controls over the lobbying industry and curb the greed of parliamentarians.

The Deputy Prime Minister, Nick Clegg, is expected to demand the Government honours its commitment to establish an official register of lobbyists, in the wake of allegations that Mr Mercer, a Tory MP, lobbied on behalf of Fiji after being paid thousands of pounds by undercover reporters.

The demand comes as it was revealed that a second newspaper sting had resulted in two members of the Lords reporting themselves to the Parliamentary Standards Commissioner after potentially compromising meetings with journalists posing as lobbyists.

The revelations will fuel public anger at the apparent willingness of politicians to accept lucrative contracts from outside sources to influence issues of public interest without clearly declaring their interests nearly two decades after the "cash for questions" scandal.

Last night it emerged that several members of the House of Lords were embroiled in a sting designed to expose links between peers and the energy industry. Journalists had posed as representatives of a fictional consultancy company, Coulton & Gouldie.

A Labour Lords source said: "Several peers were approached. Most of those approached knew there was something wrong straight away and rejected the offers. After the meeting, one peer did some checks on the internet and quickly worked out that while some details about the company were correct, others were not. And he reported that."

A second member of the House of Lords is expected to be named this week by BBC1's Panorama as part of a separate sting operation which ensnared Mr Mercer, the MP for Newark. He resigned the Tory whip after a newspaper claimed he had asked parliamentary questions about Fiji and offered to set up a parliamentary group to discuss the country.

The repeated attempts to expose greed and flouting of the rules within Parliament has intensified Liberal Democrat demands for a lobbyists' register, in an attempt to impose greater transparency on the work of MPs and peers.

Ministers concede that the Mercer allegations have provoked "intense" public anger as it had been assumed that parliamentary sleaze had been largely eradicated following recent scandals over MPs' expenses and "cash for access".

The Prime Minister, who once said lobbying was the next great scandal waiting to happen, originally agreed to a register, but the Lib Dems claim opposition from the highest levels of the Tory party has kept it out of the Queen's Speech for the past two years.

In the days before the Mercer revelations, Mr Clegg had said: "We need to honour what we said in the coalition agreement, which was that we'd introduce greater transparency, a register for lobbyists. So I do think we need to act on that, if we can. It's not in the Queen's Speech; it's not something that we could get agreement on across the coalition at the moment. I very much hope that at some point we will."

Mr Clegg will now seize on the Mercer claims to demand immediate action. "We have been the ones calling for this since the start," a source close to Mr Clegg said last night. "These new revelations will only add weight to our argument, and we will now expect it to be done in this Parliament."

The case for action was backed by campaigners, opposition politicians and lobbyists themselves.

The shadow minister for the Cabinet Office, Jon Trickett, said: "At a time when faith in politics and politicians is at an all-time low, we must all be working hard to reinstate confidence in elected representatives and the governmental system. Examples such as the allegations heard in the last 24 hours are not good for British politics."

A spokesman for the transparency group Unlock Democracy said: "Patrick Mercer acted as if such public affairs work on behalf of a country with an appalling human rights record was a matter of routine."

"The fact is we don't currently know to what extent this is going on, and won't know until we have a statutory register."

Iain Anderson, deputy chairman of the Association of Professional Political Consultants (APPC), the self-regulatory body for public affairs consultants, said: "This kind of scandal keeps coming up and a register would go a long way to engendering transparency and trust. What it doesn't do is address the issue of greedy parliamentarians."

The Newark MP said he was taking legal advice about the claims and had referred himself to Parliament's standards commissioner. In a statement, he added: "In the meantime, to save my party embarrassment, I have resigned the Conservative whip. I have also decided not to stand at the next general election."

But it was clear that Mr Mercer was not the only parliamentarian who has been approached by undercover reporters in recent weeks.

Another Tory MP revealed last night that he had been among those targeted by undercover reporters. The Monmouth MP David Davies wrote: "Panorama offered me a job lobbying for Fiji. I said no. Yet I am still going to be dragged into a row by the BBC." He insisted he had refused the offer of work. "I even emailed the fake company later the same day to say no, which they acknowledged."

Peers were allegedly contacted by journalists using the names Robyn Fox and James Fox, who said they would offer money for peers prepared to ask questions and more if they helped to push legislation through Parliament.

The tactic appears to be similar to those tried during a meeting with John Lehal, managing director of the lobbying agency Insight Public Affairs, who had a meeting with a Robyn and James Fox on 15 May.

"They basically asked if we could start an all-party political group and asked who we could pay to set it up," he said. "They said they were acting on behalf of venture capitalists."

Mr Lehal said he worked out very quickly it was a journalist's "clumsy" attempt at undercover reporting and alerted PR Week, which published details on Thursday. He added: "The Patrick Mercer scandal is another lobbying scandal without a lobbyist. It is a parliamentary scandal."

After Mr Cameron's initial enthusiasm for reform, he was persuaded by aides that existing legislation was sufficient to address the problem.

But a Downing Street spokesman said last night that there was a commitment to produce a statutory register of lobbyists in the coalition agreement "and therefore will happen in this Parliament".

He added: "The Panorama allegations centre on rules that have been broken, not the absence of rules."

Last night there was also growing anger about the public's right of recall for MPs, as it was revealed that Mr Mercer, though resigning the party whip, will receive wages and pension amounting to £130,000 by remaining as an MP until 2015.

The Tory MP Zac Goldsmith has called for new powers to allow voters to force Mr Mercer from Parliament immediately.

He tweeted: "If it's bad enough for you to resign from your party, how can it be OK to continue representing constituents at all? Where's that Recall?!"

Additional reporting by Oscar Quine

Patrick Mercer: Trials & tribulations

2007 Sacked from David Cameron's Shadow Cabinet after saying he had met "a lot" of "idle and useless" ethnic minority soldiers who used racism as a "cover".

2009 Criticised for making huge profits on a taxpayer-funded London flat he bought for £335,000 and sold for £515,000.

2010 His Commons secretary, Sarah Coyle, claimed the couple had had a three-year affair and that she left her husband after Mr Mercer promised to leave his wife, Caitriona, but he later reneged on his promise.

2011 A newspaper reported that he had called the Prime Minister "a most despicable creature without any redeeming features", adding: "I loathe him."

2013 Mr Mercer said that when a young woman told him she was a soldier, he thought: "You don't look like a soldier to me. You look like a bloody Jew."