

Who Funds You?

Devolution
Report
2023



Introduction

At openDemocracy we believe everyone should be able to find out who is being paid what, and by whom, to influence public policy.

Across the UK there are organisations that describe themselves as ‘think tanks’. They expressly set out to explore ideas and influence public policy in innumerable ways. They usually produce research reports – some better than others – and promote them through the media and in policy circles.

Politicians are often deeply intertwined with think tanks. They can be invited to take senior positions within think tanks, in addition to their law-making jobs.

Some former politicians can end up on the payroll of think tanks – and others can end up funding or managing them. Think tanks often play a role in incubating new politicians as well.

In addition, other think tank employees may be invited to join the management boards of public bodies, or take up other advisory roles. Some may become minor media celebrities.

But not all think tanks are the same.

Some are very clear about who funds them and the ideology that underpins their work. Many provide useful independent scrutiny of ideas, and expert analysis of public policy, undertaking work that the civil service, journalists or campaign groups have not done.

But many are not as open as they could be. Some opaque think tanks do not disclose their funders at all, but nevertheless benefit from charitable status and the tax breaks this brings.

Questions have been repeatedly raised^{1 2} about whether some of these think tanks operate within the rules of charity law³. Some have been found to be in breach of the rules⁴.

In some cases, think tanks operate without any clear corporate structure, which makes it even harder to understand their finances or who really controls them. Without knowing who funds think tanks, we cannot be certain whose interests they are really advancing, and why they are advocating for a particular policy stance.

1 Think tank behind Truss's budget shouldn't be a charity, says ex-watchdog official

<https://www.opendemocracy.net/en/institute-of-economic-affairs-truss-charity-commission-tax-cuts/>

2 Dark money think tank's own advisor accuses it of 'hiding' behind charity law to lobby

<https://www.opendemocracy.net/en/dark-money-investigations/dark-money-think-tanks-own-advisor-accuses-it-of-hiding-behind-charity-law-to-lobby/>

3 Regulatory alert issued to charitable think tanks

<https://www.gov.uk/government/news/regulatory-alert-issued-to-charitable-think-tanks>

4 Legatum Institute Foundation: case report

<https://www.gov.uk/government/publications/charity-case-report-legatum-institute-foundation/legatum-institute-foundation-case-report>

For that reason, openDemocracy pledged in 2022 to support Who Funds You?, a project that audits the transparency of think tanks. As part of our support for the project, we set out to expand the number of UK organisations that were covered by the audit. This special devolution report takes the number of think tanks audited from 26 to 44.

Why focus on devolution?

Devolved institutions in the UK wield significant powers over millions of people.

Key areas of public policy, from health to transport and education services, are the responsibility of devolved institutions. Simple policy divergence on issues such as trans rights or the role of private sector services in the NHS provides a fertile ground for policy analysis. Policies that begin in one country, such as the indoor smoking ban, may be adopted by other legislatures too.

On high-profile issues – such as Scottish independence or the Northern Irish Protocol – think tanks often wield considerable influence over different sides of the public debate.

Yet these organisations do not receive as much scrutiny as they could and, as this report shows, too many of these organisations operate as if transparency and accountability do not matter.

This report sets out to change that.

Who Funds You?

The UK campaign for think tank transparency

Dark money and devolved think tanks

For most of the think tanks in this report, it was the first time that they had received any systematic independent scrutiny of their financial transparency.

As part of the process, each organisation is notified of their proposed transparency rating in advance and invited to provide any further information that may alter the grade. There are five grades, from A (most transparent) to E (most opaque).

Four of the organisations we audited immediately published further information in response to our enquiries, allowing us to improve their transparency rating. In two cases, this meant that the think tanks moved from grade E to grade A. Two more pledged to improve their transparency information in the future.

Turning to the data itself, our audit found that devolved think tanks have far fewer resources to spend than their larger UK-wide counterparts. We could identify income of £3.1m split across the 11 think tanks that published this information.

Nevertheless, our audit found that a quarter of the cash spent by think tanks targeting devolved institutions, around £800,000 could be described as dark money, as it was raised by organisations given the lowest transparency grades of D or E.

This dark money figure is likely to be a significant underestimate given that a further five think tanks did not publish any annual income information at all.

Think tanks focused on Scotland make up 11 of the 17 organisations included in this report.

Among the notable think tanks that were given the lowest transparency rating, E, was **Our Scottish Future** – a think tank set up by former UK prime minister Gordon Brown that counts former Scottish Green Party leader Robin Harper and former Scottish Liberal Democrat leader Willie Rennie among its advisors. The organisation publishes no information on its donors and lists a firm of solicitors as its main director. This makes it impossible to know for certain who controls or funds it.

These Islands, a think tank that campaigns against Scottish Independence, was also given a grade E for transparency. Its staff regularly feature in the media, and their research has had an impact on debate at Holyrood, but there is no indication on its website of who supports it, what income it has or what purpose money was provided for.

On the other side of the Scottish independence debate, the **Scottish Independence Convention** was also awarded a grade E. Once chaired by actress and celebrity Elaine C Smith, it has published a number of policy papers setting out how an Independent Scotland may be achieved, but the organisation provides no public information on funding, or even the corporate structure that underpins it.

Non-partisan **Reform Scotland** is another high-profile think tank awarded a grade E. It is chaired by former Labour first minister of Scotland Lord McConnell. McConnell is also a director of the company, alongside Kevin Pringle, former SNP strategic communications director and senior partner at lobbyist Charlotte Street Partners, fund manager Andrew Dunlop and two others. The most recent accounts for Reform Scotland disclose that two of its directors donated a total of £41,000 to the organisation in the last year, but it does not name them or state what the money was used for.

In Northern Ireland, we looked at two think tanks. **Pivotal** and **The Centre for Cross Border Studies** both scored a D rating. Between them these organisations received £591,871, but little is disclosed about these funders and the think tanks did not respond to our enquiries.

Although it is incorporated in Scotland, a relatively new think tank that has largely focused on Northern Irish constitutional matters is the Centre for the Union. It was also awarded a grade E for financial transparency. According to Companies House, the Centre for the Union has one director, Ethan Thoburn, who lives in London. He is also a parliamentary assistant to a Conservative MP, and has connections to other right-leaning, Tory-linked organisations including The Bruges Group and Orthodox Conservatives.

Some organisations we contacted during the production of this report told us that they did not disclose their significant donors, as concerns had been raised about their personal safety or that they may suffer significant professional consequences if their identity became public. We recognise that in some limited circumstances it may be appropriate not to disclose funder details, but where organisations choose to do this, they should still be as transparent as possible. They should state the number of significant donors that have requested that their identity is withheld, the justification, and the value of their donations if they are more than £5,000.

Anonymous donors should never make up more than 85% of any organisation income.

On the other end of the spectrum, think tanks given an A grade are highly transparent, naming all funders who gave £5,000 or more in the last year⁵, and declaring the exact amount given by each funder.

The two Welsh think tanks covered in this audit – the Bevan Foundation and the Institute for Welsh Affairs – should both be commended for their transparency, as they both qualified for the gold-standard A rating. Together they had an income of nearly £700,000.

5 We have allowed some A-graded think tanks not to disclose the details of a small number of large donors due to reasonable personal security/privacy concerns. The financial contribution of the donors where identities have been withheld is less than 85% of total organisation income.

Other think tanks to receive an A for financial transparency include the Scottish think tanks Common Weal and Migration Policy Scotland. The Institute for Public Policy Research (IPPR) also maintains a Scottish office and produces work dedicated to Scotland. IPPR Scotland does not produce a separate transparency report, but its parent UK body has previously been rated grade A.

In Detail

Organisation	Income	Displays funding details on website	2023 Rating	Area of focus
The Bevan Foundation	£350,134	Yes - view page	A	Wales
Institute of Welsh Affairs	£340,935	Yes - view page	A	Wales
Business for Scotland	£267,743	Yes - view page	A	Scotland
Common Weal	£142,684	Yes - view page	A	Scotland
Scotland Futures Forum	£135,321	Yes - view page	A	Scotland
Migration Policy Scotland	£75,282	Yes - view page	A	Scotland
IPPR Scotland	Unknown*	Yes - view page	A	Scotland
Centre for London	£1,047,279	Yes - view page	B	London
Centre for Cross Border Studies	£480,777	Yes - view page	D	Northern Ireland
Pivotal	£111,094	Yes - view page	D	Northern Ireland
Jimmy Reid Foundation	£31,000	Yes - view page	D	Scotland
These Islands	Unknown	No	E	Scotland
Our Scottish Future	Unknown	No	E	Scotland
Centre for the Union	Unknown	No	E	Northern Ireland
Scottish Independence Convention	Unknown	No	E	Scotland
Scottish Business UK	Unknown	No	E	Scotland
Reform Scotland	£186,594	No	E	Scotland

* IPPR Scotland is part of a larger UK-wide organisation that does disclose funding. Details can be found here: <https://www.opendemocracy.net/en/who-funds-you/institute-for-public-policy-research/>

Why is this needed?

Opaque think tanks that operate without financial transparency may not be operating in the public interest, as they claim.

Some seem to be operating in a grey area between regulated lobbying, academia, politics and regulated charities. They could be working on behalf of rich individuals, large corporations, political parties or potentially even hostile foreign countries.

The fact is that without financial transparency from these influential organisations we just cannot tell, and this matters wherever you live in the UK.

Let's take the example of Liz Truss, who became prime minister in September 2022. She had earlier helped to launch **FREEER**, described as the parliamentary wing of an influential think tank, the **Institute of Economic Affairs**⁶.

Truss's political secretary, Sophie Jarvis, was previously head of government affairs at another think tank, the **Adam Smith Institute**. Neither organisation reveals its donors – and both score an E, the lowest grade possible, in our ratings – yet they are very influential in the British government.

Many other politicians have links to opaque think tanks. Their current and former staff are often invited into policy-making bodies and given advisory roles where they have access to civil servants and politicians. Think tank representatives are often invited to comment on government policy in the media and they often boast of their access to and influence on the levers of power.

When we face difficult challenges such as highly charged constitutional debates, the climate emergency, post-Brexit trade and a cost of living crisis driven by energy bills, it's important to know if voices being heard in the corridors of power are being funded by, say, the oil and gas industry.

6 Truss-favoured thinktank attacks ‘massive transfer of wealth’ to landowners
<https://www.theguardian.com/environment/2022/sep/27/truss-favoured-thinktank-attacks-massive-transfer-of-wealth-to-landowners>

7 Revealed: Policing bill was dreamed up by secretive oil-funded think tank
<https://www.opendemocracy.net/en/dark-money-investigations/policing-bill-policy-exchange-exxonmobil-lobbying/>

openDemocracy has previously uncovered evidence of exactly this type of relationship. For example, we have shown how the think tank **Policy Exchange** received money from oil giant ExxonMobil before proposing a policy that would benefit the oil industry⁷. This proposal was then turned into legislation by the Conservative government.

Revealing which organisations are not transparent about who’s giving them money is a vital first step in encouraging greater openness in British political life.

These transparency ratings can also provide important context for those who might listen to them, be it broadcasters, journalists, politicians or other influential bodies.

When we know which think tanks are not transparent about their funding, we can put pressure on them to be less secretive. So if you see an organisation proposing a policy that seems to be at odds with the public interest, perhaps the first thing we should ask them is **Who Funds You?**

Asking this question works. Our audit process encouraged four of the think tanks in this report to improve their transparency disclosures immediately. Two moved from a grade E to a grade A, bringing clarity to nearly half a million pounds worth of spending in the process.

We will repeat this audit process in future years in the hope of driving further transparency in the sector.

Methodology

Using the original methodology developed by Who Funds You?, openDemocracy looked at organisations' own websites, or annual accounts where a link was provided by the think tank website. Ratings are based on accessibility of information. To meet each relevant rating, organisations must meet all the criteria listed.

To be eligible for an A, B or C rating, organisations should also publish their annual income.

A

- Names all funders who gave £5,000 or more in the last reported year.*
- Declares exact amount given by each funder.

B

- Names at least 85% of funders (by value) who gave £5,000 or more in the last reported year.
- Groups funders into precise funding bands.**
- (Organisations that use broad funding bands may be eligible for a B rating as long as they name all funders.)

C

- Names at least 50% of funders (by value) who gave £5,000 or more in the last reported year.
- Groups funders into precise or broad funding bands.
- (Organisations that omit funding bands may be eligible for a C rating as long as they name all funders.)

D

- Names some funders (but only a minority, or not in a systematic way).

E

- No or negligible relevant information provided.

* During 2022, the earliest reported year we will accept is 2020.

** Precise funding bands should be no broader than £10,000 for amounts up to £50,000, no broader than £20,000 for amounts between £50,000 and £200,000, and no broader than £50,000 for amounts above that.

Conclusion

Our audit shows that more than a quarter of the money that has been donated to think tanks focused on the devolved areas of the UK can be considered dark money. The recipient organisations must do more to improve the quality of the public debate by providing greater financial transparency.

8 **Guidance, Office of the Registrar of Consultant Lobbyists.**
[https://
registrarofconsultantlobbyists.org.
uk/guidance/](https://registrarofconsultantlobbyists.org.uk/guidance/)

With passionate views on all sides of the many constitutional debates that are likely to run and run in the UK, it is more important than ever that the organisations that seek to play a role in influencing public opinion are open about who is funding them, if they are to be viewed as trustworthy actors.

In a liberal democracy, everyone has a right to contribute to the public policy debate. To be clear, there is no legal requirement that think tanks disclose their funders. But opaque think tanks that seek to influence public policy and wider public opinion must be treated with caution until they are prepared to be honest and open about their funding.

All think tanks must strive to achieve an A grade in our ranking, and those that benefit from charitable status should ensure they comply with the public benefit rules this entails. Similarly, think tanks that seek to directly influence public policy should ensure that they do not break statutory lobbying rules⁸.

There are many important issues the devolved institutions must tackle. The voices of interested parties are welcome – indeed, sometimes vital – in these debates, but they must be overt, not hidden.

Recommendations

- Media organisations and event organisers should be wary of platforming think tanks with low transparency ratings without making it clear to their audience that they do not disclose their funders.
- Where think tanks have declared funders – or been found to have been funded by donors that have a material financial interest in the policy debate at hand – this should always be disclosed to audiences.
- The Charity Commission and the Office of the Scottish Charity Regulator should rigorously enforce regulations around charitable status where legitimate concerns are raised about the political activities of think tanks.
- All think tanks in the UK should strive to achieve a grade A in the Who Funds You? ranking.
- Think tanks that support the aims of Who Funds You? should promote the project by prominently displaying their transparency rating on their website and linking to the project website.

Who Funds You?

The UK campaign for think tank transparency

But who funds openDemocracy?

openDemocracy is not a think tank and it is for others to assess our own transparency efforts. Nevertheless, we are proud to disclose all the funders who give us more than £5,000 per year, along with the purpose of each of these donations. In addition, we are grateful for the support of thousands of individual donors who choose to invest in our work. You can find out more at opendemocracy.net/en/supporters

If you want to support the Who Funds You? project, you can donate to openDemocracy here: <https://support.opendemocracy.net/project/home>

openDemocracy has not received any funding specifically to support the Who Funds You? project.



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