

PRESS NOTICE

**Committee on
Standards in
Public Life**

22nd November 2011

COMMITTEE ON STANDARDS IN PUBLIC LIFE

'POLITICAL PARTY FINANCE – ENDING THE BIG DONOR CULTURE'

The independent Committee on Standards in Public Life today published its report recommending fundamental change in the regulation of the funding of political parties and challenged the party leaders to work together to clean up party funding.

Publishing the report 'Political Party Finance - Ending the big donor culture' which is the result of a year-long inquiry, Chairman Sir Christopher Kelly said:

“The three main political parties said in their manifestos for the last election that they would take big money out of politics. That commitment was repeated in the Coalition Agreement last year. Left to their own devices, the parties have so far been unable to find a way of doing it.

“The issue of party funding cannot be shelved until the next scandal brings it to the fore. All three main parties now depend on large donations from a very small number of rich individuals or organisations for the funds necessary for their survival. It is hardly surprising that the public are highly suspicious that with such large amounts of money involved favours will be asked or given in return. This cannot be healthy for democracy.

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“Having heard evidence from a wide range of sources, the Committee believe that the current system is in need of a radical overhaul.

“We have four main recommendations:

- A limit of £10,000 should be placed on donations
- The limits on campaign spending before an election should be cut by 15 per cent.
- The donation cap should apply to donations from all individuals and organisations, including trade unions unless individuals make a positive decision to ‘opt-in’ to the affiliation fee.
- Existing public support to the political parties should be supplemented by the addition of pence per vote funding and the addition of tax relief on small donations.

“We have recommended that the majority of the new arrangements should not come into effect until the beginning of the next Parliament, expected to be in 2015.

“It is difficult to imagine a more difficult climate in which to make such a proposal. We would not have made it if we thought there was a credible alternative. We do not believe there is. If the public want to take the big money out of politics, as our research demonstrates they do, they also have to face up to the reality that some additional state funding will be necessary.

“We realise this is a very uncomfortable conclusion. But it needs to be kept in perspective. The additional amount involved annually of around £23 million is the equivalent of only about 50p per elector per year – very little more than the current cost of a first class stamp. Much larger sums are already spent in supporting democracy.

“The additional funds will not make up the ‘gap’ left by removing big donations. Parties will be left short of funds unless they step up their other fund-raising activities. They will still need to find new ways to engage with the electorate and encourage support.

“The proposals we have made are radical and will involve significant change by all the parties. In the circumstances they might be tempted to prefer the present regime, or some less radical amendment to it. In our view that would be a major mistake. It would also be unfortunate if the parties looked at them only in terms of party political advantage. And it would be a lost opportunity. All share a common interest in public confidence in the integrity of the democratic system. The manifestos for the last General Election recognised that fact. We understand that implementation of our proposals will require considerable political courage. The challenge is for the leaders of the political parties to work together to clean up party funding.”

Ends

Notes to Editors

1. **For all media enquiries and interview requests for the Committee chairman, Sir Christopher Kelly, media should contact Maggie O’Boyle on 07880 740627**
2. The report is available to download from the Committee’s website: www.public-standards.org.uk
3. The Committee on Standards in Public Life is an Advisory Non-Departmental Public Body (NDPB) sponsored by the Cabinet Office. The Chair and Members are appointed by the Prime Minister. The Committee was established in October 1994 with the following terms of reference: “To examine current concerns about standards of conduct of all holders of public office, including arrangements relating to financial and commercial activities, and make recommendations as to any changes in present arrangements which might be required to ensure the highest standards of propriety in public life. Additional terms of reference were announced on 12 November 1997: “To review issues in relation to the funding of political parties, and to make recommendations as to any changes in present arrangements.”
4. The current members of the Committee are: Sir Christopher Kelly KCB, Chairman, Rt Hon Lord Alderdice, Rt Hon Margaret Beckett MP, Lloyd Clarke QPM, Oliver Heald MP, Sir Derek Morris MA DPhil, Dame Denise Platt DBE, David Prince CBE, Dr Elizabeth Vallance JP, Dr Brian Woods-Scawen DL.
5. Two of the politically appointed members of the Committee, Rt Hon Margaret Beckett MP and Oliver Head MP, have submitted notes of dissent from some of the recommendations. Their notes are published in Appendix 8 of the report.
6. Written evidence from the Inquiry, transcripts of public hearings and additional information about the Committee and its work is available on the Committee’s website www.public-standards.org.uk.
7. The Committee’s research on public attitudes towards party funding is published on the Committee website: www.public-standards.org.uk/OurWork/Party_Political_Finance.html.