



Northern
Ireland
Office

**Donations and Loans
to Northern Ireland
Political Parties:
The Confidentiality
Arrangements**

**Government response
to consultation**

January 2011

A. Introduction

1. In August 2010, the Northern Ireland Office published a consultation paper on the confidentiality arrangements that currently apply to donations and loans to political parties and other recipients in Northern Ireland. The consultation closed on 25 October 2010 and a total of twenty six responses were received from various groups and individuals.

2. The Government has considered the responses and has concluded that legislation should be brought forward to ensure that the identities of donors and lenders should continue to be kept confidential for a further two years. The Government will however explore during this time whether modifications can be made to the current arrangements to provide for increased transparency and will bring forward further legislation if necessary to achieve this. Legislation will be brought before Parliament very shortly to provide for the extension of the current arrangements before the current prescribed period expires on 1 March 2011.

3. This document is available on the NIO Website: www.nio.gov.uk under *Public Consultation*. Printed copies of this response may also be obtained free of charge from:

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4. You may make additional copies of this response without seeking permission. This document can also be made available on request in different formats for individuals with particular needs. Please call 0207 210 6569 for any queries in relation to this response. The NIO textphone number is 02890 527668.

B. Assessment of Responses

5. The current arrangements have been in force since 1 November 2007 and will expire on 1 March 2011 (this period is referred to in legislation as the “prescribed period”). The consultation discussed three options for the way forward. Option 1 would allow the prescribed period to expire with the full register of donations and loans made available to the public. Option 2 would extend the prescribed period for a further two years, retaining the current confidentiality arrangements. Option 3 would also extend the prescribed period for a further two years but with modifications to provide for greater transparency

6. Option 1 was supported by most respondents (77%). Supporters ranged from NGOs, political parties such as Sinn Fein, the Alliance Party and the Green Party and journalists (including the National Union of Journalists). All members of the public unaffiliated to any particular organisation also supported Option 1. The main reason put forward by proponents of Option 1 was that full transparency would result in greater public confidence in the funding of political parties in Northern Ireland and politics there more generally.

7. Around 12% of respondents preferred the continuation of the current arrangements for a further two years as set out in Option 2. This included the Democratic Unionist Party and the Ulster Unionist Party (although the latter also expressed a preference for Option 3 if Option 2 was not considered acceptable). The common reason put forward by supporters of Option 2 was that the current risk to donors remains high and that there should be no change in the current arrangements until there is a significant improvement in the prevailing security climate.

8. Around 12% of respondents also preferred Option 3. This included the Electoral Commission and the Social Democratic and Labour Party. The main reason put forward by proponents of Option 3 was that concerns remained about the risk of intimidation of donors which justified withholding identities,

but that there was also a case for greater transparency and that modifications should be made to provide for this.

Retrospective disclosure

9. The consultation paper also sought views on whether details of donations and loans made from the commencement of the prescribed period on 1 November 2007 should be released when the prescribed period ends. The paper explained that details of such donations could only be withheld after the prescribed period had ended by enacting primary legislation. As this would take several months to implement, the paper indicated that only Options 2 and 3 above could provide for this and that Option 1 would allow for these details, including donor identities, to be released. Most respondents again either specifically supported the full disclosure of these donations and loans or supported Option 1, which would in effect also have provided for this.

C. Proposed way forward

10. The Government recognises the desire for full transparency when it comes to the funding of political parties and appreciates the importance of this in building confidence in politics more generally. We had hoped to be in a position when the current prescribed period ended to move to full transparency. However, there remains concern from political parties in particular that the time is not right to start publishing donor identities.

11. The consultation paper discussed the difficulties of accurately assessing the level of intimidation in Northern Ireland. Nevertheless, it is clear that there has been a deterioration in the overall security situation in Northern Ireland in recent years. We believe that there remains a case for protecting donor identities for a further two years and will bring forward legislation to provide for this.

12. However, we accept also that there is a case for greater transparency than is currently provided. The consultation paper discussed the possibility of amending the current scheme so that more details of donations and loans could be made available – for example, details of the amount received, the recipient or the status of the donor could be published. Following the consultation, the NIO considered further whether it would be possible to make such amendments. Unfortunately, there is doubt as to whether the Northern Ireland (Miscellaneous Provisions) Act 2006 would permit such modifications to the existing scheme. In order to continue to protect donor identities, legislation will be brought forward very shortly to extend the existing arrangements. Nevertheless, NIO officials will continue to examine the possibility of making the changes referred to in Option 3 through secondary legislation and, if this is not possible, the necessary primary legislation will be brought forward to achieve this.

Retrospectivity

13. There remains strong opposition from some sources to the release of all details of all reported donations and loans made since 1 November 2007 when the prescribed period has ended. There are concerns that this would be contrary to the expectations of donors at the time they donated and would be a source of distress to them.

14. Provision to prevent publication of these donations and loans after the prescribed period has ended can only be made through primary legislation and extending the prescribed period by two years provides an opportunity to take forward such legislation. The Government will bring forward such primary legislation within the next two years to ensure that the identities of donors who made donations during the prescribed period – including any extended periods – will not be released after the prescribed period has expired.

Summary

15. Following consultation, the Government will:

- Immediately take forward secondary legislation to ensure donor and lender identities in Northern Ireland are protected until 2013;
- Explore the possibility of further secondary legislation being made to modify the existing scheme and provide for greater transparency (and bring forward primary legislation if this is not possible);
- Bring forward primary legislation to ensure that details of donations and loans made during the prescribed period are not disclosed when the prescribed period expires.

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