



Cabinet Office

UK Government Response to OSCE Report - *United Kingdom of Great Britain and Northern Ireland Early General Election, 8 June 2017, OSCE/ODIHR Election Expert Team Final Report*

December 2017

Introduction

1.1 The UK Government is grateful to the OSCE for its report, *United Kingdom of Great Britain and Northern Ireland Early General Election, 8 June 2017, OSCE/ODIHR Election Expert Team Final Report*, published in August 2017.

1.2 Following an invitation from the United Kingdom (UK) Delegation to the OSCE and based on the findings and conclusions of a Needs Assessment Mission deployed from 25 to 28 April, the OSCE Office for Democratic Institutions and Human Rights (OSCE/ODIHR) deployed an Election Expert Team (EET) to observe the early general election held on 8 June 2017. The OSCE/ODIHR EET consisted of three experts drawn from three OSCE participating States.

1.3 The OSCE/ODIHR EET focused on particular aspects related to campaign finance and the legal provisions pertaining to media coverage of the election. Specific areas under review were assessed for their compliance with OSCE commitments and other international obligations and standards for democratic elections, as well as with national legislation.

1.4 We have responded to each of the recommendations in turn below:

Donations

Consideration could be given to establishing annual limits on the amount a single permissible donor may contribute to a political party or a candidate, in order to prevent undue influence of large contributors. [Recommendation 1]

2.1 As set out in its response to the OSCE's report on the 2015 General Election, the UK Government is clear that any major changes to the system of party funding such as establishing annual limits on the amount a single permissible donor may contribute to a political party or a candidate, is best achieved as far as possible by consensus. There is currently no consensus across the main political parties for party funding reform.

2.2 The UK Government is committed to a system which provides for the introduction of transparent and publicly available disclosure and reporting of donations and limits on campaign expenditure.

Consideration could be given to lower the reporting threshold of donations to enhance the transparency of the sources of political finance. [Recommendation 3]

3.1 The current position is that the names and addresses of donors that have donated over £7,500 in one calendar year (or £1,500 to any accounting unit/constituency association) have to be reported to the Electoral Commission. It is then for the Electoral Commission to publish this information.

3.2 The £7,500 reporting threshold was increased by the Political Parties and Elections Act 2009. It was originally set at £5,000 by the Political Parties, Elections and Referendums Act 2000 (PPERA). This was following consultation by the Committee on Standards in Public Life (the Neill Committee) with the political parties. The Committee stated that, “The level selected has to be one at which it might just be credible to suppose that there could be some improper purpose underlying the donation... Ideally, the level would be set just low enough to provide a cushion of comfort before concern would actually arise.” The Committee concluded that £5,000 was the best figure.

3.3 The Government is not currently considering lowering the threshold of donations across the UK but is committed to increasing the transparency of Northern Ireland donations.

3.4 Permissible donations to Northern Ireland Parties are not disclosed publicly, unlike for parties on the Great Britain register. Due to the historical situation, the regulation of donations is different in Northern Ireland than for the rest of the UK. Donations are also acceptable from Irish citizens and certain organisations in the Republic of Ireland.

3.5 On 23 November 2017, the UK Government laid before Parliament legislation that, if agreed by the UK Parliament, will provide for the publication of all donations and loans received by Northern Ireland parties on or after 1 July 2017.

Spending limits

Consideration could be given to establishing a single formula for calculation of expenditure limits for political parties with a view to ensure equality and consistency of financial rules. In order to address the blurring of campaign expenditure at the national and local levels, consideration could be given to further clarifying political party spending focused on constituencies.

[Recommendation 2]

4.1 The rules for expenditure by political parties reflect the fact that most of their campaign expenditure is national rather than local. Where a political party campaigns in direct support of a candidate this expenditure must be accounted for against that candidate's spending limit. However, the Government will keep this matter under review.

Electoral Commission

Consideration could be given to vesting the EC with investigative and sanctioning powers for offences relating to candidates' spending and donations. The overall EC's role and effectiveness for oversight of party finance regulation could be strengthened with increased sanctioning authority. [Recommendation 4]

5.1 The Commission's civil sanctioning powers apply to political parties and third party campaigners at elections, as well as to permitted participants at referendums.

5.2 The Government will keep this matter under review. Any change to enforcement powers would also need to consider whether changes are needed to existing procedures for example whether they provide sufficient time for accurate spending returns to be made.

Media plurality

Consideration could be given to establish regular measurement framework in which the OFCOM would assess plurality within different media markets with an aim to achieve transparency and to prevent undue influence.
[Recommendation 5]

6.1 The UK has a long established legislative framework for ensuring plurality within media markets, which supports transparency of media ownership and seeks to prevent undue influence. The Government commissioned Ofcom to design a measurement framework for media plurality which was completed in November 2015.

6.2 National and international media markets are continuing to evolve as the result of the rapid growth of online news and social media, supported by targeted and increasingly sophisticated advertising. Nevertheless, the various protections which allows the UK to safeguard media plurality remain critical to ensuring that wider public discourse is informed by the public having access to the widest possible range of content produced by a wide range of media organisations with different ownership.

6.3 The Government therefore announced in March 2017, during the passage of the Digital Economy Bill, a limited review of the criteria for interventions in media mergers. The purpose of the review will be to consider whether the criteria for interventions in future merger or acquisition cases involving online platforms and social media organisations need to be extended to reflect their increased influence over patterns of media consumption.

6.4 Both Ofcom's measurement framework and our normal monitoring of the changing nature of media markets will help to inform our consideration of media plurality issues and any future safeguards that may be needed.

Conclusion

7.1 The Government appreciates the views and recommendations of the OSCE/ODIHR on campaign finance and the legal provisions pertaining to media coverage of 2017 General Election .

7.2 The work of the OSCE/ODIHR helps the Government to monitor the effectiveness of existing electoral provisions, determine where improvements are needed and set future direction for policy development.