

These notes refer to the Political Parties, Elections and Referendums Act 2000 (c.41) which received Royal Assent on 30th November 2000

POLITICAL PARTIES, ELECTIONS AND REFERENDUMS ACT 2000

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part IV: Control of donations to registered parties and their members etc.

Chapter V (Section 71) : Control of donations to individuals and members associations

Section 71 and Schedule 7 : Control of donations to individuals and members associations

134. *Section 71* gives effect to *Schedule 7* which applies, with appropriate modifications, the provisions of Chapters I to IV to donations made to individuals and members associations for their own use or benefit in connection with their political activities. (Donations made to individual party members or officers for the benefit of a party would be regarded as donations to the party for the purposes of Part IV (see section 50(6)).)
135. The controls set out in *Schedule 7* apply to donations made to individual members of a registered party, members associations and holders of relevant elective offices. *Paragraph 1(6)* defines a ‘members association’ as an organisation which is comprised wholly or mainly of members of the party. These are groups which lie outside the formal structure of the party for the purposes of controls on funding and which, therefore, will not have been included in the scheme proposed and adopted in accordance with section 26. They would, for example, include groups which are formed within parties to champion particular policies or ideas (such as the Tribune Group or the Tory Reform Group). *Paragraph 1(8)* identifies the relevant elective offices, the holders of which are subject to the controls, namely that of Member of the House of Commons, Member of the European Parliament elected in the UK, member of a devolved legislature, member of a local authority (other than a parish or community council), member of the Greater London Assembly and Mayor of London or any other elected mayor within the meaning of Part II of the Local Government Act 2000.
136. A donation made to an individual party member or members association is subject to the controls set out in *Schedule 7* if it is either offered to or retained by the individual or association for their own use or benefit in connection with political activities within the party. Such activities include the conduct of internal elections to positions within the party (for example, that of party leader or positions on the party’s management committee) and the conduct of “primaries” for the selection of a party candidate for an elective office (for example, that of Mayor of London). A controlled donation to a holder of a relevant elective office is a donation offered to or accepted by him in connection with any political activities of his. Such activities might include campaigning for re-election or the running of his office. Donations made to individuals or associations for their private use or for purely social purposes would not be subject to control unless, despite the intention of the donor, the donation was used in connection with political activities within the party.

137. *Paragraph 2 of Schedule 7* defines “donation” for these purposes in terms equivalent to those in relation to donations to a party (see section 50(2)). *Paragraph 3* defines sponsorship for the purpose of the Schedule. *Paragraph 4* defines those payments and services which are not to be regarded as a donation. These include any remuneration or allowances paid to the holder of a relevant elective office in that capacity.
138. *Paragraphs 6 to 9 of Schedule 7* impose restrictions, including those on permissible sources, on the acceptance of donations by individuals and members associations equivalent to those applying to registered political parties under sections 54 to 61.
139. *Paragraphs 10 and 11 of Schedule 7* require the disclosure to the Electoral Commission by an individual or members association of the source and amount of any donation or donations amounting to more than £1,000 in the case of an individual or more than £5,000 in the case of a members association. Reports must be sent to the Commission within thirty days of the acceptance of any disclosable donation. Donations received from an impermissible or unidentifiable source must similarly be reported. *Paragraph 12* creates offences in relation to failure to deliver a required report and the delivery of an incomplete report, as well as providing for the forfeiture of a donation where failure to comply with the requirements of Schedule 7 is due to an intention to conceal the existence or the true amount of the donation in question. *Paragraph 13* makes provision, equivalent to that under section 66, for any report as to a disclosable donation to be accompanied by a declaration attesting that the donation has been received from a permissible source. In this case, however, there is no requirement for ‘nil returns’.
140. *Paragraph 14* makes equivalent provision to section 67 to counter evasion by a donor of the disclosure requirements by making multiple donations under the *de minimis* threshold of £200. *Paragraph 15* provides for the inclusion of donations disclosed in accordance with Schedule 7 in a register of disclosable donations.
141. One effect of these provisions is to require that donations made to a holder of an elective office, which are disclosed in a register of members’ interests, will also be subject to the reporting requirements set out in Schedule 7. This will mean some overlapping of registers of members’ interests and the Electoral Commission’s register of disclosable donations. But the controls on donations to MPs and others will not in any way circumscribe the ability of the House of Commons or the devolved legislatures to regulate the interests and conduct of their members.