

## Update on the Political Parties and Elections Bill as amended in Public Bill Committee

This summary paper provides an update on some of the key areas on which the Electoral Commission provided briefing to the Public Bill Committee for its deliberation on the Political Parties and Elections Bill. Full copies of all our more detailed briefing materials can be accessed on our website at:

<http://www.electoralcommission.org.uk/focus-on-items/party-finance-white-paper>

### Investigations

We believe it is important for the Commission to have access to effective supervisory and investigatory powers that help us to carry out our regulatory duties. We also understand the concerns expressed at Second Reading and Committee stages about both our restated supervisory powers (which are in line with our current powers but extend them) and the new investigatory powers which would apply when we have reasonable grounds to believe that an offence or contravention of the law has taken place. However, we believe there is scope to amend the powers to address concerns expressed in Parliament and are in discussions with Government about how this might be achieved.

### Sanctions

The proposed civil sanctions in the Bill will enable the Commission to secure compliance in proportionate ways. As a general point we believe that it is likely to be helpful for the proposed civil sanctions to follow the Regulatory Enforcement and Sanctions (RES) Act precedent. The RES Act provisions are based on the principles of good regulation, and it is desirable that the Commission's civil sanctions regime is designed on similar lines as far as is practicable.

### Forfeiture

The law currently enables the Commission, in certain circumstances, to apply to a court to order forfeiture of donations which should not have been accepted. To bring our existing powers into line with the new set of flexible sanctions introduced by the Bill, we would like to see the stand-alone forfeiture provision in the Political Parties, Elections and Referendums Act (PPERA) repealed and replaced by an amended forfeiture sanction integrated with the civil sanction regime.

### Sources of donations

We argued during Committee that the administrative burden on political parties of this proposal should be reduced. We therefore welcome the Government amendments to the Bill in Committee to raise the thresholds for declarations as to sources of donations to the same levels as the existing reporting thresholds for donations set out in PERA.

## Individual Electoral Registration

We welcome the considerable debate during Committee Stage about Individual Electoral Registration (IER). We have been calling for the introduction of a system of IER with personal identifiers in Great Britain since 2003. We believe that IER will provide for a more secure and accurate electoral registration system and should be legislated for as soon as possible. In order to allow sufficient time for the Government to hold a UK-wide consultation on introducing, and to enable comprehensive planning and preparation for implementation, including the development of effective public awareness activity, we believe that any clause relating to IER should not be commenced before the start of the 2010 annual canvass.

## Regulated period for candidate expenditure

The Commission has argued for a longer regulated period for candidate expenditure for some time. Given the complexity of the subject it is important that any changes to the rules should be framed as clearly as possible to minimise the scope for uncertainty and avoidance. The Commission notes that debate at Second Reading and in the Public Bill Committee highlighted a number of questions about the interpretation of the Bill's provisions and the possible benefits of alternative approaches to a longer regulated period. This reinforces the need for the Bill to be clearer than at present about the effect of the new rules.

The Commission intends to provide an initial draft of guidance on the "triggering" provisions to Parliament in January 2009. We will then consult and finalise the guidance as soon as possible after Parliament has finished its consideration of the Bill. The speed at which we can do this will of course depend on whether there are late changes to the provisions in the Bill, and on the nature of the responses to the consultation.

## Commissioners and staff with recent party political experience

The Commission seeks to work in a way that is informed by a clear and current understanding of political parties.

We believe that we could benefit from being able to employ staff with more recent direct party political experience than the current ten-year bar allows. However, we would like to see some flexibility for the Commission to extend the proposed five-year bar to a small number of posts other than the Chief Executive with the agreement of the Speaker's Committee. This may apply for instance to staff making regulatory decisions or acting on behalf of the Chief Executive.

We remain concerned about the clauses relating to nominated Commissioners. In our evidence to the Committee we raised queries about the appointments process and the implication for the Commission's UK-wide remit for only one Commissioner to be appointed from among those nominated by smaller parties in Westminster.

## Further information

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