From: FOI
To: [redacted]
Subject: FOI 141/18 - Bank Arbuthnot Latham or Flowidea Ltd donations - Response
Date: 26 September 2018 11:18:20
Attachments: LTT Q4 2015 donations and loans - REDACTIONS APPLIED.pdf

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Dear [redacted]

Our Ref: FOI 141/18

Thank you for your email to the Electoral Commission dated **29 August 2018.**

The Commission aims to respond to requests for information promptly and has done so within the statutory timeframe of twenty working days.

Your request is in bold below followed by our response.

I would like to be provided with:

1) Copies of any and all documents or correspondence concerning or referring to the bank Arbuthnot Latham or to the company Flowidea Ltd. Please limit your search for relevant material from 1 January 2016 to present.

Our response is as follows:

We hold the information you have requested.

We have attached the information that we are disclosing to you to this email. Please note that certain information has not been provided as it falls within exemptions in the Freedom of Information Act 2000 (FOIA), as set out below.

Section 21 - information reasonably accessible to the applicant by other means

You can find reference to Arbuthnot Latham and/or Flowidea Limited in:

- Our published database of donations to political parties that are reported to us, which includes the name of the donor. You can find this information on our online search site (available here).
- Published press release and summary documents that provide commentary on the donations reported to us, some of which refer to donations given by Flowidea Limited.

Therefore, as the information you have requested is reasonably accessible to you by other means (by checking our website), it is exempt from disclosure under Section 21 of the FOIA. Section 21 is an absolute exemption which means that we are not required to assess whether or not it would be in the public interest for you to be provided with the information.

In case it helps, we have also given you some information below about the reporting rules for political parties, and what information can be found on our website.

Under the Political Parties, Elections and Referendums Act 2000 (PPERA), political parties registered in the UK must report to The Electoral Commission on a quarterly basis all donations and loans that they have accepted. Parties must report all donations and transactions over £7,500 if received by the central party, or over £1,500 if received by an accounting unit. This includes aggregates of donations and loans received from the same source during a calendar year. Further information is available on our website and in our Overview of donations to political parties.

Information reported to us by political parties in quarterly reports is published on our website to ensure that there is transparency about political party funding. Our search page allows you to view details of these donations.

Information for particular regulated entities (political parties, referendum participants etc.) can be found by searching for the name of the entity in the 'Search' field and pressing the blue search button. You can narrow your search results by using the available filters under 'Select regulated group' and 'Select a type of search' under the 'Search criteria' drop-down menu. You can narrow your search further to include only specific electoral events, such as a UKPGE, by selecting the appropriate search filters under the 'Search filters' drop-down menu. If you have any difficulty, please call us on 0333 103 1928 and we can talk you through the process.

Exemptions under Section 40

You will notice that certain personal details have been redacted from the documents we are releasing. This redaction is necessary because section 40(2) and (3)(a) of the FOIA provides that personal data, where its disclosure would breach one of the data protection principles, is exempt from disclosure.

The first data protection principle states that personal data must be processed fairly and lawfully. The Commission considers that it would be unfair to release the names and personal contact details of junior officials, who were not employed in public facing roles and did not act as spokespersons for their employer, as those individuals would have a reasonable expectation that this personal data would not be disclosed to the general public.

I trust that this information satisfies your request. The Commission strives to be an open, transparent authority, **but in some circumstances we cannot responsibly release requested information, and we ask for your understanding in this regard.**

If you are not satisfied with this response, please note that the Commission operates a review procedure, details of which can be found on the Commission website at: http://www.electoralcommission.org.uk/about-us/freedom-of-information-requests/how-do-I-make-an-foi-request

Please also note that if you have exhausted all internal Commission review procedures and you are still not satisfied you have the right to appeal to the Information Commissioner. Details of this procedure can be found on the ICO website: https://ico.org.uk/

Yours sincerely,

[redacted]

[redacted]
Access to Information Officer (FOI and DPA)

The Electoral Commission
FOI@electoralcommission.org.uk
electoralcommission.org.uk

Q4 2015 donations and loans LTT

Media relations lead: [redacted]
To be signed off by: [redacted]

Background

Quarter 4 2015 covers the period from 1 October to 30 December 2015.

Donations of note:

Unite the Union	£938,297	Labour Party
Unison	£353,498	Labour Party
GMB	£327,460	Labour Party
Union of Shop, Distributive and Allied Workers	£317,475	Labour Party
Mr Alexander A. Fraser	£250,000	Conservative Party
Countywide Developments Ltd	£232,920	Conservative Party
Mr David E. D. Brownlow	£210,000	Conservative Party
National Conservative Draws Society	£154,000	Conservative Party
Sun Mark Ltd	£150,610	Conservative Party
Flowidea Ltd	£150,000	Conservative Party
Mr Dennis Stanley Radmore	£150,000	British National Party

Top Line

As part its routine publication and commitment to ensuring transparency in party finance, the Electoral Commission has today published donations and loans to political parties for quarter four.

Q & A – specific to Quarter 4 2015

Which parties did not report before the deadline?

Donations

- Abolish The Welsh Assembly Party

- Apni Party
- Christian Party "Proclaiming Christ's Lordship"
- Digital Democracy
- Everyone's Party
- For Russia
- Friends Party
- Hucknall First Community Forum
- Immigrants Political Party
- Kitten Independence Party
- New Parliament Party
- Oxfordshire Independent Party
- Radcliffe Independence Party
- RISE - Respect, Independence, Socialism and Environmentalism
- Rochdale First Party
- Rural Oxfordshire Action Rally - ROAR
- Support Stafford Group
- The Diamond Party
- The Globelization Liberation Dream Party
- The Independent Party For East Staffordshire
- The Northern Party
- United Kingdom Democratic and Demographic Party
- We Are The Reality Party
- World Peace Through Song

Loans

- A Better Britain – Unionist Party
- Abolish The Welsh Assembly Party
- Apni Party
- Christian Party "Proclaiming Christ's Lordship"
- Digital Democracy
- Everyone's Party
- For Russia
- Friends Party
- Hucknall First Community Forum
- Immigrants Political Party
- Kitten Independence Party
- New Parliament Party
- Oxfordshire Independent Party
- People Social Freedom Party
- Radcliffe Independence Party

- RISE - Respect, Independence, Socialism and Environmentalism
- Rochdale First Party
- Rural Oxfordshire Action Rally - ROAR
- The Diamond Party
- The Globelization Liberation Dream Party
- The Independent Party For East Staffordshire
- The New Society of Worth
- The Northern Party
- The UK Progressive Democracy Party
- United Kingdom Democratic and Demographic Party
- We Are The Reality Party

1. **What is the Electoral Commission doing about these? Will you be issuing any sanctions?**

   The Commission will decide if we need to take further action in line with our Enforcement policy.

2. **How will I find out the outcome of your decisions?**

   Any sanctions that we impose appear on our website following the conclusion of cases. In accordance with our disclosure policy we also publish information on investigations even if we do not issue sanctions or find that the rules have been broken.

3. **The Women's Equality Party returned donations that were from an impermissible source. What is the Commission going to do about this?**

   Under PPERA, a political party has 30 days to decide if they can accept a donation. If the donation isn't from a permissible source, or the donor cannot be identified, the party must return the donation within the 30 day period.

   In this instance, the Women's Equality Party returned all but one impermissible donation within the 30 day window. We reviewed this and decided that it would not be proportionate to take any action given that the party had taken all reasonable steps to resolve the matter

4. **Could you provide more information about the donations to the BNP in this quarter?**

   The only information we are able to provide is the information available on PEF online. You may wish to contact the party if you have any further questions.

5. **Will the policy development grants be reduced?**

We continue to administer the policy development grant scheme which provides for grants to be paid to eligible political parties to assist in developing policies for inclusion in their manifestos. Following a proposal by the UK Government in the Autumn Spending review to reduce policy development grants by 19%, we consulted eligible political parties on implementing the reduction and made a recommendation to Government, under our statutory responsibility for the scheme. Under the Government's proposal, the total grant available will be reduced from £2 million per annum to £1.62 million. The reduction has to be implemented through secondary legislation and approved by Parliament.

6. **What was the Commission's recommendation about implementing the reduction**
   The Commission wrote to the UK government (in January) setting out our approach to implementing the 19% reduction to PDGs which would result in a total of £380,000 being cut from the grant fund. Under the Commission's recommended approach, a proportionally lower reduction would be made to the part of the policy grant that is paid equally to each party, and a higher reduction made to the variable amount that is linked to the number and scale of elections that a party contests. This means that a larger reduction would be made to the allocations for the larger eligible parties contesting elections across Great Britain, compared to other parties. The Commission consulted political parties prior to making this recommendation.

7. **When is the reduction going to happen?**
   The reduction has to be implemented through secondary legislation and approved by Parliament. The UK Government published an update about the implementation of the reduction in the explanatory notes to an Order that was made on 10 February.

The UK Government said:
At the Spending Review and Autumn Statement, the Government said that, subject to confirmation by Parliament (which would be by means of a resolution of the House of Commons), Short Money allocations would be reduced by 19 per cent, in line with the average savings asked of non-protected Whitehall departments over this Spending Review. The Government intends to reduce Policy Development Grant allocations by the same proportion, ensuring that political parties in receipt of taxpayer-funding contribute to the savings being asked of local and central government.

The Government intends to seek the views of political parties on how the Short Money allocations should be reduced within the set financial allocations. The Government will consider the implementation of the reductions to Policy Development Grant allocations in parallel.

If asked what that means…

The UK Government will decide when to lay the secondary legislation before Parliament that is needed to implement the PDG reduction, and we don't know when that will be. (If asked anything else about this – suggest that they ask Cabinet Office which is the lead UK Govt dept for this policy matter)

8. If asked what the Order laid on 10 February was for

The Order laid on 10 February makes a routine change to the policy development grants scheme. Under the legislation (PPERA s12) parties are eligible to receive a grant if they have 2 MPs that have sworn the relevant oath or affirmation. This Order was required to amend the statutory list of parties eligible to receive a PDG following the UK General Election results in 2015, and ahead of the grant allocations for 2016-17. It adds the Ulster Unionist Party as a newly eligible party with 2 MPs, and removes the UK Independence Party because it has 1 MP and is now ineligible for the grant.

9. If asked about the political parties' grant allocations

We can't comment about the grants for 2016-17 because the allocations have to be calculated according to a formula which will be done closer to the allocation date (and when we have an update about the planned reduction).

An excel spreadsheet of previous grant allocations and other background information is available on our website at http://www.electoralcommission.org.uk/find-information-by-subject/political-parties-campaigning-and-donations/public-funding-for-parties

Q & A – Standard questions

1. Why does this not include donations/loans to candidates?

Candidates standing to be a Member of Parliament (or their agents) must submit their campaign spending returns to their (Acting) Returning Officer within 35 days of the election result being declared. The return should separate donations and spending between the 'long' and 'short' campaigns. If no spending is incurred, a nil return must be submitted by the candidate (or their agent).

2. Who can parties accept a donation from?

Parties can accept a donation from any permissible donor. A permissible donor is:

- An individual registered on a UK electoral register, including those overseas and those leaving bequests
- A UK registered company which is incorporated within the EU and carries on business in the UK
- A UK registered trade union

- A GB registered political party
- A UK registered building society
- A UK registered limited liability partnership that carries on business in the UK
- A UK registered friendly society
- A UK based unincorporated association that carries on business in the UK

3. What are the reporting requirements?

Parties are required to report donations and loans over £7,500 if accepted by the central party and over £1,500 if accepted by an accounting unit.

If a donor makes multiple donations above £500, the donations aggregate and become reportable when they exceed the threshold (£7,500 or £1,500).

Parties do not report all of their donations and loans to us because the value of many will fall below these thresholds. However, annual totals of donations and outstanding loans are recorded in political parties' annual Statement of Accounts.

4. What do you class as a donation?

A donation is money, goods or services to the value of over £500 given to a party as a gift or as a benefit on non-commercial terms.

5. How are the rules on candidate campaign spending monitored?

There are rules on how much candidates can spend on their campaigns and where they receive their funding from. After the election, candidates' agents must account for the costs of campaigning and donations to the campaign in a spending return.

Returning Officers must receive spending returns from all candidates by a certain date, which varies depending on the election. The Returning Officer is then responsible for making the returns available for public inspection.

At major contests, such as UK Parliamentary elections, Returning Officers send copies of the spending returns to us. We can then use these returns to monitor compliance with the rules and publish headline spending and donations data from these returns on our website.

6. What is an accounting unit?

Accounting units are sections of a party whose finances aren't managed directly by the party's headquarters. They are responsible for their own financial affairs separately from those of a political party's central organisation.

7. **What are members associations? Why can they make donations to political parties?**

An organisation is a members association if its membership consists wholly or mainly of members of a registered political party with the Electoral Commission.

They are organisations which are separate from but which may be affiliated to registered parties, for example, they could be organisations that seek to promote a certain policy within the party.

Members associations are bound by the same rules as political parties in terms of who they can accept donations from and what they need to report to the Electoral Commission. They need to report any donations they receive that are £7,500 or above.

In addition, if a donor makes a series of donations between £500 and £7,500 to a members association during a calendar year, the donations would become reportable once they aggregate to above the £7,500 reporting threshold.

N.B Some members associations are unincorporated associations. Others may be companies.

8. **What is the difference between a members association and an unincorporated association?**

Unincorporated associations must notify us when they make political contributions of more than £25,000 in a calendar year.

If an unincorporated association is made up wholly or mainly of members of one registered party, then it is also a members' association.

9. **Does the Commission publish donations to members associations?**

Yes. Details of donations that have been reported to the Commission by members associations are published on the Commission's website.

These are published on a monthly basis as part of the Commission's publication of donations and loans made to regulated donees. The website is updated every third Tuesday of the month.

10. **How can someone check the permissibility of someone who donates via a members association? Doesn't this affect transparency?**

The same rules for checking permissibility apply to political parties and members associations.

It is the duty of the members association to ensure that any donations it receives are permissible.

The same criteria for permissibility also apply to both members associations and political parties. (See Question 11)

If a donation is given on behalf of someone else, the person giving the donation (the agent) must provide details of the original donor. They must be able to provide the following details:
- that the donation is on behalf of someone else; and
- the actual donor's details

It is the responsibility of the party or members association to find out the facts and to make the right checks if they think that someone may be acting as an agent.

An example of someone acting as an agent is where an event organiser is handing over the proceeds from a dinner held specifically to raise funds for a political party.

11. How do you regulate donations made through fundraising events such as fundraising dinners and auctions?

Any profit that a party receives from an event that is organised to raise funds specifically for the party (such as a fundraising dinner or auction) is reportable to the Commission as a donation and all the sources of the donations must be checked for permissibility in line with usual procedures.

The Electoral Commission produces detailed guidance for party treasurers to explain how and when to report donations to the Commission.

12. Where do the rules come from? Who made them?

The rules the Electoral Commission apply are set out in the Political Parties, Elections and Referendums Act (PPERA), which was enacted by the UK Parliament in 2000. The Electoral Administrative Act 2006 (EAA) and the Political Parties and Elections Act 2009 extended these controls.

13. Who in a party is responsible for making sure the party follows the rules?

Parties must appoint someone to be registered with the Electoral Commission as a treasurer. In most instances, it is the treasurer who must make sure the party complies with the law.

14. What is the Electoral Commission's Enforcement Policy?

You can view a full copy
www.electoralcommission.org.uk/__data/assets/pdf_file/0003/106743/Enforcement-Policy-30March11.pdf
We take enforcement action where it is necessary, proportionate and in the public interest to do so. If we establish that an offence had been committed, sanctions are available for us to use to secure future compliance. These include a fixed monetary penalty of £200 or a variable monetary penalty between £250 and £20,000 for more serious offences. However, where possible, we will use advice and guidance in order to secure compliance.

We will consider mitigating and aggravating factors when determining the type and amount of the sanction.

15. Why don't Northern Ireland parties have to report?

Current legislation states that permissible donations and borrowing in Northern Ireland must be reported to the Electoral Commission but must not be published. Transitional arrangements were due to expire at the end of February 2013. These arrangements have now been extended to 30 September 2014.