



**Response to Donations and Loans to Northern
Ireland Political Parties (November 2010)**

The Ulster Unionist Party is acutely aware of the feeling of distrust and scepticism that is currently surrounding our political system. This has come about through no small measure of both the Westminster expenses scandal, but also the regrettable actions of a major political party here in Northern Ireland.

Whilst we have already begun to address this issue through Party initiatives and policy announcements, we also realise that restoring the public's faith in their institutions and elected representatives is going to be a long-term task.

An important factor of restoring confidence in their politicians is addressing the concerns that many people may have regarding the funding of the political parties.

It would be wrong to call the current system ideal, however we must appreciate that Northern Ireland does present some unique and challenging obstacles to absolute transparency.

Nevertheless this is an important issue, and whilst we welcome the debate on the future confidentially arrangements of donations and loans, whatever decision the Secretary of State decides to take we must ensure that it is decided upon only after a purely pragmatic and reasoned approach

The Electoral Commission currently ensures that all donations made to political parties come from only permissible sources and that they are properly declared and recorded. Whilst we appreciate that very little of this information can be attained by members of the public, we must take into consideration the considerable consequences if all contributions were to be fully disclosed.

Summary

Northern Ireland has made significant progress since the signing of the Belfast Agreement in 1998. However it is important to remember that whilst the overwhelming majority of citizens across the Province reject the use of violence and intimidation, there still are small elements of society that pose a significant risk. Therefore, in the interests in both the safety and business concerns of individual donors, the UUP feel it would be unwise decision to publish any information on donations that could be used to identify and locate individuals.

In this document we have stipulated our clear favour protecting the confidence and safety of all political donors, however we acknowledge that members of the public have a right to know how political parties are funded. In light of this we would be content for the Electoral Commission to make minor, but all the same significant, changes to the information it releases. As long as the confidentiality of donors can be guaranteed, we could support such disclosures.

We also strongly object to any suggestion of releasing information of donations that were made under the current confidentiality arrangements.

Factors to be taken into consideration

There are a number of important factors that we feel the Secretary of State must take into consideration when drawing together his proposals for future arrangements regarding the disclosure of political donations. Factors that the Ulster Unionist Party believe must be given serious consideration include;

The current security situation;

The Ulster Unionist Party is deeply concerned about the ongoing security threat posed by terrorist groups across Northern Ireland. The threat posed by dissident republicans is very real and unfortunately they have already proven their intent and ability to murder and maim indiscriminately. There have been almost 40 attacks from dissident republicans in this year alone.

Last month the Home Secretary, Theresa May, said the threat level to Britain from Irish-related terrorism had been raised from moderate to substantial. The head of security service MI5, Jonathan Evans, has also previously warned that dissident republicans could strike Great Britain.

Threat posed to potential donors

Northern Ireland is still a highly politicised region within the United Kingdom. It is worth noting the words of the 22nd report of the Independent Monitoring Commission which was published earlier this year. In it the Commission stated;

“In parallel with the high pace of visible dissident activity there has been an increased level and range of covert terrorist activity, for example to target potential victims and gather other intelligence” (Pg 6)

Therefore it is evident that there is still a considerable risk to individuals posed by terrorists in Northern Ireland. If all political party donations and loans were to be made public, the information could be of use to terrorists. The safety of donors to all political parties must be ensured by whatever measures the Secretary of State decides upon.

Prospects of businesses being disadvantaged

It may be the case that many of the individuals who make significant contributions to political parties in Northern Ireland are coming from business backgrounds. The additional divisions between Unionist and Nationalist political parties in Northern Ireland are also a further factor that warrants special provision. Making a contribution to a particular political party, which could rightly be seen as an expression of support, may well have a significant impact on their customer base.

Transparency in political party funding

We do believe that having complete and open transparency would undoubtedly improve the public's faith in their political representatives and parties, however we must appreciate that in the current political and security situations do not present such a luxury.

Whilst the consultation paper refers to research carried out by the Electoral Commission that apparently demonstrates ‘there was clear support for more openness and transparency’ it should be noted that many of the individuals in the focus groups raised concerns about the safety and wellbeing of donors if their contributions were to be made public.

Future confidentiality arrangements

We are fully aware that the current provisions in regards to the details of donors to political parties will cease of 1 March 2011. Therefore it is a matter of urgency that a resolved position is decided upon

Option 1 – Allow the prescribed period to expire and make the full register of donations available to the public.

The Ulster Unionist Party strongly believes that allowing the prescribed period to expire would have a detrimental impact on the political system in Northern Ireland. As earlier stated, neither the security situation nor the confidence of donors is sufficient at the present time to merit such a change in the handling of donations in Northern Ireland.

Whilst we welcome the Government’s continued support for normalising politics in Northern Ireland, the point must strongly be made that this can only be done on a step by step basis. We do wish to see the day when all significant political donations in Northern Ireland are documented and released to the public.

Option 2 – Extend prescribed period, retaining current arrangements

The Ulster Unionist Party believes it to be essential for the Secretary of State to extend the prescribed period. Failure to do so would have a number of serious consequences. The safety of donors to political parties must be paramount at all times.

Option 3 – Extend prescribed period but with modifications

If the Secretary of State is unwilling to extend the prescribed conditions in its current form, we would be minded to support minor modifications to the current confidentiality arrangements.

However any such modifications would need to be carefully considered and reflective of ongoing conditions in Northern Ireland. We would suggest that a possible change to the current conditions may be the Electoral Commission facts such as the number of loans a party receives and in what manner. For example we could support a move that would include information in the following format

- Business person, 1st November 2010, £5,000.

However that is the maximum information of which the UUP would feel comfortable about being disclosed in the public domain. It is in our opinion that any changes would need to continue to ensure the absolute confidentiality of political donors.

We would also be broadly supportive of a provision in any amended arrangements that would allow political parties to waive the need for confidentiality in respect of donations that they felt there to be little risk of intimidation.

Releasing details of loans and donations made when the prescribed period has ended

The Ulster Unionist Party would strongly oppose any such move to release details of loans and donations that were made during the prescribed period. It is reasonable to assume that many of the donations made during the period to political parties were done so on the basis that their information would be kept strictly confidential. Indeed it is questionable whether those donors would have made such contributions if they had known their details would later go on to be released.