

Public Perspectives:
The future of party funding in the UK

Final report

Research Study Conducted for The Electoral
Commission/COI

COI Ref: J275976

August - October 2006

Contents

Executive Summary	1
Introduction	11
Research on attitudes to party funding	11
Background	12
Objectives	13
Background noise	17
Cynicism about politics	17
Distrust of large institutions	18
Common misconceptions about the political system	19
Three typologies	20
Initial thoughts on political parties	22
Top-of-mind impressions of political parties	22
The function and role of political parties	24
Initial thoughts on party funding	27
Reactions to presentation on the current system	27
Recent party funding allegations	28
Macro trends: The impact on party funding	29
Early thoughts on party funding reform	35
Public vs. private funding	39
Public funding	39
Private funding	48
The balance of public and private funding	53
Guiding principles	57
Transparency	57
Accountability	58
Limits and controls on parties' spending	58
Fairness	60
Reconnecting with public	61
Public opinion on political party funding in Northern Ireland	63
Summary	63

"Background noise"	64
Strong support for transparency	65
Moving forward with the party funding debate	75
Summary	75
Introduction	77
Reconvening participants: the process	79
Caps and controls	89
General and targeted funding subsidies	95
Voter-led incentive schemes	100

Appendices

Executive Summary

Key objective of the research

The intention of this piece of research is to provide an in-depth understanding of public attitudes to party political funding to inform current policy debates in this area.

Methodology

Deliberative day-long workshops with 25-30 participants were held in York, London, Edinburgh, and Cardiff in August and September 2006, with a further workshop taking place in Belfast in October. These workshops with the general public comprised male and female participants, a spread of ages from 18 – 75 and were broadly representative of the social grade mix of each area.

1. An Electoral Commission representative introduced each workshop, informing participants about the research aims, about Sir Hayden Phillips' Review of the Funding of Political Parties (hereafter, The Review), and the work of the Electoral Commission. Participants were given a presentation designed to equip them with a common base knowledge of the current party funding system in the UK and to stimulate initial discussion.
2. In break-out groups split by age (young, middle-aged and older), participants gave their initial reactions to the presentation, and debated a series of political and societal trends that have an impact on party funding. Early thoughts on party funding reform were gathered and discussed.
3. Participants were divided into different breakout groups for the afternoon session on the basis of political knowledge (lower, middle and higher). Simplified models of party funding were presented to participants to **debate the relative merits and disadvantages** of public and private funding of political parties. Each participant then drew their own preferred model of the balance between public and private funding, and defended their choice to others in the group. Groups generated a series of **rules and principles for party funding**, which were then fed back to the full workshop and debated in a final plenary session.

A final reconvened workshop was then held, bringing together a range of participants from the previous workshops with the aim of debating key issues in greater depth. Due to timing considerations and the different context of party funding in Northern Ireland, participants from the Great Britain (GB) workshops only were reconvened.

Findings from the Belfast workshop were broadly in line with those from the workshops elsewhere in the UK, whereas the reconvened workshop allowed participants to debate the issues further and hence come to some more concrete recommendations for policies and practices. Findings from the reconvened and Belfast workshops have been included as stand-alone chapters in this report, given that the reconvened workshop was designed with a different purpose and structure from the earlier workshops, and that the political situation and context of party funding are different in Northern Ireland and GB. The remainder of this summary and the first five chapters of this report therefore refer to findings from the four GB workshops only.

Evolution of opinion on party funding

Participants started the day with generally **very low levels of knowledge** of how political parties are funded in the UK. This reflects the low level of knowledge and understanding of the party funding system among the general public – even among those who are relatively informed about politics and engaged in the democratic process.

For the vast majority of participants, the deliberative process they underwent took them from a situation of knowing little about party funding and having no opinion on the issue at the beginning of the day, to a situation where they were able to express a view on the subject. All were able to outline the criteria for funding political parties that they would like to see implemented by the end of the day. **Rather than the deliberative process impacting on participants' existing views, the principal outcome of the deliberation was that it enabled participants to formulate a view on party funding.**

Misconceptions about party funding and the political process were rife and recurred throughout the workshops. These were 'sticky' perceptions which were difficult to shift; even once moderators had presented information to the contrary, the misconceptions continued to colour the arguments that participants made.

Common misconceptions

- Confusion between political parties and the government, which led to confusion between public funding of parties and taxes collected by the government to fund public spending.
- The perception that politicians 'siphon off' a significant amount of public money to fund their own salaries and benefits, that could otherwise be used to finance public services. Examples of the types of benefits cited are expensive cars, smart houses and travel in helicopters.
- The belief that parties spend their money almost solely on election campaigns, and a lack of awareness about parties' day-to-day running costs.

- The perception that the main donors to British political parties are large corporations, rather than individual donors.

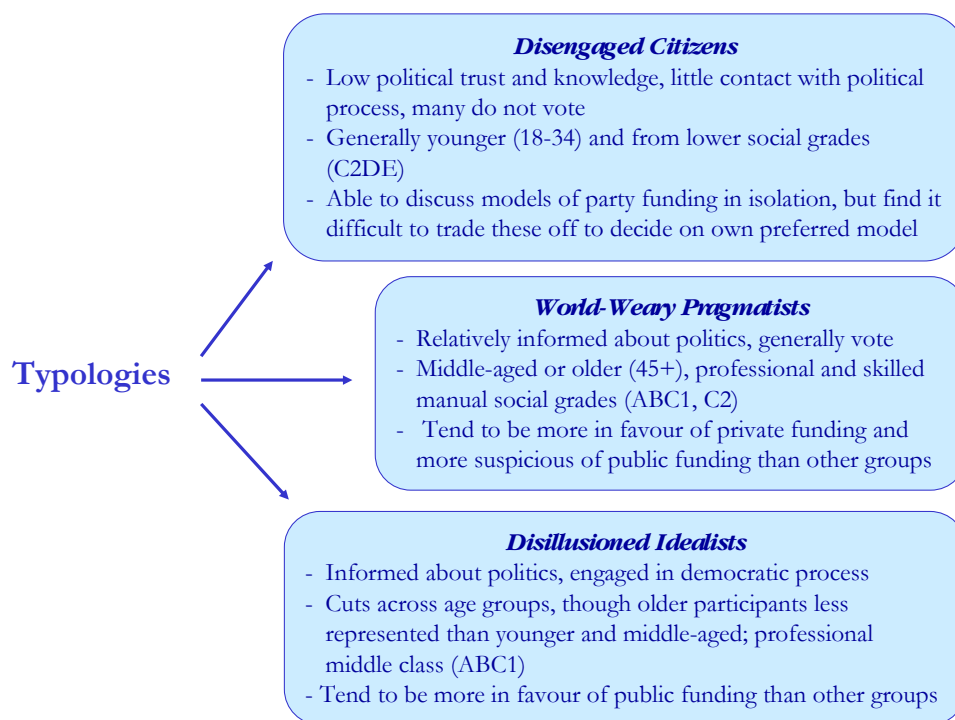
Participants' attitudes: key shaping factors

Cynicism about politics and politicians was widespread among participants. This manifested itself in numerous ways in the course of the workshops; for instance, when asked to say what their ideal political party would look like, participants overwhelmingly tended to focus on what a party should not do and express their disillusionment with parties, government and politicians. There was strong distrust of politicians' and parties' motives, with the sentiment repeatedly expressed that politicians enter politics for personal gain.

Politicians and parties were perceived to be wasting money and failing to honour manifesto commitments once they came to power. Linked with this general cynicism, there was **a strong sense that politicians and parties had become disconnected from the electorate**, and a call for a return to pre-mass communications methods of engaging the electorate – such as candidates knocking on doors in constituencies to inform voters about their party and its policies.

An accompanying theme was participants' **distrust of large institutions**; scepticism was expressed about the values and motives of political parties, but also of the government, the media and big business. **Attitudes to business were ambivalent**; on the one hand, participants were cynical about big business and perceived attempts to buy influence by donating to political parties, but on the other, the view was also expressed that parties would be able to operate more effectively if they behaved more like businesses, in terms of being customer focused and creating loyalty by being responsive to the electorate's needs.

Three broad groupings of participants were identified on the basis of their general attitudes to politics and similar responses to the deliberative stimuli. Distinct characteristics could be identified for each of the three groups – such as their differing levels of engagement with the political process – which are summarised in the diagram below.



It should be emphasised that these are loose groupings – not all participants fitted cleanly into one of the groupings, and not every issue discussed could be broken down by the three groups’ responses. Nonetheless, participants’ attitudes seemed to be shaped by these background factors on many of the key issues under debate. The typologies consequently acted as useful tools for analysis.

Attitudes should not be taken at face value

While participants were highly able to articulate the perceived shortcomings of the current political system and party funding system, they were typically less able to express workable solutions to these. Solutions advocating a return to how participants perceived politics to have been in the past were mooted by many, stemming from dissatisfaction with the current situation and perceived lack of connection between politicians and public. For example, although participants were generally keen for politicians and parties to revert to pre-mass communications methods of engaging the electorate – such as candidates knocking on doors – when pressed on this, they also tended to admit that in practice they would not necessarily engage with parties if such methods were more widely used. New ways of parties engaging with the electorate in a post-mass communications era are not yet widely in evidence, and few participants could identify alternative solutions to the perceived malaise of political communication that did not involve a return to ‘traditional’ methods of parties engaging with the public.

Public ‘needs’ from any future funding system

Participants’ responses to the deliberative process suggest that the public has a number of ‘needs’ from political parties, which participants did not feel parties

were providing them with at present – and which reforms to the party funding system would potentially be able to address. Taken together, these public needs represent a desire for democratic renewal in response to the perceived shortcomings of politics at present.

A linking thread uniting all the needs articulated by participants was the desire for **increased democratic engagement and greater closeness between parties and the public**. Democratic engagement is one of the stated objectives of The Review (see box below) and it was the central issue underpinning the principles for party funding formulated by participants.

Objectives of The Review of the Funding of Political Parties

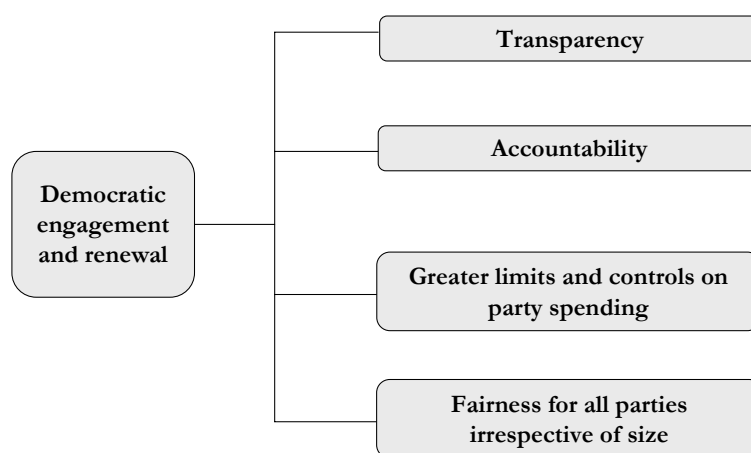
- To improve public confidence in party funding
- Parties should compete on the basis of policies and competence, not money
- To contribute to greater democratic engagement
- To be as fair as possible to all political parties and candidates

Encouraging greater engagement between parties and voters acted as a yardstick by which participants evaluated the relative advantages and disadvantages of different party funding measures. The rules and solutions they came up with consequently tended to be underpinned by a perceived need for democratic renewal. No consensus was arrived at in terms of the mechanisms through which this could best be achieved, with some participants arguing that increased public funding would give the public a greater stake in parties, while others asserted that a system of capped private donations would force parties to be more responsive to the public since they would rely on receiving smaller donations from a larger number of individuals.

There was a very high degree of consensus between participants on a number of **guiding principles** that they felt any reformed party funding system should take into account. These are shown in the diagram below.

It is worth noting that **all these guiding principles were bound together closely** through the key principle already discussed - the widely expressed need for parties to become closer to the public. Participants sought to increase public confidence in political parties through heightened transparency and accountability. They were keen for parties to engage with the electorate to a greater extent, by imposing controls on party expenditure, which they hoped would encourage politicians to engage with people at a local level. Furthermore, many focused on fairness as a principle that would enable a greater choice of political parties for voters and the public will to have more influence over parties.

Guiding principles



There was a universal sense among participants – in all locations, and across all groups – that **transparency** was a key principle that should be fundamental to any system of party funding. It was felt to be essential that parties’ income and spending should be open to public scrutiny. Participants did not wish to scrutinise party financing and spend themselves, but were keen to know that ‘someone was doing it’. They were widely of the opinion that an independent body should take responsibility for overseeing party finance, with some more informed participants suggesting that the Electoral Commission or the Audit Commission should carry out this role.

Accountability was also felt to be a salient principle that should underpin the party funding system. The perception was widespread that parties should be compelled to behave more like corporations, in that they should have to account precisely for all their income and expenditure, fully justify any increases in spending and take responsibility for any over-spend. Participants felt that an independent regulator was best placed to be endowed with the power to investigate parties’ affairs and to keep checks on parties to ensure that they had not contravened funding rules.

The idea of **limits and controls on party spending** was another guiding principle that the workshop participants generally felt to be of high importance. There was a widespread sentiment that parties’ expenditure should not be permitted to continue rising without check year-on-year – and that parties should focus on activities to engage voters and inform them about their policies, rather than spending excessively on campaigning at national level. Limits on party spending were broadly supported, both through a cap on the total amount parties would be able to raise from private donations and through a cap on party spending. Controls on election spending were a popular measure, with many participants – in particular the *Disillusioned Idealists* – advocating a redirection of campaign spending to increase funding for ‘traditional’ campaign techniques bringing parties into direct contact with voters at the local level.

Fairness in party funding was a key concern for *Disillusioned Idealists*, and to a lesser extent for *Disengaged Citizens*. Many perceived that politics was currently dominated by the ‘big three’ parties and called for a greater degree of equity in the party funding system. Suggestions for change brought up by several participants included reforms to reduce the entry barriers to small parties seeking to contest elections, and a fair distribution of any public resources so that all parties would be able to communicate their messages to the public.

Recommendations for reform of the funding system

While no clear consensus among participants on party funding reform emerged from the deliberative workshops, we have seen that there was a strong consensus on the principles that should underlie a party funding system that could engage parties effectively with the public in future.

Participants debated specific models and measures for party funding reform. Unsurprisingly given the diverse range of participants and the complexity of the issues under discussion, there was considerable disagreement between participants as to their preferred funding models. However, several measures enjoyed popular support among participants, which related to their ‘good fit’ with the guiding principles already identified and their capacity to address the overarching public need for democratic renewal.

Widely popular measures

- Party financing and spend to be open to public scrutiny
- System of party financing and spend to be overseen by independent body
- Caps on donations from individuals and corporations
- Caps and controls on party spending
- Any increase in public funding should be allocated to parties for specific purposes

Measures to ensure the transparency of party funding and spending were widely supported. Particularly popular were the **openness of the system to public scrutiny**, and the principle that **party financing should be overseen and regulated by an independent body**. In addition, accountability was also called for, through measures such as **parties having to account for all their income and expenditure** and **penalties for parties who did not comply with funding and transparency regulations**. This reflects the finding that participants generally had low levels of awareness of the regulatory system that is already in place – such as the fact that contravening party funding regulations is currently a criminal offence. The reconvened workshop offered the scope to explore specific measures to ensure transparency and accountability in greater detail.

Capping donations at a level that would limit the influence of wealthy donors over political parties and ensure that small, individual donors became more important to parties was a measure that enjoyed support. Participants felt that additional safeguards to eradicate the buying of influence, such as the names of all donors being open to public scrutiny, were important measures to implement in tandem with a cap on donations.

Participants were also keen to **cap party spending**. The majority were not aware of existing spending caps, but many of those who did have some level of awareness were keen to see stricter and more prescriptive capping introduced. It was widely held that caps on spending would encourage parties to campaign at local level to a greater extent than at present, as well as compelling parties to focus on communicating their policies to the electorate. Suspicion regarding modern campaign techniques ran deep, with the perception being widespread that party spending on expensive national advertising campaigns and media teams was excessive.

While participants were by no means all in favour of an increase in public funding of political parties, there was widespread support for the idea that **parties should only be permitted to use public funding for certain targeted purposes**, if the amount of public funding to political parties were to be

increased. Activities for which participants suggested such funding could be provided included attempting to increase turnout, campaigning at the local level, engaging young people in politics and participating in televised debates.

In sum, we hope this piece of research will act as a meaningful and important insight into public opinion on party funding for the Electoral Commission, allowing the Commission to frame its contribution to The Review effectively, and to illustrate how any reforms it supports are able to address public needs and concerns regarding democratic engagement.

©Ipsos MORI/J28356

Checked & Approved:

.....
Annabelle Phillips

Checked & Approved

.....
Sarah Castell

Checked & Approved

.....
Emily Gray

Checked & Approved:

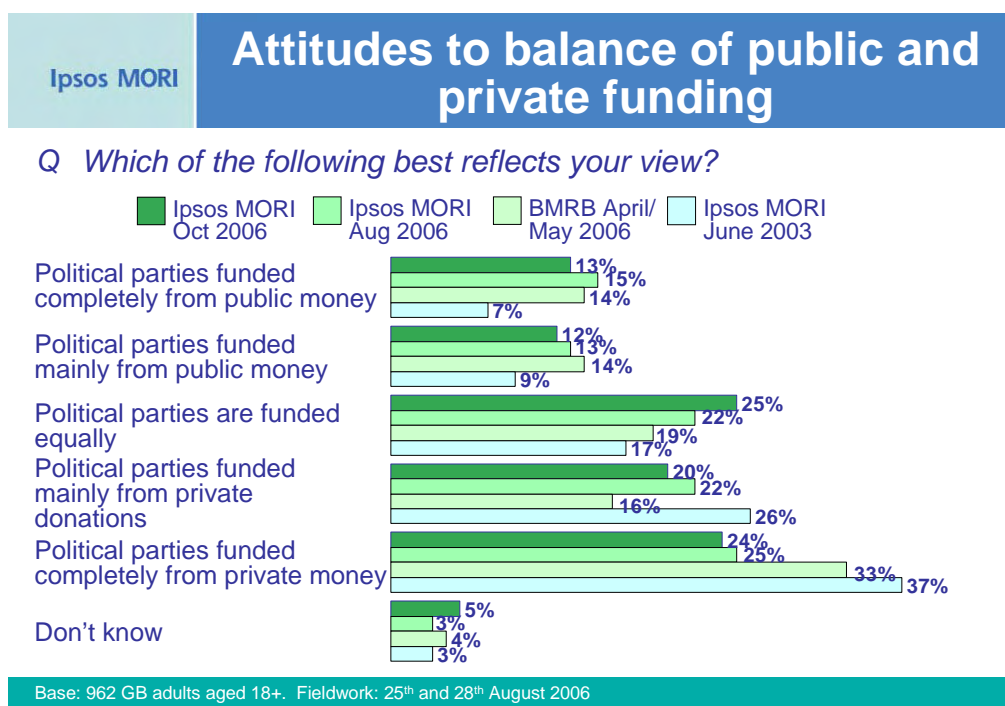
.....
Naomi Pollard

Introduction

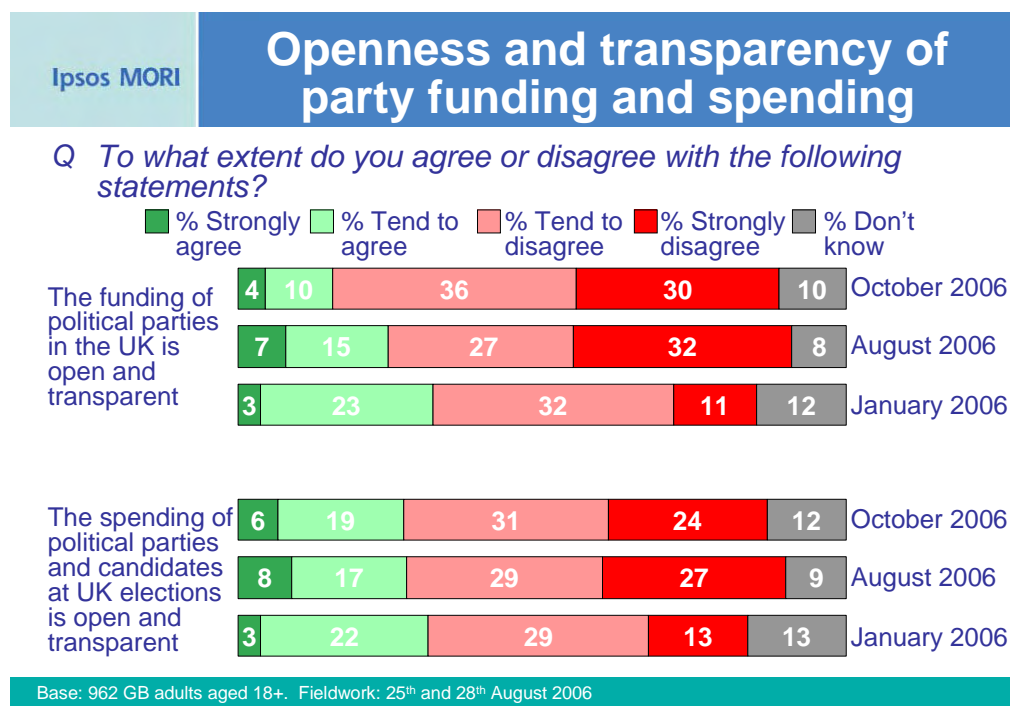
Research on attitudes to party funding

In 2003 and 2004 the Electoral Commission undertook both quantitative and qualitative research examining public awareness of the current system of party funding and attitudes towards potential reform of the system. The qualitative research found that public knowledge and awareness of the issues central to the party funding debate was very low. Participants had difficulty assessing party funding models in the abstract, so their support for an idea often depended entirely on how it would be implemented in practice.

Quantitative research carried out by MORI in June 2003 found that more than a third (37%) wanted political parties to be funded solely by private donations, and more than a quarter (26%) mainly by private donations. Just 16% were in favour of a system funded mainly or solely by public money. The impact of renewed allegations about irregularities in party funding at the end of 2005 and beginning of 2006 were reflected in a steep increase in the support for public funding and a decline in support for private funding when the research was repeated in April, August and October 2006.



Ipsos MORI also tracked changes in public perceptions of transparency and openness of party funding and spending in the UK between January and October 2006. Publicity about alleged wrong-doing by political parties in the media had clearly had an effect, with a 23 point increase in nine months in the proportion actively disagreeing that funding of political parties is open and transparent and a 13 point increase in the number disagreeing that party spending is open and transparent.



Background

While quantitative research has been able to provide headline findings of the public's top-of-mind attitudes to party funding, public awareness and understanding of the issues central to the party funding debate is low, and public attitudes are often contradictory.

The Electoral Commission therefore undertook a programme of deliberative workshops in order to uncover the underlying factors shaping public opinion on party funding, and to explore informed and considered attitudes to the central issues of this debate. This research coincides with The Review of the Funding of Political Parties.

In March 2006, the Prime Minister asked Sir Hayden Phillips to review the funding of political parties, in light of recent controversies about the way in which the main political parties have raised funds. Sir Hayden has set the following objectives for The Review, which explain the principles upon which his recommendations will be made:

To improve public confidence in party funding

For parties to compete on the basis of policies and competencies, not money

To contribute to greater democratic engagement

To be as fair as possible to all political parties and candidates

Objectives

The intention of undertaking this piece of research is to provide an in-depth understanding of public attitudes to party political funding to inform current policy debates in this area.

The overall project objective is reflected in the goals of each workshop session, which in turn form the broad basis for the structure of this report:

Background noise: Explores the context in which participants approached the party funding debate by understanding their underlying attitudes to politics and political parties.

Initial thoughts on party funding: Examines a baseline measure of participants' uniformed attitudes to the party funding debate.

Public vs. private funding: Assesses participants' debates about pros and cons of different funding approaches and considered trade-offs between different principles and views, having been informed about the broad contemporary context of party funding and the possible alternative models.

Guiding principles: An analysis of participants' policy priorities and recommended future scenarios for a party funding system.

Methodology

The research adopted a wholly qualitative methodology of deliberative workshops. Using this approach allowed the research to demonstrate the outcomes of sustained public deliberation on the issue of political party funding in an analytically sound way. The workshops were designed to encourage informed debate by requiring participants to think through and debate information, consider the trade-offs between different principles and views (for example, between the principle that people should have the right to make donations to parties and the view that this is unfair as it encourages the buying of influence), discuss specific measures that might be included in a reformed party funding system and formulate a set of guiding principles that could feed into the Electoral Commission's contribution to The Review.

Thirty participants were recruited in-home for each of the five workshops to ensure a minimum attendance of 25 on the day. Quotas were set to ensure a good mix of age, sex, social grade, political knowledge and political interest was achieved. Limits were set on the number of political party or trade union activists who could be recruited (a maximum of three), and the number of participants to be recruited from rural areas outside the main city (a minimum of three in all workshops except for the London event).

Five locations for the workshops were selected in order to achieve a spread across the four nations of the UK: London, York, Edinburgh, Cardiff and

Belfast. The workshops in England, Wales and Scotland took place on Saturdays between 19 August and 9 September 2006. The workshop in Northern Ireland took place on 21 October 2006.

Qualitative researchers from the Ipsos MORI Social Research Institute led the workshops and moderated all the group discussions. Local moderators from our Scotland and Belfast offices led the workshops in Edinburgh and Belfast, in collaboration with our London team. Executives from the project team took notes during the breakout groups, and all discussions were also digitally recorded. The workshops and group discussions were guided by stimulus materials and a discussion guide for the day developed in close association with the Electoral Commission and COI (please see appendix).

An Electoral Commission representative introduced each workshop, informing participants about the research aims, about The Review and the work of the Electoral Commission. Participants were given a presentation designed to equip them with a common base knowledge of the current party funding system in the UK and to stimulate initial discussion.

In break-out groups split by age (young, middle-aged and older), participants gave their initial reactions to the presentation, and debated a series of political and societal trends that have an impact on party funding. Early thoughts on party funding reform were gathered and discussed.

Participants were divided into different breakout groups for the afternoon session on the basis of political knowledge (lower, middle and higher). Simplified models of party funding were presented to participants to **debate the relative merits and disadvantages** of public and private funding of political parties. Each participant then drew their own preferred model of the balance between public and private funding, and defended their choice to others in the group. Groups generated a series of **rules and principles for party funding**, which were then fed back to the full workshop and debated in a final plenary session.

A final reconvened workshop was held on 28 October which brought together a range of participants from the previous workshops in York, London, Edinburgh and Cardiff together with the aim of debating the key issues in greater depth.

Further details of the methodology are provided in the appendix, along with a matrix that summarises the group composition.

Interpreting qualitative research

Qualitative research involves an interactive process between the people carrying out the research and those being researched. It provides a way of probing the underlying attitudes of participants, and obtaining an understanding of the issues of importance. The real value of qualitative research is that it allows insights into the attitudes, and the reasons for these attitudes, which could not be probed in as much depth with a structured questionnaire.

When interpreting findings from qualitative research, it should be remembered that results are not based on quantitative statistical evidence but on a small sample of a cross-section of people from four locations in Great Britain. To aid the anonymity of our respondents when quoted, each verbatim comment is identified by a person's gender, age and occupational status. In this report, we record *perceptions*, not facts; participants may hold views that are based on incorrect information. These perceptions are reported here. The findings outlined in this report do not reflect the views of the Electoral Commission.

Quotes from individuals have been chosen to illustrate the range of viewpoints on each key theme in the research. While single quotes from individuals have been selected throughout, this does not mean that discussion and debate within the group discussions did not occur; indeed, in the majority of the groups the discussion was very animated. Issues which generated more lively debate are highlighted in the main body of the report; in general, when opposing viewpoints are put across for any particular point, this should be taken as indicating that the issue was a subject of disagreement and discussion within at least some of the groups. A more detailed account of how the workshop group discussions were analysed and interpreted is provided in the 'Methodology' section in the appendices.

Background noise

This chapter sets the context for the discussion of party funding at the first four workshops in London, York, Edinburgh and Cardiff. At all the workshops around the country, discussions about party funding took place against a ‘background noise’ of entrenched preconceptions brought to the table by participants. While these perceptions were often based on misconceptions, they did constitute a number of recurring themes and sentiments that appeared to shape many participants’ view of the political system, and to some extent, society as a whole. These very much coloured the nature of the debate – and are set out below.

Cynicism about politics

Countless quantitative and qualitative research projects have found that cynicism about politics, politicians and the political system runs deep among the general public. Indeed research recently carried out by Ipsos MORI on behalf of the Committee on Standards in Public Life provides quantitative evidence of current levels of cynicism about and distrust of the political establishment; less than a third (29%) of British adults trust MPs to tell the truth, and less than a quarter (23%) trust government ministers to tell the truth¹.

Participants in all four locations, of all ages, and of all social grades tended to express cynicism throughout the day. It was most strongly expressed during the first breakout session, when groups were asked to give their underlying thoughts about politics and political parties. However, there were many participants who continually returned to this theme, even once they had thoroughly discussed the role of political parties in the democratic system.

Cynicism was expressed in a variety of ways. There is a strong distrust of politicians and parties’ motives, with a commonly expressed sentiment that parties and politicians enter politics for personal gain. Participants believe that politicians break promises and fail to honour manifesto commitments. They think politicians and parties waste money and are dishonest about the way they spend it. These assumptions formed the backdrop to the debate and hence coloured many participants’ approach to the day’s discussions.

I don’t trust any of them. I just trust some less than others

Male, middle age group, Edinburgh

If the government were assessed on how well they meet their manifesto they’d be out

Male, older age group Cardiff

¹ Ipsos MORI public opinion research for the Committee on Standards in Public Life, September 2006.

Participants' cynicism about politics reflects the distance they perceive between themselves and politicians. Political parties are not perceived as a bridge between national politics and civil society. For the majority, political parties are not viewed as mass organisations, accessible to all via grassroots membership, and in dialogue with supporters and the electorate, but as distant, professional and centralised party machines.

Your opinions don't matter to the parties. Once your little cross is in the box that's all they care about

Female, younger age group, Cardiff

It never really occurred to me to join a party

Female, younger age group, Cardiff

This attitude is most strongly expressed in participants' sentiments towards election campaign techniques. Many view the centralised mass communication of modern campaigns as symbolic of the distance between them and political parties, and the lack of concern that parties have for their own local issues and personal interests.

It's all leaflets, and they're getting fancier and fancier and more expensive, and they do absolutely sod all ... I prefer to have a human being that rings the doorbell

Male, older age group, Edinburgh

Many participants' remedy for the disengagement they feel from political parties is a return to pre-mass communication campaigning techniques, such as door-to-door canvassing and public meetings (although, when probed, many admitted they would not be willing to commit the time to engage with candidates in this way).

Distrust of large institutions

The attitude of our participants towards any large institution was also somewhat ambiguous. As outlined above, they distrust political parties, but they also expressed scepticism about the values and motives of other large institutions such as the government, the media and big business. Participants tended to approach the topics discussed through a 'them and us' prism, viewing large national and international institutions and corporations as beyond their control, and on the whole in opposition to their interests. This sentiment manifested itself in a feeling of disengagement in relation to domestic politics and powerlessness in the face of multinational corporate dominance.

I think there is a sense of fatigue in the public...that people are feeling that things are going on at such a high level ... We want to have an influence but there's a sense of, you can't seem to stop it

Female, middle age group, London

It's the funders that set the agenda, it's the men in suits that make the policies. As individuals in society we don't have the power to move politicians

Female, older age group, Cardiff

We'd like to, as the electorate, we'd like to think that we pay for the licence fees and so on and they should be unbiased and neutral and so on but the reality is it's not, it's influenced by people

Male, middle age group, London

Common misconceptions about the political system

To a greater or lesser extent, largely depending on participants' background knowledge of politics, this underlying cynicism and distrust was based on a variety of misconceptions about political parties and the political system. A number of these were particularly pertinent to the discussions at the workshops.

Many of the least informed participants conflated political parties with the government. Consequently, they found the concept of public funding of political parties difficult to grasp, because they confused this with tax payers' money collected by the government to fund public spending. To complicate this issue further, a few participants failed to understand that taxation funds public spending, and a larger number believed that a significant proportion of public money is siphoned off by politicians to pay for their own salaries and benefits.

They could justify being 27million in debt but they can't get the people like the steel workers their pension and all that

Male, middle age group, Cardiff

Instead of running the country...they all have a house in town and a house in the country...and two Jags

Male, young, London

Even more informed participants had deeply held perceptions that parties primarily spend their money on election campaigns, and that election expenditure primarily funds national advertising campaigns and high-profile politicians touring the country on battle buses and helicopters. Participants had little awareness of parties' day-to-day running costs.

You're funding helicopters, you're funding helicopters and flights and things like this, for politicians to move around the country to do their elections.

Male, higher stream, York

Some participants' impressions of the British political system are very much influenced by exposure to American political culture. The most striking example

of this was the almost universally-held perception that the main benefactors of British political parties are large corporations, rather than individuals. Some participants found it very hard to adjust their viewpoints and accept this is not the case, once the breakdown of political funding had been explained to them, and reverted to this analysis throughout the day. As discussed below, this assessment was influenced by many participants' lack of comprehension about individuals' motivation to donate money to political parties.

Three typologies

Attitudes to the political system, political parties in general or how they should be funded did not neatly break down by demographic factors such as location, age, social grade, ethnicity or gender. However, it is possible to identify broad patterns in the attitudes of certain groups of participants, and from this we have constructed three loose typologies to assist in the analysis of the first four workshops' findings. It should be emphasised that these typologies are analytical constructions; not all participants fitted neatly into one of these groupings, and participants' attitudes to every issue discussed did not split into these three categories. However, the majority of participants could be loosely placed into one of these groups; and when individuals considered the questions we were discussing, members of the same group tended to share a set of assumptions, which conditioned their ideas.

Disengaged Citizens



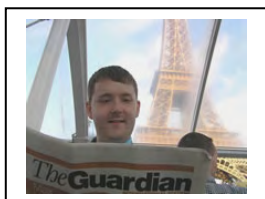
This group is generally younger (18-34 year olds), and from the lower social grades (C2DEs). They are extremely distrustful of politicians, have very little contact with the political process, and many say they do not vote. Their knowledge of the political system is extremely limited, and many struggle to fully understand terms such as 'government', 'parties' and 'public and private funding'. Their misconceptions are deeply entrenched, and they often revert to these even after seemingly accepting information that challenges them. While able to discuss the merits and disadvantages of individual models of party funding in isolation, many find it difficult to trade these off to make a decision about their preferred funding model.

World-Weary Pragmatists

Members of this group are on the whole middle-aged or older (45+), and encompass the professional and skilled manual classes (ABC1s and C2s). They are more informed about politics than Disengaged Citizens and generally vote. They are however deeply cynical about politics, and feel that politicians and the political system are inherently flawed and therefore that reforms are unlikely to achieve their desired goal. They are conservative and tend to be broadly on the right of the political spectrum. While they do not agree on a model of party funding, they have a tendency to be more in favour of private funding and more suspicious of public funding than other participants.



Disillusioned Idealists



This typology cuts across age groups, although the eldest participants (60+) are less represented than their younger and middle aged counterparts. Members of the group are very largely professional middle class (ABC1). They are the most informed about politics, and the most engaged in the democratic process; elder members of the group tend to vote and some are or have been at one time party or trade union members; younger members of the group are more likely to vote than their counterparts in the Disengaged Citizens group, but many do not, and very few, if any are members of parties or pressure groups. Instead of actively participating in conventional politics, many younger members are politically active through their membership of campaign and pressure groups. They are also distrustful of politicians and cynical about conventional politics, but many of them believe the problems of the existing system could be overcome by systemic reform. Members of this group have a tendency to be on the left of the political spectrum and while not in consensus about a desirable model of party funding, they are most in favour of public funding.



Initial thoughts on political parties

On arrival at the workshops, participants were given a presentation designed to provide a common base level of knowledge among those participating in the discussion groups². The presentation offered some basic definitions of what a political party is, and why parties need funds.

Top-of-mind impressions of political parties

When asked to give their spontaneous thoughts about political parties, participants' top-of-mind responses were nearly universally negative. The default cynicism about politics discussed above was apparent among practically all participants, but the extent of the cynicism and the ways in which it was expressed varied.

The *Disengaged Citizens* tended to characterise politicians, and by default political parties, as nothing more than liars and opportunists, and in politics for the money. Even when prompted to think about the functions of parties in a democratic society, this group found it difficult to move beyond these deeply entrenched assessments.

Although some more informed and engaged participants gave some similar top-of-mind responses to their disengaged counterparts, many gave negative assessments of political parties and the political system that went beyond the character failings of individual politicians. Frustration about infighting within parties and bickering between parties, rather than a focus on policy discussion and implementation was commonly expressed.

*Parties should act like a team rather than infighting.
Otherwise parties are undermined – especially their policies
because the focus is shifted to issues within the party*

Female, younger group, Cardiff

In line with the lack of trust in the political elite that ran as an undercurrent to all the workshop discussions, the most commonly cited complaint was that parties and politicians do not listen to the electorate, and break promises made at elections. The 'them and us' sentiment explored earlier in this chapter was very much in evidence during this discussion, with a strong feeling among the majority of participants that they are powerless to influence political parties. The recurrent view emerged that there is very little difference between the policies of the mainstream political parties, and therefore which particular party is in power makes little or no difference to the way the government is run. Many *Disillusioned Idealists* do not completely 'blame' parties for this. Rather, they acknowledge that modern politics concerns itself less with big ideological debates than it may have done in the immediate post-war era; which means there is no longer the scope for an ethically or morally based political debate on the largest ideological issues.

² All workshop materials are appended

Inevitably, then, politics becomes more tactical and, for the *Disillusioned Idealists*, less interesting.

Out of all the political parties I've come across there's only one or two that have really different views from each other, everything else seems to be the same, worded different or slightly different to try and get ahead of the other party but I don't think they really make much difference to be quite honest who's in power

Male, younger group, York

It's like Comet and Curry's they used to be different companies now they're all owned by the same people. So that's how politics has become, Labour and Conservative how different are they?

Female, middle age group, Cardiff

Many who feel that the main parties do not offer sufficiently different policy programmes also cited as an issue their lack of exposure to the policies of smaller parties. Indeed, many of the *Disengaged Citizens* were not aware of the existence of more than a handful of political parties before the initial presentation. Among the *Disillusioned Idealists* and those on the fringes of the *Disengaged Citizens*, a commonly cited theme was that opening the electoral and political system up to more parties could provide solutions to many of the problems they currently identify. There was a perception that a greater number of parties would create more policies for the electorate to choose between. There was also a feeling that small parties are more likely to campaign face-to-face and engage more directly with voters at a local level.

Every party, however mad or whatever, has a right to be heard and for everyone then to make up their mind on the evidence, policies of everyone and that's only fair.

Female, middle age group, Cardiff

A number of the most informed participants, who largely fell into the *Disillusioned Idealists* group, identified the First Past the Post (FPTP) electoral system as a barrier to the exposure and success of small parties, and some saw the system as partially responsible for the common perception that individual votes do not make a difference. Others identify the electoral system as responsible for the lack of cross-party cooperation. They suggested that two-party politics facilitates a blame game played by the two major parties and gives the impression that politics is polarised and confrontational. One or two participants asserted that the existence of two broad-church parties means that the parties must try to appeal to the maximum number of voters, which may in fact increase many voters' sense of disillusionment with politics. For instance, policies may become too middle-of-the-road to answer specific concerns. Politicians may become less accountable, as the party machine is able to protect them, and opposition becomes limited to the views of the other party, rather than involving a wide range of different voices on any given subject.

Labour only got something like 25% of the whole nation voting for it last time and yet it's got a massive mandate to basically do what it wants basically and I think there's something really wrong with that and I think that's totally linked to this whole idea of smaller parties having more influence because there just isn't, basically from one election to the next you don't hear anything about them and you can't because they haven't got any seats in parliament

Male, younger group, York

I think, one of the problems of the party system as it is at the moment is that once you've elected a government, the party, the political party is making the decisions for you until the next election, and I think it would be better if we had more parties actually voting in government, and they were actually supposed to work with each other on a day-to-day basis instead of just one party gets in and the rest all shout abuse ... until the next time

Male, older age group, Edinburgh

Some more informed participants spontaneously asserted that disillusionment with political parties may to some extent be due to media reporting of politics, and once this had been raised, a wider group agreed with this sentiment. Discussions often came to the conclusion that the news media focus on personalities and bad news rather than policy detail.

If you only believed the media, you would think they never did anything good. They must do some good things.

Female, younger age group, York

Among some *Disillusioned Idealists*, there was a level of frustration about others' apathy and cynicism.

Don't you find we're blaming the government too much? I mean if this building fell down we'd blame Tony Blair.

Male, older age group, Cardiff

If people don't vote then they shouldn't complain, they shouldn't make comment because they've not said, I want these or these. They have no right to comment.

Female, middle age group, Cardiff

The function and role of political parties

When prompted about the function of parties in a democratic society, the more informed and engaged participants automatically cited the representation and governance functions of parties; that parties are needed in order to form policies on a full range of issues (in contrast to pressure groups), to make informed decisions and to form governments. The *Disengaged Citizens* struggled to conceptualise parties in the abstract, and found it difficult to distinguish between

parties, government and pressure groups. However, most were able to grasp the basic importance, if not precise role, of parties, through prompts about how a democratic society would be without political parties.

We need them to guide us, to govern the country

Male, older age group, London

Well it's a democratic country, you need someone to represent your views

Female, older age group, Cardiff

We pay these people to look at all sides and come up with the best policy

Female, younger age group, Cardiff

Even the most knowledgeable participants rarely cited the functions of parties that relate most to interacting with the electorate; competing in elections, disseminating information, and allowing people to get involved in public life. The absence of these functions from the forefront of participants' minds again reflects their underlying 'them and us' perceptions of political parties. A measure of the distance many participants feel from parties is that functions such as the education and motivation of the electorate and communicating with the electorate were generally only mentioned when discussing the ideal political party, rather than being cited as functions that parties *currently* strive to fulfil.

Communications should be focussed more locally

Male, younger age group, Cardiff

They need to look at the reasons why people don't vote

Female, younger age group, Cardiff

Disseminate information and genuinely try to educate people. They've given up on actually educating us

Male, older age group, Edinburgh

Indeed when asked to name the attributes of an ideal party, the majority of participants cited the qualities that had earlier been identified as problems with current political parties and the political system. Groups of all ages in all four locations came up with very similar lists:

Honesty, being trust-worthy and keeping promises

Accountability for actions

Transparency in behaviour.

Listening to the electorate and responding to their concerns.

Several groups picked up on the idea of reconnecting with the electorate through drives to recruit more members and a greater local focus.

Initial thoughts on party funding

This chapter explores participants' baseline, unformed attitudes towards the central issues of the party funding debate.

Reactions to presentation on the current system

The introductory presentation guided participants' through an aggregate breakdown of the big three parties' funding sources, before going on to explore definitions of public and private funding and an overview of the current balance of public and private finance. Participants were also made aware of the spending caps and transparency measures introduced by the 2000 Political Parties, Elections and Referendums Act, before being shown a selection of media headlines illustrating the most recent controversies about party funding and indicating cross-party support for funding reform.

Participants were asked what, if anything surprised them about the details of the current system of party funding. There was an acknowledgment among most that they knew little or nothing about the exact details of the current system of party funding before the presentation, and it was therefore all new to them.

I've really had my eyes opened because I didn't know anything about where all the money came from or where it went, so it was quite surprising to know that money comes from these places

Female, middle age group, Cardiff

Just makes you think how complicated it is

Male, middle age group, Edinburgh

On the whole, those with less political knowledge were surprised by the amount the three main parties raise and spend, and how much they overspend by. In contrast, some of those who are able to put the sums in the context of public expenditure as a whole were surprised that the amounts raised and spent by parties are not higher.

It did surprise me how they can't justify they're 27 million in the red. How can they justify that for an election?

Male, middle age group, Cardiff

Why do political parties have to spend so much?

Male, younger age group, London

Participants with some baseline knowledge were interested in or surprised by various other facts they had learned from the presentation, but the limited nature of this baseline knowledge meant there was no consistent pattern to this, or one thing that people were shocked about.

I didn't know they could have an office in the UK and they could be an outside company. But that did surprise me that it could be an American company what funds our Government

Male, middle age group, Cardiff

How little comes from membership. I was quite surprised how small the amount is

Male, middle age group, London

Recent party funding allegations

Knowledge of recent events calling into question the current system of party funding varied enormously according to level of interest in politics, although almost all had heard something about recent events. Participants falling into the *Disengaged Citizens* group had generally heard some details in passing about loans and peerages, had not given them much thought, but were the most outraged by the allegations. More informed participants tended to have existing assessments of the current controversies, and had often been spurred into considering the party funding debate more broadly by the recent allegations.

About people donating money to become Lords of the country is that?

Male, younger age group, Cardiff

I agree morally it's completely wrong

Male, younger age group, York

There's quite a lot of things in the papers where they're saying big business people will give say 50million to a party to have an ownership

Male, middle age group, Cardiff

I think with all this that's been brought out, all this about the loans, I think it has made people stop and think more

Male, younger age group, York

Those who could be loosely characterised as *Disillusioned Idealists* were not overly critical of any single party and instead blamed systemic failures that require reform.

Is that a problem with the parties or of the system that they're sitting in?

Male, younger age group, London

If you allow space in the system for people to abuse it they will. Parties and individuals will always use the system

Female, younger age group, Cardiff

Technically they haven't actually done anything wrong because they weren't required to declare the loans.

Male, younger age group, York

Some *World-Weary Pragmatists* cited the recent allegations as evidence that politics never changes, with several making comparisons with the cash for honours scandal that embroiled Lloyd George in the early 1920s. Some asserted that measures to make funding transparent have simply exposed what has always gone on to public scrutiny.

It's actually come into the public eye by them actually governing things now where before it wasn't actually in the public eye ...

Male, middle age group, Cardiff

Macro trends: The impact on party funding

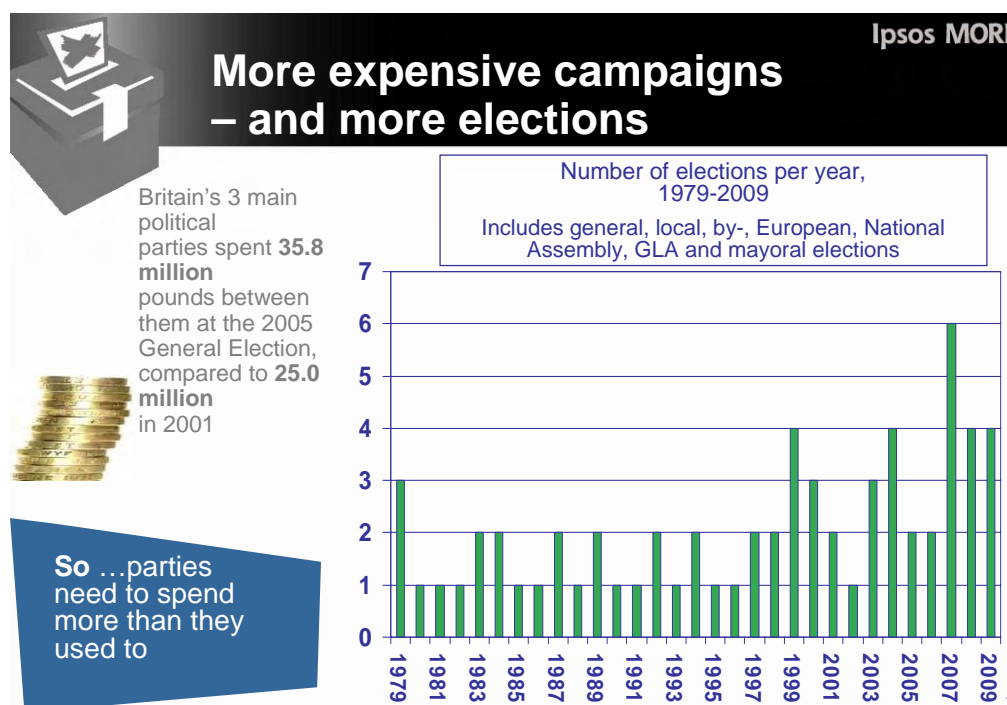
Each break-out group was guided through a series of political and societal 'macro trends' that have altered the context of party funding in recent years; an increase in the number of elections and cost of campaigns; a decline in trust in politicians; declining trade union and party membership; an increase in single issue campaigning; the multiplication of media outlets and rise of the 24-hour media and increased links between private business and political parties in the context of greater involvement of multinational corporations with national governments, for example through sharing knowledge and expertise as well as donating finances..

Participants' reactions to these macro trends (as outlined above) broadly divided into two strands of opinion.

One group, on the whole made up of *Disillusioned Idealists* accepted that structural trends have affected the way parties fund themselves and increased the cost of election campaigning.

The other group, largely comprising *World-Weary Pragmatists* and *Disengaged Citizens*, tended to argue that the trends are not inevitable and have largely been created by the political parties themselves. This second point of view is significant, as it conditions the decisions participants later make about where money should come from, and how perceived extravagances should be curbed.

Increased campaigning and election costs



The majority of groups required some detailed explanations as to why the number of elections has increased in recent years, but most understood this pattern after some discussion. Responses to rising election costs were mixed. Some *Disillusioned Idealists*, who fell into the first group, argued that modern election campaigning is inevitably expensive. However, reflecting the widely-held misconception that campaign costs are mainly spent on advertising and national campaigning, the second group asserted that increased costs are largely due to parties' complicity in the 'Americanisation' of British election campaigns. This group dislike 'Americanised campaigns' greater emphasis on personalities, national policy messages, advertising and mailshots, and feel that a return to 'traditional', pre-mass communications campaigning would save the parties money, and bring election campaigns closer to the electorate.

I'd like to know how much of the £50 million whatever it is, is spent on the election campaign like in media saturation from the big three political parties because it always seems that during the run-up to the election it's like a big PR exercise.

Male, younger age group, York

This country is getting more and more like America with the razzamatazz

Male, middle age group, Cardiff

While on the whole accepting that the cost of election campaigning has increased in recent years, some *Disillusioned Idealists* argued the electorate should not accept that costs will simply continue to escalate year-on-year, and that modern campaigning techniques, such as internet advertising and email mailshots could

be used to lower costs over time. Many in this group also argued that increased election spending must be seen to be effective, particularly in terms of increasing turnout and motivating young people to become politically engaged.

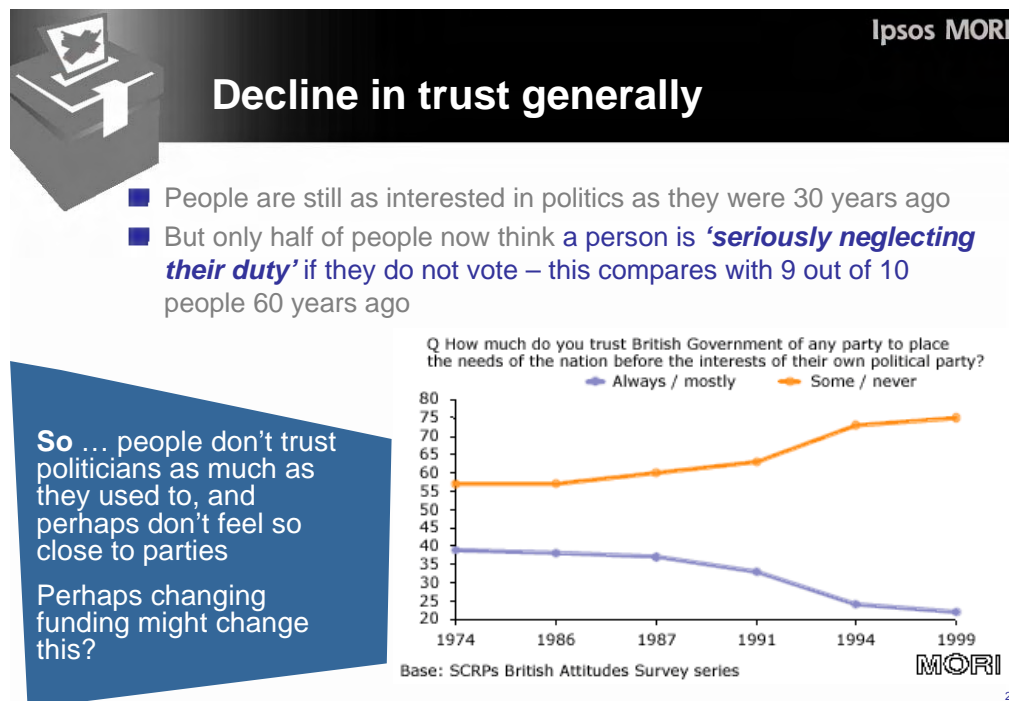
*They're spending more money but votes are still going down
– they need to start addressing the issues*

Female, younger age group, Cardiff

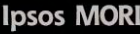
*Internet, etc, advertising should become cheaper. We
shouldn't just accept that parties need to spend more and
more money*

Male, younger age group, York

Declining levels of trust and party membership






When these trends were raised by moderators, most participants immediately identified with the concept of declining levels of trust in politicians, and although most were not aware of declining levels of party and trade union membership, they were not at all surprised by it given their underlying assessments of public disengagement with political parties. Many *World-Weary Pragmatists* and *Disengaged Citizens* asserted that the decline in trust in politicians, which they view as the primary cause of declining party membership, is largely due to the failure of governments to honour their election pledges. Allied to this view was the feeling that citizens have turned to pressure groups because they are turned off by the style of contemporary politics.



Declining party/union membership

- Membership of the main political parties has been in decline since the 1960s – the membership of the three main political parties is now less than one quarter of their membership in 1964
- In 1964, 44% of people said they felt very strong support for a political party. Only 15% felt this in 1997
- According to the BBC and other sources, membership of trade unions has been declining since the 1970s

So ...parties have fewer members than they used to – so they don't get as much money in membership subscriptions as they did before.



I think the trouble is people don't believe where people have had elections where they've promised things and it's not happened that people, and people don't think that, none of that matters anymore

Female, middle age group, Cardiff

In pressure groups people don't focus on leaders, people are losing their trust in 'political personalities' – people are interested in the issues

Female, older age group, London

Ipsos MORI

32

The rise of single issues politics



While most *Disillusioned Idealists* were familiar with this trend, the concept of pressure groups was confusing to many less informed participants who struggled to understand the potential impact of this trend. Some among the *Disillusioned Idealists* asserted that rather than the parties themselves being solely responsible for the declines in levels of trust and party membership, and the rise of single issue politics, broader structural factors are also at play.

We see more of what's going on behind the scenes rather than 30 years ago when everyone just trusted it what was going on

Male, younger group, Cardiff

By the nature of political parties they have to deal with a lot of boring stuff. Pressure groups talk about emotive issues that everyone will have an opinion on... it's easy for them to demonstrate success in their particular area

Male, younger age group, Cardiff

The advent of 24 hour media and more involvement for business



Ipsos MORI

Private companies more involved in government

- More large international companies (e.g. international banks like HSBC or companies like Wal-Mart) which cut across national boundaries
- These companies often work to affect the way governments agree trade deals and other legislation
- Many private companies now make very large contributions (either finance or knowledge) to political parties

So ... political parties and private companies are more closely involved than they used to be. Do parties rely on business links?




3



Ipsos MORI

Bigger, better, faster news media

Websites and blogs – we can all comment on news as it happens

24-hour TV...



A new blog is created every second



Citizen journalism

So ...
An inquisitive culture – nothing can be hidden. Parties have to spend money on communicating through the media...

6

While most participants immediately understood these trends, reflecting the underlying distrust of business and the media, even among *Disillusioned Idealists* there is a feeling that the rise of a 24-hour media and greater interconnectedness between government and multinational business are not factors that should inevitably affect party funding and spending.

The impact on funding depends how the parties embrace the media. They can be constructive or just to bitch about the other parties

Female, younger age group, Cardiff

They don't need to spend more time communicating, just communicate on the right things!

Male, middle age group, Edinburgh

The combined impact of the macro trends

Perhaps because many participants did not accept the inevitability of all the macro trends discussed, appreciation of the combined impact of these structural shifts was limited. However, most participants were able to identify some potential trends in party funding, which could result from the changes to the electoral and political environments discussed.

It means that parties need more money but are getting less

Male, younger age group, York

They're going to go looking elsewhere, which is the companies and which are basically out of this country, British countries

Male, middle age group, Cardiff

Allows one person to make up the difference (in funding) which gives them lots of power

Male, younger age group, Cardiff

Early thoughts on party funding reform

During the morning session, participants were asked for their initial thoughts on party funding reform. The depth of scepticism about political parties' motives, and lack of detailed understanding of the mechanics of democracy were illustrated by the fact that after a morning discussing the roles and functions of political parties, significant numbers of participants remained unable to bridge the gap between process and outcome; why parties need money to function and why political parties are central to democracy. This strand of opinion was most evident among the *Disengaged Citizens*, however, even among some of the most informed participants, there was not an automatic connection between functioning political parties and functioning democracy.

Personally I think they have enough money, in the general pot of money that is raised by taxes

Female, younger age group, London

Given many participants doubt the inevitability of many of the macro trends affecting party funding, unsurprisingly, there was a significant body of opinion (particularly among the *World-Weary Pragmatists*) that any solution should involve

parties spending less. Some participants felt parties should be forced to spend less through the implementation of spending caps, particularly in relation to certain areas, such as advertising. There was also strong support for the idea that limiting spending would give smaller parties a fairer chance of success.

It's creating a capitalist dictatorship almost. If you've got money you can get power

Female, middle age group, Cardiff

It'll be like ...talking about football, it's getting ridiculous you go out and buy a player now you could be paying 30million unless they cap it eventually the big clubs are going to go bigger and the small clubs are going to

Male, middle age group, Cardiff

Except for the most informed, who had pre-conceived opinions about the best system of party funding, participants tended not to express any strong views about their preference for public or private funding at this stage in the day. However, they shared their initial thoughts about both systems, and some participants questioned to what extent reform was necessary, as illustrated by the comments below.

My question is why are these donors donating so much money to the parties and what are they getting out of it? ... Are they influencing these parties and what is their motive? That's the first thing that comes to my mind

Female, middle age group, London

Now, are we saying that people with lots of money should not be allowed to give lots of money because they support particular ideas?

Male, middle age group, London

We have a system already running, so do we patch it up or completely review it?

Male, middle age group, Edinburgh

Some *Disillusioned Idealists* had begun to consider the broader impact that party finance reform could have on the electoral and political systems. They suggested that changes to the party funding system could be used as a vehicle for the reversal of some of the negative macro trends discussed, particularly the public disengagement with politics and declining levels of trusts in politicians and political parties.

The parties should actively go out there and involve people like us in making decisions

Male, younger age group, Cardiff

Changing the funding will make the politicians more, have more integrity, be more transparent, and I think that will, that will give the message to the public that politicians are accountable, and it may get people voting again

Male, middle age group, London

A strong theme already being strongly expressed at this stage in the workshops by a variety of participants was that information on how parties are funded, and what they spend their money on, would be central to any reformed system of party funding. Both accountability and transparency were at the top of the public agenda.

Information is important – we need to know the rules, that we are getting “value for money”

Male, middle age group, Edinburgh

Public vs. private funding

This chapter explores participants' assessments of the advantages and disadvantages of different funding approaches and examines their informed trade-offs between their different priorities for party funding reform.

During the afternoon session breakout groups (some of which had been rearranged into groups to reflect participants' knowledge and understanding of the issues discussed in the morning³), worked through the relative merits and disadvantages of public and private funding. Participants were presented with simplified models of party funding, with the term 'private funding' used as an umbrella for individual and corporate donations, funding from membership and trade union contributions. The discussion principally centred on models of 100% public and 100% private funding as at this stage, it was important to gain an insight into participants' assessments of the essential merits and detractors of each funding method, rather than getting embroiled in a debate about the exact balance of public and private funding. It was also decided that getting participants to debate these extreme scenarios would help them to consider the implications of each type of funding and in turn help them to later engage in more considered dialogue about how the future of political funding might be handled.

Participants' responses to the models of 100% public and 100% private funding are explored below. They are principally explored in order of strength of feeling, so that the most strongly expressed perceived strengths and weaknesses of each model are outlined first, followed by more marginal potential concerns and advantages. While some participants were not moved from their initial gut reactions to each funding model, the majority progressed through a variety of stances on how parties should be funded as they weighed up the oppositional advantages of each model.

The central dichotomy in participants' trade off processes consisted of the benefit of reducing corruption by banning private donations, versus the costs of this in terms of the expense to the tax payer and the infringement on civil liberties of banning donations to political parties. The secondary debates about the potential strengths and weaknesses of each system were primarily based around the extent to which each model would be able to fulfil participants' other goals of reform, such as the greater equity between parties and facilitating greater democratic engagement.

Public funding

Participants viewed the primary strength of public funding as eliminating, or at least limiting the buying of influence over political parties. However, participants had to play this potentially positive outcome off against the potential ideological

³ Details of the way in which breakout groups were divided are appended.

and practical detractions of public funding being financed by tax payers' money and the restriction of donors' personal freedom to donate money to political parties of their choice. In addition to this central debate, participants explored the practicalities, advantages and disadvantages of the other potential elements and effects of a system of public funding; the multiplication of the number of political parties; the strengthening of small and sometimes controversial parties; and increased engagement between parties and the public that would fund them.

An end to buying influence?

When asked to consider the key strengths of a system of 100% public funding, the near-universal first response was that it removes, or at least limits, the possibility of influence being bought. Some believed public funding could completely eliminate any kind of corruption, but *World-Weary Pragmatists* insisted that while it may reduce the buying of influence, it would not eradicate it. Some in this group thought the system may bring its own problems of corruption by virtue of the level of regulation it would require.

It would address immediate problems of sleaze as it removes extraneous funding from the process

Male, middle stream, Edinburgh

Big business could still invite MPs to dinner. Where do you draw the line?

Female, higher stream, York

Many participants' initial enthusiasm for public funding could be viewed as something of a knee-jerk reaction to their entrenched distrust of big business, and the widely-held perception that business is currently the primary benefactor of British political parties.

That stems, my view stems more from the fact that anything that reduces the influence of big multinational companies on biggish issues and public issues here is going to be a good thing

Male, middle age group, London

The principle of using tax payers' money

Many participants' immediate response to the suggestion of public funding of political parties was that they would not be happy about their money being spent to finance parties, particularly if this involved tax increases. However, some participants did not express any objections to the use of tax payers' money. These primarily fell into the *Disillusioned Idealists* group, who were able to contextualise the amount of money spent by political parties in terms of the large sums that make up public spending as a whole.

£45 million is peanuts

Male, older group, York

A small group of participants, who mainly fell into the *World-Weary Pragmatist* profile, were opposed to funding political parties through taxation on ideological grounds, and did not shift from their opposition in principle to public funding during the day. Members of this group were mainly on the right of the political spectrum and were instinctively suspicious of increasing the burden of taxation and of state intervention in democratic matters (often making unfavourable comparisons to authoritarian systems).

*HORROR – totalitarian way of running things ... Within
10 years of fully funded parties, you'd be living in a
totalitarian state*

Male, middle age group, Edinburgh

I think they've got it [public funding] in North Korea

Male, higher stream, York

They also were suspicious of politicians and often felt that increasing public funding would be a slippery slope, whereby parties would demand increased funds year-on-year, and would spend more frivolously because it was not their own. Others felt that parties being able to raise and manage their own funds is a necessary pre-condition to managing the nation's finances once in government.

*I am totally against this model ... I'm afraid they will
always want more money*

Female, higher stream, York

*It does focus people's minds when you're taking it out of
your own pocket ... Look at people with expense accounts.
They will spend more money travelling. They will stay in a
better hotel. They will have a better meal than they would
do if they were paying for it out of their own pocket*

Female, middle stream, York

*If they want to run this country and we're going to give
them not £54 million or whatever, we're giving them
billions, yeah? So therefore, if they can't manage their own
back yard, then they shouldn't get out in the front garden*

Male, higher stream, York

However, opposition to the use of tax payers' money to fund political parties was one of the areas that saw participants' opinions change most significantly during the day. Another group of participants, primarily consisting of *Disengaged Citizens*, but also including some *World-Weary Pragmatists*, were initially opposed to the use of public money to support political parties. This viewpoint generally appeared to be shaped by the perception that greater public funding would involve specific tax rises, in contrast to many *Disillusioned Idealists* who assumed that the money would be allocated from the existing public purse, rather than the introduction of a hypothecated tax. These participants generally feel that politicians already receive too much money and that they would only waste public money allocated to them (they often confused politicians' private incomes and expenditure with

the money raised and spent by the Exchequer). Some were also worried about money being diverted from key public services to fund political parties.

I'd say it would be more of a tax burden

Male, middle age group, London

However, this group was also deeply suspicious of big business and during the day many decided to play off their opposition to more tax payers' money going to political parties with their desire to prevent the buying of political influence, particularly by large corporations. There was a commonly-expressed feeling that the public at large would support public funding of parties if the argument for it was made to them in these terms.

As long as it's communicated people are OK that they're getting a less corrupt system

Male, middle stream, Cardiff

Case study: Shifting attitudes to funding parties with tax payers' money

James is a 22 year-old student and attended the York workshop. He falls into the *Disengaged Citizen* typology, and is very distrustful of politicians and political parties. He feels that government, and by proxy political parties, only waste money raised through tax, and that parties already spend too much on election campaigns that do not appeal to young people like him. James' gut reaction was that tax payers' money should not help to fund parties.

However, James is also very sceptical about the motives of large corporations, and believes that parties are primarily funded by big business, looking to buy influence over parties' policies, and receive honours as a result of their donations. Once James started to consider potential benefits of 'cleaning up' politics through the use of public money, his opinion shifted in favour of a greater proportion of party funding coming from public money. His support for public funding was consolidated when the group discussed how public funding of parties could be conditional on parties fulfilling certain functions, such as engaging young people and encouraging voters to turnout.

Reconnecting with the public

Participants, especially *Disillusioned Idealists*, feel that 'cleaning up' politics by introducing public funding would have the effect of increasing public trust in politics. Some also believe that party funding could encourage greater political engagement in a number of ways. For example, there was some suggestion that public funding would give the electorate a direct stake in political parties, and therefore encourage the public to become more involved with them.

You'd feel like you had more ownership in it. It would be more accountable

Male, older age group, Cardiff

Well, perhaps people would become involved more ... in the old days of the unions, if you had to contribute to the unions, more people went to the union meeting

Male, higher stream, York

Another commonly cited theme was that a system of public funding would allow the public to control both how much parties spent and how they spent the money. In this way, the cost of running a party and election campaigns, perceived by many participants to have spiralled out of control, could be capped at the public's discretion. Reflecting their default distrust of politicians, some *Disengaged Citizens* suggested that public funds would have to be spent in the public rather than the parties' interests. Some *Disillusioned Idealists* explored this sentiment in a more complex way, asserting that their concerns about the amount spent on specific activities, such as advertising, could only be addressed by allocating public money to be spent on specified activities. Reflecting their worries about certain aspects of contemporary election campaigns and the disengagement of parts of the electorate, some *Disillusioned Idealists* suggested parties' funding could be contingent on undertaking certain programmes or actions, such as attempting to increase turnout, campaigning on local issues, engaging young people with politics and participating in televised debates.

The benefit of public funding is that you've got a set amount of money coming in overall. So therefore it's going to limit how much the parties can spend

Male, middle stream, York

You could say that it has to be proportionally spent, the vast amount of it had to be spent on policy development or something that is of benefit to the public, rather than on Mediterranean holidays or that sort of thing

Male, lower stream, Edinburgh

So we decided that that's our condition for public funding. Leadership debates, properly run, properly led, on television

Male, Edinburgh Plenary

Small parties

Many participants feel public funding could be used to distribute resources between parties in a more equal way than the current system. As discussed above, some participants, particularly *Disengaged Citizens*, view a proliferation of small parties as some kind of panacea to what they identify as the weaknesses of the current system. Some in this group assumed public funding would provide all parties, regardless of their size, with equal resources.

Everyone would get a fair crack of the whip

Male, lower stream, York

Disillusioned Idealists proposing the use of public funding to help smaller parties also generally accepted that parties should be awarded funding in proportion to

their size. Some said public funding should be used in order to help small parties get a foot on the ladder, while others argued that funding should be allocated per constituency contested, so that within each constituency contest all parties, regardless of their size nationally, would compete with the same resources. In Scotland and Wales, several participants felt this principal should be applied to elections in the nations.

Plaid Cymru and Labour would have the same budget in Wales

Male, middle stream, Cardiff

While *Disillusioned Idealists* are also keen to see smaller parties given a chance to fairly compete with the established parties by receiving public funding, they acknowledged there would need to be a system of qualification criteria to prevent political parties being created in order to fraudulently claim funds.

You could set up your own parties willy nilly

Male, middle stream, Edinburgh

I'm not suggesting that any Tom, Dick or Harry gets money, they make a phone call and the money gets sent through

Male, higher stream, York

Some more knowledgeable *Disillusioned Idealists* argued that even with significant levels of public funding, the FPTP system could prevent small parties from making significant progress in national politics. Some felt some of the effects of FPTP could be mitigated by allocating public funding according to number of votes won or number of party members rather than number of seats, but others felt that public funding could only open up the political system to smaller parties in partnership with a system of proportional representation.

Under public funding, the smaller parties would never get anywhere under the current system. Public funding parties would have to come hand in hand with PR

Female, higher stream, York

A few participants cautioned that if private funding was totally banned, small parties would have difficulty starting in the first place because they could not meet the qualification criteria, if they consisted of achieving a certain number of seats or votes or having a certain number of members. Others felt this was not a fundamental flaw of public funding and suggested that it could be avoided by having a start-up fund for small parties or having a threshold at which restrictions about private donations applied.

And they may find that their party doesn't get any funding whatsoever because it has been deemed by some commission or other not to fall within their criteria ... They won't be able to get money from private individuals or if they do it will be seen to be unfair and so that this has become a very stagnant inflexible system

Female, middle age group, London

Other participants, primarily *World-Wearied Pragmatists*, questioned the logic that helping small parties to break into the political system is necessarily a positive step. Some referred to examples of electoral systems that have been paralysed by the presence of too many parties. Others asserted that a central tenet of democracy is that parties emerge and survive because they represent a sufficient number of citizens' interests, and therefore have popular support, and that artificially boosting small parties' electoral resources would contravene this democratic principle.

You'd end up having the same political scene that you have in Italy, ... I think it's about 40 or 50 elections that Italy have had since the Second World War

Male, higher stream, York

But isn't that forgetting why we have political parties? Political parties represent points of view, represent sometimes quite strong points of view, and sometimes represent quite narrow fields of interest. Why should there be a level playing field between them ...?

Female, middle age group, London

If a party cannot sustain itself through membership, then it is doing something fundamentally wrong

Male, middle age group, Edinburgh

Some feel that this question is particularly pertinent in relation to parties that the majority found particularly unpalatable. Some participants took a slightly more hard-line view and asserted they would not want their money to go to *any* party they did not support, while others defended the rights of all parties to stand for election.

Why should we fund individual parties who do not represent us?

Male, higher stream, York

How would it be if you were in support of a small party too small to get funding – all your money would go to parties you don't agree with

Female, higher stream, York

I would hate to see myself paying tax that goes to fund the British National Party, for example, but you've got a democratic right to stand for election

Male, older age group, Edinburgh

Case study: Accepting an element of public funding for pragmatic reasons

Eric is a 68 year-old retired accountant. He attended the York workshop. He best fitted into the World-weary pragmatist typology.

Eric's initial response to the idea of public funding was that parties are neither fit to run for election or govern the country if they cannot take responsibility for their own affairs by raising funds and managing their budgets.

However, during the group's discussion about the possible impact of public funding on smaller parties, Eric began to feel that public funding could help to achieve another principle he thinks is essential in a political system; that there should be fair competition between parties. Eric therefore advocated a system that mainly consists of private funding, but also includes an element of public funding, particularly directed at smaller parties.

How to allocate the money?

Some participants, who mainly fall into the *Disengaged Citizens* group, proposed a system that would allow citizens to vote on how their money would be distributed between parties, arguing that people may not necessarily want their money to go to the same party they vote for, and would perhaps for example want to allocate a proportion to smaller parties not yet in the electoral mainstream. However, the majority dismissed this on the basis of practical considerations such as the cost of holding separate ballots to allocate funding and the likelihood that there would not be a high turnout for a further ballot in addition to existing elections. Some argued that in the same way that citizens have no direct control over the exact way in which public spending is allocated, it would neither be practical nor desirable for citizens to have a direct input into how public funding of political parties would be distributed. Many simply accepted that the benefits of public funding would be accompanied by less palatable by-products such as the funding of parties they do not support. Most felt that the simplest and fairest way to allocate funding would be through past election results, and that this could have the added advantage of providing an additional motivating factor for voters to turn out.

We live by taxation. You can't decide exactly where your money goes

Male, higher stream, York

I think if I was paying for the Conservative party, which I'd find a bit painful, but maybe I could live with it if in return I got something out of it

Male, older age group, Edinburgh

Is public funding counterproductive?

A view expressed by some *World-Weary Pragmatists* as well as a proportion of *Disillusioned Idealists* was the public funding, particularly a system of full public funding, may actually exacerbate problems that it had been set up with the intention of correcting. Some felt that public funding may mask the disconnection between parties and the electorate, which has contributed to the current crisis in party funding, by financially propping up parties that would not otherwise be able to function. Others noted that while a goal of public funding may be to provide all citizens with a stake in their political parties, the loss of the direct stake provided by political donations and membership would be an infringement of their democratic rights.

Throwing public money at it isn't going to solve it

Female, higher stream, York

The drop off in membership is a reflection of people's views on politics, and I really can't see how giving public money's going to increase people's interest in the parties and their policies ... In fact all it's going to do is prop them up

Male, middle stream, York

It denies a kind of fairness and democracy, despite that being the intention – means people can't donate, which is a form of expression isn't it?

Female, middle stream, Edinburgh

It wouldn't work, people need to be able to have an input, as an individual, into how government works, else it will be stifled

Female, older age group, Cardiff

While some *Disillusioned Idealists* suggested some creative solutions that could maintain a link between members and parties, the majority felt the only way grassroots parties could survive would be to allow private donations to parties.

It should be a high percentage of public money, but you shouldn't take the membership money out

Male, middle stream, Cardiff

I suppose you could get this public funding by saying everyone will join a political party... and you'd say, right, I'll join this one, and my one pound will go to that party

Female, higher stream, York

I think if it's public funded where does the commitment of the party members come in? It's that that's politics. It's the ideas, it's the ideology behind the parties that I think would just vanish if it was publicly funded

Male, middle stream, York

You've got to have a membership link-up to get grass-roots democracy, unless you want America

Female, higher stream, York

Private funding

The debate about private funding of political parties centred on the question of how the rights of citizens to donate to political parties could be balanced with measures to limit the potential influence of donors, particularly wealthy individuals and corporations. Discussions quickly moved beyond analysing a system of party finance allowing a complete free market of private funding, and moved onto how the positives of private funding, for example the maintenance of a link between the central party and its grassroots membership and the maintenance of a relationship between citizens and their parties could be maintained, while mitigating the worst excesses of private financing. The following is again ordered in terms of strength of feeling, with the most strongly-held perceptions of strengths and weaknesses outlined first, followed by more peripheral potential advantages and disadvantages.

An open door to influence and corruption?

As a result of discussions about public funding, some participants came to the conclusion that any system of party funding must allow for individuals and party members to make a contribution to their chosen party, in order to safeguard citizens' democratic rights and to maintain the link between parties and the grassroots membership. However, the majority of participants only considered this viewpoint after discussing private funding in some depth.

The gut reactions of most participants, spanning all three typologies, were rooted in the notion that private funding primarily comes from big business. This reflected underlying impressions, discussed above, that British political culture is now very much shaped by the perceived 'American model' of significant corporate involvement in campaigning and government. The initial responses of most participants also reflected their deep distrust of both political parties and big business; any system allowing a significant proportion of private donations was seen as open to corruption, because business only donates to parties with the expectation of receiving something in return.

You're not going to contribute money if you're not getting something back that's obvious

Male, middle stream, Cardiff

They don't do it just for altruistic reasons do they? They always do it because there's some kind of benefits for them ... No company in its right mind is going to give money away for no reason

Male, younger group, London

There'd be no democracy anymore. You'd open the gates to hell. It'd be like a central American government, where companies own the government

Female, older age group, Cardiff

Because politicians will be ever more determined and regulated to chase more private money

Male, middle age group, London

Fears centred on businesses using their position as parties' benefactors to unduly influence government policy or to gain power through patronage. There was a feeling that allowing significant private donations entrenches the position of the main political parties, because the influence they can potentially offer is more significant than that of smaller parties. In light of moderators' reiteration that contributions by corporations currently constitutes a small proportion of parties' finances, participants' focus tended to shift to wealthy individuals, who they believed would be equally likely to attempt to buy influence.

It would be cheaper, but then it totally interferes with an effective government or political party

Male, lower stream, Edinburgh

A big company is not going to put millions into Plaid Cymru or nothing like that, are they, they'd prefer to pay it to the Government, into Labour or Conservative

Male, middle stream, Cardiff

A certain class of people would be completely in control of political parties

Male, younger age group, York

Although everyone has the right to give money, only rich people can buy influence

Male, younger age group, York

An indication of participants' disengagement from the political process was that even many of the most knowledgeable did not cite elections or parties' memberships as a check on the influence of the parties' donors. The consideration that regardless of the influence of major benefactors, parties would still have to develop policies that appealed to the electorate was mentioned by only a handful of *Disillusioned Idealists*.

You have a party influenced by business rather than influenced by people that they're representing

Male, lower stream, Edinburgh

Some participants, again, particularly *Disillusioned Idealists* feel that regardless of whether influence was sought or achieved, in light of the recent publicity about party funding, and a lack of comprehension as to why people might donate to political parties, the public is now suspicious of the motives of private donors.

This group said this suspicion would remain unless limits to private funding were introduced and the transparency of donations was increased.

Whether or not something underhand is actually going on, people think that there must be, and I think if you just stopped this [private funding] completely then you'd dispel that, certainly

Female, lower stream, Edinburgh

The right to donate

The distrust of big business among participants was endemic to such a degree that only a handful, principally *World-Weary Pragmatists*, argued that business has a right to contribute to parties, or that it is legitimate for parties to represent the interests of businesses.

Business is taxed, but has no representation, so it gets its representation this way

Female, higher stream, York

In theory it's a good idea, big contributors are big business and the parties are being lobbied

Female, middle age group, Cardiff

A slightly larger minority of mainly older and better informed participants disputed the perceptions held by the majority of participants, arguing that money is not only given by large corporations, and that it is not always given with strings attached; some people want to contribute to parties because they believe in what they stand for, in the same way that people want to give money to charity.

Sure, large conglomerates put money in, but individuals do too

Female, older age group, Cardiff

I believe there are people out there still are passionate about their beliefs and want to contribute

Female, higher stream, York

You say they don't give money without strings attached, but people give money to charity

Female, older age group, Cardiff

Only the minority of participants mentioned that parties receive private funding from members and trade unions as well as private individuals and big business. This small group argued that it is legitimate for parties to represent the interests of their members and that funds raised through the membership cements this relationship. Once this idea had been mentioned, the majority of participants, even those who had instinctively opposed private funding agreed that members should have a right to donate.

Case study: Accepting an element of private funding

Jenny is a 25 year-old youth worker. She attended the Cardiff workshop. Jenny best fits the *Disillusioned Idealist* typology. She is very knowledgeable about politics, but is distrustful of politicians and extremely hostile towards large corporations.

Her initial stance was that full public funding would solve many of the problems of the current system. However, as the debate progressed she increasingly felt that party members should be allowed to donate to their parties. She admitted that the idea of joining a political party had never crossed her mind and that when she thought of political parties, it was the centralised, national party machine that sprung to mind rather than the grassroots membership. Once she began to give members greater consideration, she thought it was important for people with passionate views about politics to be able to contribute financially to the cause in which they believe. She also considered that with a system of total public funding, the concerns of grassroots members would become marginal and an important link between parties and the public may be weakened.

Attitudes to trade union contributions were more variable. Older participants divided broadly along party lines about the legitimacy of the representation of trade unions by the Labour Party being cemented by a financial link. Many in Edinburgh and Cardiff, who had first-hand experience of a trade union membership, defended the legitimacy of the link, while some on the right of the political spectrum felt that in the past, the trade unions' grip over the Labour Party was equal to the influence of big business that now concerned the majority of participants.

Nobody's commented on affiliation. Most of that money goes to the Labour Party and that used to be a major problem, everybody, 20 years ago if we'd all been sitting around this table we'd have been talking endlessly about the influence of trade unions on the Labour Party and that the Labour Party was actually unfree to do anything much unless the trade union leaders agreed with it because it was such a huge part of their funding

Female, higher stream, York

The role of trade unions in party funding was mentioned spontaneously by few, if any, younger participants. It seems that to an even greater extent than party members, trade unions are simply not viewed as significant players in the political system.

I don't think unions have the clout they used to have, you know when you sort of look back at the miners and all that, they were real big, powerful organisations then

Female, younger group, York

Curbing influence

There was some support, again mainly among *Disengaged Citizens* and *Disillusioned Idealists* for strict restrictions to be placed on private funding to prevent the buying of influence. For example, that donations could not be made to an individual party, but only to a central pot that would be divided among parties.

And instead of having a system here whereby you're saying which party you want to give money to, you give the money into a pot and then it's divided. And you should look at the money being given here more as funding the political process and funding democracy rather than funding a particular party

Male, Edinburgh plenary session

However, among most participants, there was a feeling that preventing all private donations would neither be possible nor desirable. While only a minority of *World-Weary Pragmatists* defended the right of corporations to donate to political parties, a broader cross-section of participants felt that it is a democratic right for individuals to be able to donate to a party they support. There was therefore some support for a ban on corporate donations, or the implementation of a system where only members could donate. However, many felt that any outright ban on certain organisations donating would only be side-stepped, and there was therefore more widespread support for the capping of donations at a level that would limit the influence of wealthy donors, including corporations, and increase the proportionate influence of small, individual donors.

Should we say that we don't allow businesses but we would allow individuals to donate up to a certain limit?

Male, younger age group, London

I'd just say that you could allow donations capped at a level from individuals maybe up to £5000, say

Male, lower stream, Edinburgh

Within our individual donations we would have a cap on donations which would be set quite low. And the reasoning behind this is to basically take the entrance of big business, big companies, big businessmen out of politics

Male, Edinburgh plenary session

Put a cap on private donations ... but within doing that, it had to be something we all decided, a suitable figure, so that say, Joe Bloggs's £5000 went to the party, it meant the same and was doing as much as what someone like Bill Gates or Tesco [donates]

Male, lower stream, York

Some participants, particularly *Disillusioned Idealists*, argued that if a donation cap was to be set at a very low level, parties would be forced to re-engage with the

public in order to raise funds and survive. Other participants, especially *World-Weary Pragmatists* wondered whether if they could not rely on large donations, parties might end up in so much financial trouble that their very existence would be under question. It was only the most knowledgeable participants that engaged with this question, and in general there was not much concern about this eventuality.

*You either set the figure too high and it's meaningless or
you set it low and no businesses would give*

Male, middle stream, Cardiff

*To a large extent this is what the free market's about, it's
if you let it get on with it, and if something collapses,
something else will come in to take it's place ... I think for
the political parties, if Labour crashes and burns because it
can't fund itself or it's reduced to such an insignificant party
that nobody remembers their name, somebody else will come
in. Politics won't die*

Male, middle stream, York

There was some concern, especially among *World-Weary Pragmatists*, that donation caps would not prove fool proof and that they would not be able to eliminate the buying of influence. More broadly, participants felt that additional safeguards would be necessary, and argued that all private donations open to public scrutiny.

*It'd be the same, they'd find ways round it, the companies
would split up*

Male, older age group, Cardiff

*It's inevitable that business will be involved, at the very
least it should be declared and open*

Female, middle age group, Cardiff

The balance of public and private funding

At the end of the afternoon session, participants drew pie charts reflecting the proportions of funding they felt should come from public and private sources. They also voted on which combination of public and private funding they preferred.

After a day of deliberation, most participants had a reasonably clear idea of the funding system they would prefer, even if this was relatively simplistic. With the exception of the minority who chose either 100% public or 100% private funding, or 51% public funding in order for the public to be the main shareholder, the actual proportions assigned to each source were relatively arbitrary; it was the general balance in favour of public or private funding that was indicative of participants' attitudes.

The fact that only a minority of participants chose either of the 100% models at the extreme ends of the spectrum illustrates the extent to which people had grappled with the advantages and disadvantages of each system during the day's debate. Many participants did progress beyond their gut reactions to public and private funding; many of those who initially objected to the use of tax payers' money to fund political parties came to the conclusion that using some public money could curb the potential influence of wealthy individuals or corporations, to which their objections were greater; many of those who originally opposed all private donations on the basis that they could buy influence decided with some consideration that individuals, especially party members, have a right to donate to a party that stands for what they believe, and that a fully publicly-funded system may not be sustainable.

While no hard and fast patterns were evident, assessments of what was a desirable balance between public and private funding appeared to be broadly derived from the typology within which participants fell, and individual particular concerns about the current system of funding parties, and the political system more generally outlined in previous chapters.

For example, those who were most concerned that the funding system is a barrier to the success of smaller parties (primarily *Disengaged Citizens* and *Disillusioned Idealists*), were keen to see the balance in favour of public funding so that small parties could capitalise from a more even playing field. *Disillusioned Idealists* were perhaps most likely to feel that limiting the proportion of parties' funds that could be derived from private donors could help to limit the amount of influence individuals and large corporations have over political parties. In contrast, those *World-Weary Pragmatists* who had ideological objections to public funding, on the basis that parties should have to prove themselves to be popular and financially competent before being allowed to form governments or that in a democracy the state should not be overly involved in political parties, chose a balance in favour of private funding.

For some participants, it was the details of how the balance between private and public funding would function that was important in meeting their goals for party funding reform. For example, some argued that the rules for the funding of parties' election campaigns should be different to those governing their general funding. Different variations of such a model, with entirely different rationales, were offered. Some felt that election campaigns should be entirely publicly funded, in order to make the contest as fair as possible, while others argued they should be entirely self-funded in order to ensure their election campaigns were in tune with their members and the electorate at large, and in order to limit spending.

We came to a general consensus that elections, there should be almost a sort of starting gun and then election campaign rules came into being and they would be fully publicly funded on a proportional basis, based on the last election's results

Male, plenary session, Edinburgh

*If you were just having the system where membership fees
paid for any electoral expenses. You don't need to put a
cap on it*

Female, middle stream, York

Guiding principles

While participants in the first four workshops came to no overarching conclusions about the exact model of party funding that should be adopted, there was a very high degree of consensus about the principles that should underpin any system of party funding. These very much reflected the underlying attitudes towards party funding and the political system as a whole as expressed by the majority of participants at the start of the day; a deeply-held suspicion of large donors, particularly big business, and of political parties themselves, and a desire to see a revitalisation of the relationship between political parties and citizens.

This chapter assesses the guiding principles that underpinned participants' recommended future party funding scenarios.

Transparency

Transparency was highlighted by every group, in all locations and spanning all three typologies, as an essential principle to underpin any system of party funding. There was a feeling among many participants, particularly *World-Wearied Pragmatists*, that no system of party funding would be foolproof, and that people would always try to seek influence, and therefore the essential element of any model must be that all parties' income and spending is open to public scrutiny.

The source of the funding isn't the issue, it's the transparency

Male, middle stream, Cardiff

As long as, as long as every donation is made public, as long as everything is open

Female, higher stream, York

While participants were eager for the details of party finance to be published, few envisaged that the public would take much interest in the details of parties' accounts. There was some support for the idea of parties policing each other, especially opposition parties policing the finances of the governing party. However, the majority felt that an independent body should be responsible for overseeing any system of party finance. Some of the more informed participants suggested the Electoral Commission or the Audit Commission could undertake this role, but the majority had no preference who carried out the task.

The opposing parties that are not part of the government, opposing parties, so they keep the party that's in power accountable

Female, middle age group, London

Accountability

Participants not only wanted parties' funding and spending arrangements to be transparent, they also felt parties should be subject to greater levels of accountability. There was a widespread feeling that parties should be compelled to behave more like corporations by precisely accounting for all their income and expenditure, fully justifying any increases in spending and taking responsibility for being in the red.

If they show where the money's going and what the money's going on then maybe they should get a share of the pot?

Male, younger group, London

All political parties would be absolutely legally responsible for declaring every single penny of income

Male, plenary session, Edinburgh

Participants envisaged that the regulator would have significant powers to investigate parties' affairs and ensure that no contravention of party funding rules had taken place, for example suggesting businesses that had donated to parties could be monitored for several years after the donation to ensure they did not receive any advantage in return for their gift.

Some participants called for parties who did not comply with funding and transparency regulations to be punished. A few suggested that any public funding of parties could be conditional on compliance with the regulations, but most participants had no set ideas about how parties would be punished, and were unaware that breaking party funding regulations is currently a criminal offence.

Limits and controls on parties' spending

While all but the most disengaged accepted to a greater or lesser extent that parties require some degree of funding in order to fulfil their democratic functions, the widespread sentiment that parties' expenditure should not be allowed to inexorably rise persisted throughout the day.

Many participants, particularly *World-Wearied Pragmatists* felt that if the system of party funding were to include a significant proportion of public money, strict mechanisms would have to be in place to control the increases in the amount parties received.

Many felt that unless a funding system comprised 100% public funding, the amount parties were able to spend should be limited. Participants assessed that this could be achieved either through a cap on the total amount they would be able to collect through private donations, or through caps on the amount they could spend.

So by giving them a finite amount of money and saying, it's up to you to budget for that. If the Labour party spend all of their budget in the first six months and they can't afford to do any party political broadcasts after that, then that's tough

Male, middle stream, York

There was also widespread support for controls over how parties spend their money. Some *Disengaged Citizens* continued to confuse party and government funding and spending and therefore felt strict controls were needed in order to stop parties wasting public money. Other more informed participants felt that savings could be made if parties were to make some economies in their day-to-day running costs, by employing fewer staff or making economies through measures like sharing resources such as research teams.

Not spending on frivolous things like privileges, ministerial jaunts, a Labour weekend and things like that

Male, plenary session, Edinburgh

What you did have was an impartial research unit within parliament that people would access to look at stuff that people want. So you wouldn't have the Tories and the Labour party having researchers researching the same thing. So again you'd save money there

Male, middle stream, York

However, most envisaged controls that would be placed on parties' election spending. This attitude was underpinned by a deep suspicion about modern campaigning, with the widespread perception that parties unnecessarily squander money on expensive national advertising campaigns, and media teams, and that reverting to 'traditional' campaign techniques at the local level would mean they need to spend less.

Participants felt that rather than limiting parties' election campaigns, redirecting election spending would improve the effectiveness of campaigns by bringing parties in direct contact with the electorate at the local level rather than communications being filtered by the media. There was therefore much support, particularly among *Disillusioned Idealists*, for party spending to be directed into certain activities, such as engaging with young people, recruiting members, campaigning at the local level and increasing turnout. These attitudes reflected many participants' underlying perceptions of modern political parties as remote, centralised organisations, and their deep distrust of the media as a large and impersonal institution.

I like the idea of spending certain amounts of money on certain things

Male, middle stream, Cardiff

I think there should be a cap on spending on advertising by political parties

Male, middle age group, London

However, support for limiting and controlling party expenditure was not universal, with a number of *World-Wearied Pragmatists* citing practical and ideological barriers to adopting such a system.

Who can gauge the costs? Who says you should be able to do it for this amount?

Female, younger age group, London

It sounds like a nanny state

Female, higher stream, York

Fairness

A desire for fairness was apparent among participants, and as such ran through the analyses and conclusions of many participants, particularly *Disillusioned Idealists* and to a lesser extent *Disengaged Citizens*. This theme took several forms.

Many participants were keen to see a greater degree of equality between parties, so that politics and elections would not be dominated by the big three parties. Many said they would like a reformed funding system to reduce the entry barriers to small parties running for election, and to more fairly distribute resources so that all parties could communicate their message, and even compete on an equal footing at local or regional level.

Equity between parties ... Equal opportunities is bombarded through every aspect of life, well it should be in the political system as well, not who can afford it

Female, middle age group, Cardiff

There was strong support among *Disillusioned Idealists* for changes in the party funding system to be accompanied by electoral reform. Part of the motivation for proposing this measure was again the goal of opening up the system to smaller parties, but participants also felt that any system of fund allocation based on election results should accurately represent the will of the people, something many felt the FPTP system does not do.

If you don't come first in this country, you don't count

Male, younger age group, York

This group were also the greatest advocates of equity among donors, often arguing that no single donor should have more influence over parties than others. Consequently, many were in favour of stringent funding controls such as bans on donations by corporations, and individual donation caps set at very low levels.

*Your £50 donation that you can only just afford to make
would make a difference*

Male, lower stream, York

Reconnecting with public

A desire to see a greater level of engagement between political parties and the public was the yard stick against which they assessed the merits and detractions of public and private funding of political parties and debated how each model would be implemented in practice.

*Your average person is not that interested in politics, what
I'd like to see is people getting their faith in it back – it's
divorced from the public now*

Female, older age group, London

Again, there was no consensus about which models and schemes would best achieve this goal. For example, some argued that increasing public funding would give the public a greater stake in their parties and encourage them to be more involved in politics. Another strand of thinking was that public funding could be dependent on taking steps to engage with the electorate by targeting communications at young people, concentrating on campaigning in the local area and increasing turnout. On the other hand, some participants asserted that a system of capped private donations would force parties to be responsive to the public, because they would need to collect donations from a significantly greater number of donors.

Encouraging parties to reconnect with the public could indeed be viewed as the overriding guiding principle, binding the other guiding principles together;

by increasing the transparency and accountability of party funding, participants' underlying aim was to increase public confidence in political parties, and politics as a whole;

by imposing controls on parties' expenditure, participants wanted to force parties to listen and engage with the electorate;

many participants' focus on the principle of fairness reflected their desire for a greater choice of political parties and for the public's will to have a greater influence over political parties

Public opinion on political party funding in Northern Ireland

Summary

As at the first four workshops in relation to the transparency framework in place in England, Scotland and Wales, there were low levels of awareness of the current transparency framework in Northern Ireland including the registration of parties and the Electoral Commission's monitoring of expenditure at elections.

There was a strong desire to see more transparency and accountability in funding arrangements in Northern Ireland: news of forthcoming changes to arrangements enhancing transparency was welcomed by participants.

The “background noise” to the research we did in Belfast included the continued suspension of the Assembly and an impatience with what is seen as the ‘drift’ in local politics. There was a sense that Northern Ireland has ‘missed’ its politicians in recent years and this might, in turn, be contributing to the perceived importance and necessity of political parties to democracy expressed by many participants.

There was some awareness of recent debates and controversy about party funding although this was largely seen as being a “Westminster issue”. At the same time, there was a sense that the new era of politics in Northern Ireland might necessitate new arrangements and ways of doing things.

Distaste for modern electioneering and campaigning was articulated strongly, with party spend associated with ‘spin’, PR and ‘slickness’ which risks an “Americanisation” of GB and Northern Ireland politics. People associated party spend with election campaigning and spending and this helped to create the impression that parties are not short of money.

There was a sense that political parties ought not to get ‘blank cheques’ from the state should public funding be increased. Dissatisfaction with the way political parties are seen to spend their money contributed, in part, to a desire to see parties monitored, regulated, and controlled. As elsewhere in the UK, there was strong support for capping of donations to parties and of their spend.

Participants were very outcome-focused. They found it easier to articulate what they want any new arrangements to deliver – responsive, forward-looking political parties – than to settle on a preferred model. There was wide recognition that decisions about future arrangements are difficult ones to take. People were quick to qualify the positions they reached with ‘ifs’ and ‘buts’ and keen to understand how, and whether, things might work in practice.

As elsewhere in the UK, there was suspicion about the motives of big business as well as political parties. At the same time, some felt that ‘private’ interest would

always be involved in politics, with ‘private money’ acceptable provided it is transparent and “above board”.

There was support for the continued use of ‘public money’ and for it accounting for a larger proportion of party income. At the same time though, people will need to be convinced about the reasons for any extension of such funds. Support for public money was conditional on the amount being kept in check and there was a desire to see it used to support smaller/emerging parties coming through and to help deliver more publicly accountable political parties.

“Background noise”

The workshop in Belfast in October, as elsewhere in the UK, took place in the context of considerable “background noise”. There was undoubtedly **public cynicism about politics**, politicians and the political system among the general public in Northern Ireland. People were tired of the “tribalism” which has underpinned politics in Northern Ireland for the last few decades where religion and sectarianism have dominated the political agenda while important “real” issues such as health and education were perceived to have been pushed to one side.

There was a sense that voting has tended to be “negative” as a result of the polarisation of society and politics in Northern Ireland with people voting to keep other parties out. The resulting domination by larger parties has meant that smaller parties who have different messages and policies have been overwhelmed with voting for them seen as a “wasted vote”. This has led to a weariness and general apathy with politics:

There is much negative voting here – in the past we’ve voted to keep other parties out. Smaller parties that are middle of the road and that you might vote for positive reasons, don’t have funds

Female, middle age group, Belfast

Our leaders, for want of a better word, need to get their finger out. They’re stuck in the past

Female, middle age group, Belfast

Since the ceasefires in 1994, respondents had noticed a more ‘normal’ society and were more optimistic about the direction in which Northern Ireland is moving. There was a view that the concerns they had about the future, e.g. house prices, were actually a good thing in that they reflected a tendency to look ahead to the future and move on from the past. At the same time, there was a strong distrust of politicians and parties and dissatisfaction with their ability to act in a positive and collaborative way. Their motives, and the contribution they make, were questioned by people of all ages.

This should be seen in the context of the suspension of the Northern Ireland Assembly because the political parties cannot reach political agreement - despite the fact that Members of the Legislative Assembly (MLAs) have still been receiving a salary, a situation which most participants could not understand and believed to be a real waste of money. The current political impasse caused considerable frustration to most of those present at our workshop and the situation was one which people wanted to be resolved as soon as possible:

We have been left behind because of the stalemate

Female, middle age group, Belfast

The fact is that politics is now in the public domain. Now my children are getting older the issues are more relevant to me. It's localised. The Assembly is up and running. It is local. We're not just voting for people to just go to Westminster

Female, middle age group, Belfast

Strong support for transparency

As elsewhere in the UK, the workshop started with a plenary session at which participants were given a brief introduction to the main issues (the structure of the day and the stimulus materials used in Belfast were very similar to those described elsewhere in this report). Participants were positive about what they heard in the plenary session and particularly **welcomed the current and prospective transparency arrangements**. They pointed to the fact that, at the moment, people are not quite sure where a lot of the parties' funding is coming from while speculating that a significant proportion may be coming from "dubious" sources.

Participants were keen to find out more about the subject. They reported wanting to know what proportion of MLAs' salaries are going back to the parties and how much is made available in the form of office allowances and there was a general sense that there are a number of "outrageous expenses" such as travel costs. Unveiling this perceived "cloak of secrecy" and having more disclosure could do much to increase trust in the political process in general and of political parties in particular:

I'm glad to see what is going to happen here in Northern Ireland. We need transparency. I have no problem with the parties getting funding as long as they do what they should do

Male, middle age group, Belfast

Businesses have to publish their accounts, parties should have to publish theirs plus a business plan as to what they are going to do in the future and how the money will be spent

Female, older age group, Belfast

Some participants were interested to hear of the relative lack of transparency in Northern Ireland at present (as compared to the rest of the UK⁴). They felt that enhanced transparency would bring with it accountability in that parties would have to be much more accountable about how their donations are being spent, as they would be subject to much more scrutiny and judgement from the public.

Why is there a difference? There shouldn't be a difference for Northern Ireland. We learn to just accept things, Northern Ireland seems to be treated differently ... we're not on their doorstep so they forget about us

Female, younger age group, Belfast

It's important for us all to know how much money is being spent and where it is being spent by the political parties. We don't know enough about this at the moment

Male, younger age group, Belfast

Some participants did, however, feel that there could be some practical problems involved in total transparency and disclosure in Northern Ireland. For example, one participant questioned whether donors would want their name associated with a particular party because of the potential ramifications:

I wondered whether you would want your name printed if you gave money to a party? There would be repercussions. It could be a big hurdle in Northern Ireland

Female, middle age group, Belfast

The Review of the Funding of Political Parties

Most participants felt that The Review should set **minimum standards for performance** by the political parties in regard to financial management. As elsewhere in the UK, we found concerns about the amount parties spend and it was felt that this should be a subject for the attention of The Review. The amount spent by parties on election campaigns seemed like a lot to most participants and some found it worrying that political parties can go into so much debt. This was also seen as being hypocritical since, it was felt political parties are frequently imploring the public to better manage their money.

⁴ The rules on the permissibility and reporting of donations under Part IV of PPERA do not currently apply to political parties in Northern Ireland. However, from November 2007 political parties in Northern Ireland will have to report donations to the Electoral Commission. The Commission will hold this information on a confidential basis. A fully transparent scheme is expected to come into operation from 2010.

It's scary the amount of money the Tories and Labour are spending on campaigns

Male, younger age group, Belfast

The £60m debt is a disgrace. It's a colossal amount of money

Female, middle age group, Belfast

Allied to the wish to see parties fully disclose their donations, most believed there should also be a **cap on donations and spend**. If there were no caps, some feared the “Americanisation” of politics in Northern Ireland and the UK more generally, potentially characterised by big business having too much influence:

There's no argument for increased spending ... more money is just going to get them more glossy flyers, more fancy suits, more cars

Female, younger age group, Belfast

I can't see this Phillips guy being able to stop donations being made. My issue is the amount they are spending. Put the money into social policy instead. They waste money on campaigning

Female, middle age group, Belfast

Political parties seen as being important

While participants were quick to point out the current limitations and inadequacies of politicians and political parties, they were still seen as important for a number of reasons. People identified a number of important functions of political parties: representation, providing a “voice” for the people, developing new ideas and alternatives, setting out manifestos/visions for society, putting these to the public, moderating public opinion where necessary (e.g. on capital punishment) and providing local representation.

Taken together, these were seen as providing strong justification for the continuation, and encouragement, of political parties in the UK political system. By contrast, it was felt that pressure groups operating on their own without any political parties could not be as effective. Pressure groups were not thought to have enough “clout” because they were perceived as actually not having any real political power and tackling single issues was not enough: most felt that there was a need for strategies and policies on a range of issues. While participants in the GB workshops also perceived political parties as important and could point to a range of important functions that they carried out, there was generally less focus on the negative aspects of political parties in Northern Ireland than there was among GB participants, and more discussion of parties in positive terms.

[Without parties] *we'd lose our choice and our voice*

Female, younger age group

If we didn't have representation from the parties, we would be badly off. We've missed them with the suspension of the Assembly

Female, middle age group, Belfast

We need them (political parties) for social issues. There were 'rat runs' in our street...As residents we wouldn't have got any change. By going to a party representative we got change

Female, middle age group, Belfast

Public funding of political parties

The primary strength of **public funding** was seen as being its perceived greater transparency (since public money requires public accountability) and the way it could be used to **limit the influence of 'private' money** and the buying of influence over political parties by private donors. Some believed that the extension of public funding would completely eliminate corruption or sleaze, but most felt that while it might lessen the risk of influence being bought, it could not totally eradicate it. Some typical reactions to the 100% public funding model (with a ban on private donations) follow:

There are many ways for private companies to influence politics ... certainly money is the most dodgy but they could offer other services instead like knowledge, expertise etc

Female, younger age group, Belfast

It would mean that parties would not be swayed by private donations

Female, middle age group, Belfast

If we have elections, they would have to work to get the money. People could say 'you've got public money, you haven't done much, I'm not voting for you

Male, middle age group, Belfast

The main downside of such a model was thought to be that it might lead to an increase in tax. While most participants did not have strong objections to the use of taxpayers' money, they were adamant that this should not mean that other services such as schools and hospitals should suffer as a result:

If it was just completely funded from the government and no private money it would be a lot of money from the government – is this sustainable?

Female, older age group, Belfast

If it all came out of the public purse other things would have to suffer – education, hospitals, defence cuts

Male, older age group, Belfast

For some, another problem with the 100% public funding model was that private donors would not be allowed to donate to parties even if they wish to do so. At the same time, this model lessened the concern about what such donors get (or were perceived to get) in return and the reasons and motivations underlying donations. Conversely, it was thought that full public funding might help to stimulate more interest in politics and political party funding if more taxes are involved. Younger participants were especially of the view that this could be a way to get people more interested in politics.

*People would take more interest if they were aware that
their taxes go towards this funding of parties*

Female, younger age group, Belfast

There was also the feeling that 100% public funding would mean that all parties would be on a level playing field - which would allow resources to be distributed between parties in a more equitable way than the current system with its reliance on private sources of money. This in turn could lead to an increase in the trust people placed in politicians. At the same time, however, some believed that smaller parties would not benefit as much, especially if funding was determined by electoral success, and that they would need private donations even more. One solution proposed in response was that smaller parties apply for and get grants (as is possible for those starting up a business).

While most participants were keen to see smaller parties compete on a more level playing field, there was **some debate about the options for allocating** public funding. All agreed that criteria needed to be used, but it was nonetheless difficult to reach agreement on what would be most appropriate. For example, some suggested that funding should be based on the number of seats won in an election or the number of party members, but the concern was that using such criteria would be less fair for smaller parties and nothing much would change. There was some spontaneous support for “categorisation” and tailored funding – the idea that parties get funds for a reason which clearly benefits society or that money goes to parties with most votes in ‘priority’ deprived areas.

There were concerns that with public funding anyone could set up a political party and get money: the Monster Raving Loony Party and the BNP were cited by respondents as ‘undesirables’ who might qualify. While people were uncomfortable with money going to such parties there was some acceptance that this might be a necessary evil, especially if such parties met the allocation criteria.

*You’ve got to take that on the chin. You’ll always have
some bad apples*

Male, middle age group, Belfast

With full public funding, it was felt that there would be more accountability and more onus on political parties to deliver on policies and manifesto promises. However, some felt that if political parties were receiving full public funding then they might not have to try as hard or put as much effort into meeting the needs of the electorate – crucially, such a system would move parties’ focus away from people.

It would be more accountable. If they went into debt, they couldn't go back to the public and say 'we need more, bail us out

Female, middle age group, Belfast

Politicians might not try so hard because the money is definitely there

Female, middle age group, Belfast

Full public funding tended to be viewed as very much an idealistic scenario, especially among younger age groups, and few thought it could ever happen in reality. The main reasons were that people would not be willing to pay more tax, or that private donations would occur anyway, not necessarily in terms of monetary contributions but also as donations 'in kind'.

Private donations would creep in somewhere to influence the system – maybe not in monetary terms but through holidays, gifts etc

Female, younger age group, Belfast

The full public funding model provoked much debate and prompted participants to raise a number of issues and ask a lot of questions – as was intended by presenting them with an “extreme” 100% public funding model to encourage them to think through and develop the key arguments for themselves. While most participants across the break-out groups (determined by age) veered towards a model which included a significant component of public funding, they did not believe a full public funding model was either practical or desirable and accepted that some element of private funding was necessary. There was much debate about how such a model would work in practice and most believed it would be extremely difficult to implement.

Private funding of political parties

The initial reaction to the scenario of fully private funding was that it would lead to corruption and the buying of influence. It was felt that such arrangements would risk large companies pre-dominating and being able to influence the party system, and government, and force legislation through. Many respondents thought that corruption is inherent in such arrangements unless there is full transparency about where the money was coming from. That said, participants did not see corruption as necessarily being about money influencing policy but also about private donors being able to gain favours in the form of large contracts or other benefits, and the worry was that this could have a profoundly negative effect on democracy:

You couldn't be sure that decisions are being made for the right reasons

Female, younger age group, Belfast

There was some recognition that checks and balances – on parties and donors – such as a register of donors giving more than a certain amount to political parties, which would be published by an independent body on a regular basis – allied to sufficient transparency, would help to “police” this to some extent. Participants also recognised that in spite of what influence is actually exerted, ultimate political power still rested with the electorate, especially at election time. It was thought that a fully private funded model would bring some benefits – for example, respondents thought it would mean that parties would have to work harder to source their funding and also that there would not be any burden on the public purse or an increase in taxes paid by the public.

The main strength is that there would be more money for our hospitals and schools

Female, younger age group, Belfast

It would motivate parties to work harder because they would not be dependant on public money

Male, younger age group, Belfast

Participants worried about the potential implications such a model would have for the new and smaller parties they want to help and encourage, since such parties were seen as being less likely to attract significant donations, especially when starting up. They also thought that it could be more democratic to allow people or organisations to donate money to political parties should they want to do so but, at the same time, felt uncomfortable with their own conclusions that those donating to political parties would want something in return. They were also concerned that a 100% privately funded model would be in danger of forcing small parties out of politics.

I don't think it's democratic to ban [donations]

Female, older age group, Belfast

People don't do something for nothing

Male, middle age group, Belfast

Smaller parties might not get donations. They don't get seats and representation, so people don't back them

Female, middle age group, Belfast

Most participants associated private donations with donations from businesses and not from private individuals. Indeed, as we found elsewhere in the UK, many were surprised that private individuals might want to, and actually do, donate their own money to political parties. Conversations focused on big business and there was scepticism about the motives of large companies and organisations. This, and a similar scepticism about political parties, helps to explain why most believed that donations to parties should be capped and that in a system of funding dependent on private money, there ought to be robust checks in place.

You need to limit amount donors are able to donate – businesses in particular but also individuals. There needs to be a cap imposed

Male, younger age group, Belfast

There should be a cap put on. If it starts getting to big money, people will be asking what are the donors expecting for that amount?

Male, middle age group, Belfast

The future of funding

Attitudes towards the current system of funding political parties were mixed. Most believed that it put too much emphasis on private donations and saw this as associated with potential, if not actual, corruption. At the same time, there was strong support for the current element of public funding although some felt that this did not go far enough, since the amount of funding parties received was seen as not representing a sufficiently high proportion of their income. A desire for greater accountability and transparency (and low awareness of current arrangements) was a recurrent theme throughout the day.

Most participants were often clearer about what they did not want than about what they did want. Only one respondent advocated a 100% model of private funding. That said, there was a sense that parties ought to operate in more of a self-sufficient and business-like way, and it was felt that if putting themselves forward for government, they ought to be able to raise their own funds.

As the table below shows, most of those involved in the workshop in Belfast felt that an ideal model would have a **mixture of public and private funding** (the final vote was undertaken in the afternoon session before the final plenary session). The first figure in each cell shows the number of participants choosing that option at the final vote, while the second figure, in brackets, refers to the number choosing it at the initial vote.

Few participants favoured options D or E and there was significant movement during the day in favour of options B and C. The majority of those in the younger and middle age groups preferred a model where public funding was predominant, while in the older group there was relatively more support for a 50/50 system. That said, it is important to bear in mind that even at the end of the day people were still thinking through the options and issues. A growing appreciation of the multi-faceted nature of the issues led participants to admit that it was difficult to reach a decision. When they expressed preferences it was often qualified and conditional.

Options (N.B. nos in brackets denote preferences recorded earlier in the day)	Younger	Middle age	Older	Total
A – completely from public money	2 (1)	0 (0)	1 (2)	3 (3)
B – mainly from public money with some private donations allowed	8 (4)	8 (4)	4 (3)	20 (11)
C – equally from public and private	0 (5)	1 (3)	4 (1)	5 (9)
D – mainly from private with some public	0 (0)	0 (1)	0 (2)	0 (3)
E – completely from private donations	0 (0)	0 (1)	1 (2)	1 (3)

In the afternoon discussions, the middle age group reached a consensus of a 60% public and 40% private funding model. The main reason for choosing such an approach was that it would lead to greater public accountability, fairer competition and a better allocation of funds to help emerging and smaller parties. It would also mean that there would be greater control over private funding and that private donations would not be predominant:

Whether we like it or not, business are here and [their involvement] has its pros and cons

Male, middle age group, Belfast

You're always going to need it (private funding). Whether we like it or not, politics and business go hand in hand. I'm OK with that provided it is regulated properly

Female, middle age group, Belfast

The younger group tended towards a similar view and believed that public funding is important for the democratic process. While there was some recognition that private money is important and necessary, there was also a concern that too much risked corruption. The group began to reach consensus in favour of 75% public funding and 25% private funding.

Opinion was much more divided among the older group. Some felt the ideal model should be mostly public, with some private funding as this would mean more accountability and that the public (and not private donors) would hold the balance of power. Half of this group however believed that there should be an equal split between public and private donations. The main reason for this view was that any more from the public purse would mean there is too much drain on public funds and other public priorities would suffer. At the same time, there was strong support among this age group for a cap on private donations and greater transparency showing how much money companies are putting into parties.

There should be public money for one very good reason because if they get 80-90% of their income for a political party from global companies you would find a great influence on the parties from these companies. There should be public funding for the parties to keep them to some degree independent from this influence

Male, older age group, Belfast

Guiding principles

As across the rest of the UK, there was agreement about the main principles which should underpin any future system of party funding for Northern Ireland. These principles were referred to repeatedly throughout the day.

Transparency and accountability. These were highlighted by every group as essential to any system of party funding. Participants welcomed the bolstering of (little known) current transparency arrangements in Northern Ireland in 2007. People thought it essential that all parties' sources of income and their spending are fully open to public scrutiny. This was considered essential to democracy and for increasing trust in the political process overall – at the moment people feel that they are “in the dark”.

Stricter controls on parties' donations and spending. Almost without exception, participants believed that there needs to be a limit on party donations and spending. The strong feeling was that there should be a cap on the amount parties were able to collect through private donations and also on the amount they could spend on election campaigns (most associate election spending with communications and advertising and think that this is excessive with poor returns). There was also the desire for a regulatory body to closely monitor income and spend and for this to be fully available to the general public.

Fairness for new and smaller parties. A commonly held view was that the larger parties dominate politics and received the “lion's share” of funding, both public and private. A large number of participants advocated a fairer system whereby smaller parties would receive a “fair” amount of public money. This was a widely held view, but it proved much more difficult to come up with a practical method for enforcing this to ensure a more equitable spread.

Parties better at listening and responding to the public. Participants wanted any new arrangements to encourage political parties to be more people-focused. There was a desire for parties to spend more time and resources going into communities, listening to the issues and the needs and wants of local people. More transparency would be one way of making parties more accountable and funding arrangements could be used to re-focus parties on listening and responding to the electorate.

Moving forward with the party funding debate

Summary

Reconvened workshop – summary of findings

A final reconvened session, held in London, brought a range of participants from each of the four earlier workshops held in York, London, Edinburgh and Cardiff together to explore party issues in greater detail. It provided groups with the opportunity to debate ideas further and to build scenarios. The groups discussed how best to implement the principles of party funding in practice. The solutions participants advocated and the discussions they engaged in were essentially strengthened, deepened and more informed versions of the debates they were able to have by the end of the previous workshop sessions. In the reconvened session, participants initially advocated sweeping change from the status quo. However, over the course of deliberation, and as they gained more information about what measures were already in place, they came to the view that their aims for the party funding system could actually be achieved through **relatively limited changes to the current system**.

In previous workshops participants had discussed the principles that they wanted to see underpin party funding extensively, but were less equipped to think through how they would design the funding system to put these into practice. In contrast, participants at the reconvened workshop focused on the outcomes they would like to see in public life and party behaviour, and justified any suggested changes to the status quo in terms of the outcomes they thought it would produce. The key criteria against which they evaluated different measures were:

Will it lead to democratic renewal?

Will it encourage parties to achieve measurable results – for example, increasing their membership or engaging the public more effectively at the local level?

As at the previous stage, where participants tended to settle on a mixed system of public and private funding, this group approached the day's debate on the basis that **both public and private funding might be necessary to achieve the results they wanted**. However, participants appeared to consider that the debate about the exact balance of public and private funding was not central to their discussions. There was a general assumption that public funding might be necessary to achieve some of the objectives of democratic renewal, but this was equalled by an assumption that the best way for parties to command public support was by gaining funds principally from the grass roots of membership or other supporters.

In the workshop as a whole, participants supported specific measures, which they felt met these evaluation criteria.

Greater accountability in relation to party finances and general performance. Participants framed this in terms of parties acting more like businesses, suggesting that private companies provided a strong example of organisations which adhere to simple, effective mechanisms of measurement and benchmarking in order to ensure accountability.

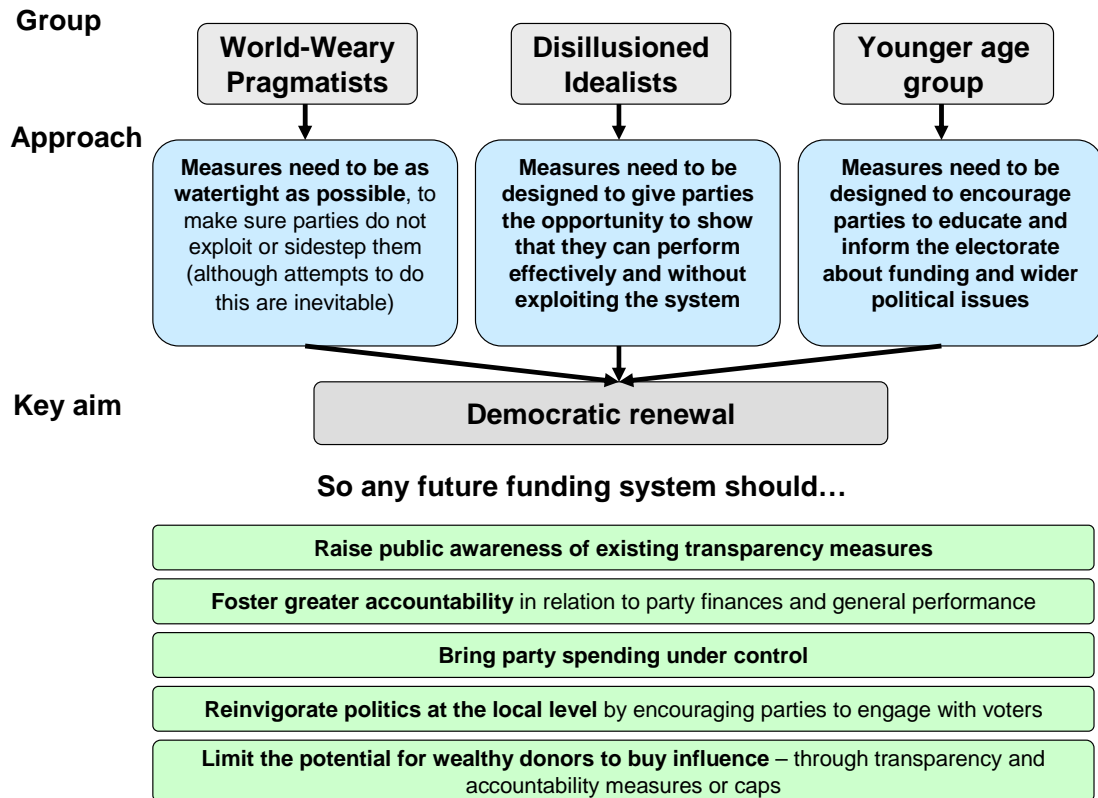
Party spending brought under control. While there should not be overly strict or prescriptive caps and controls on parties' spending, their real-term expenditure should not continue to spiral, and parties should be encouraged or compelled to spend their money in ways that are perceived to foster democratic renewal.

Limiting the potential for wealthy individual donors to buy influence. Some felt this could be achieved through increased transparency and accountability, while others felt caps on individual donations would help to ensure it.

Awareness-raising in regard to existing transparency measures. Participants felt that the mechanisms for transparency were by and large already in place. However in order to maximise their effectiveness the public needs to be made aware of them and encouraged to engage with information available to them.

Reinvigorating politics at the local level. Participants in all groups felt that the system of party funding should encourage or even compel parties to engage with voters. A widespread belief was that there needs to be greater public engagement both on party funding and on wider political issues.

The diagram overleaf summarises the three break-out groups' approaches, key aims and recommendations.



Introduction

A selection of participants from the York, London, Cardiff and Edinburgh workshops were reconvened in London on 28th October 2006⁵. Participants were brought together in order to move beyond the general discussions of the first workshops and assess details of potential models of party funding. Discussions centred on the potential models presented in the Interim Assessment published by Sir Hayden Phillips' Review of the Funding of Political Parties on 19th October 2006.

A selection of participants who were engaged and enthusiastic at the first round of workshops was asked to attend the reconvened workshop. The group were chosen to be broadly representative of the original attendees in terms of gender, age, social grade and political activism and affiliation. Participants were also chosen so that people falling into both the *World-weary Pragmatist* and *Disillusioned Idealist* typologies developed during the analysis of the first workshops were present. It was felt that given the advanced nature of the discussions at this workshop, it would not be productive to invite representatives of the *Disengaged Citizens* present at the first workshops, who generally struggled to engage fully with the discussions at the first workshops. Indeed, while the majority of participants were very keen to attend the reconvened workshop, many of those falling into *Disengaged Citizens* category did not volunteer to return.

⁵ Participants from the Northern Ireland workshop were not invited to the reconvened session because of the logistical difficulties of organising their attendance less than a week after the original workshop in Belfast and due to the different context in which party funding operates.

Participants were divided into three break-out groups, in which they remained all day, according to the loose typology under which they had been categorised. As no *Disengaged Citizens* were present, the *Disillusioned Idealists* were split into two according to age; the younger age group are referred to as ‘the younger age group’ throughout.

At the start of the workshop, the context of the reconvened workshop was outlined to participants:

They viewed the film of the original workshops they had attended in order to refresh their memories about the debates to which they had already contributed;

They were updated about the progress of The Review and made aware of the publication of The Review’s Interim Assessment;

Those who were already aware of the Interim Assessment’s publication discussed the media coverage of the report’s release; and,

The aims of the reconvened workshop were outlined to participants.

Once divided into the three break-out groups, participants were first asked to take a step back and to reflect on the assumptions underpinning The Review. This was a worthwhile exercise because, with a little more knowledge of the subject, and a refreshed knowledge of The Review and its aims, participants were able to comment on how closely they agreed with the assumptions, and therefore point out any other objectives of reviewing party funding which they also felt were important.

The assumptions of The Sir Hayden Phillips Review Interim Assessment

The financial health of political parties is fundamental to our parliamentary democracy.

How parties are funded should be fully transparent.

A future system should encourage democratic engagement and be as fair as possible between parties.

The break-out groups proceeded to explore the different measures contained in the different scenarios outlined in the Interim Assessment:

Greater transparency;

Expenditure controls;

Caps on donations; and,

Greater levels of public funding, whether through a general subsidy, a targeted subsidy or the introduction of publicly-funded incentives to donate to political parties.

For each measure, participants were asked to consider exactly how they would like the current system to be altered and why they thought the changes were necessary. They were then asked to discuss exactly how the measure would work in practice, what would be its possible advantages and disadvantages and intended and unintended consequences.

Throughout the discussion, participants were asked to relate each of their proposed measures back to the aims they identified as being central to any funding system. They were also required to assess how their measures would collectively fit together. Which would be mutually exclusive? Which might impact, negatively or positively upon others? What would be the consequences for society of each measure?

In this way each break-out group negotiated a final proposed model of measures they would like to see introduced, which they presented back to the rest of the workshops at the end of the day.

Reconvening participants: the process

The participants who were selected for the reconvened group were able to engage with the discussion in a relatively advanced way, enabling the moderators to explore issues in depth and detail that could only be given a cursory examination in the earlier sessions. Consequently the workshop had a real energy and was an example of a genuinely productive deliberative research.

On the whole, participants had not shifted in the standpoints they had developed at the first workshops, and had in fact become more convinced of these over the time since they were first consulted. They were therefore more able than previously to communicate the detail of their positions and consider the wider implications of their proposals.

Grouping participants according to their typology meant that each sub group shared a similar profile in terms of age range and general attitudes to politics. This appeared to produce a ‘critical mass’ of opinion within each break-out group, and all three groups expressed views which diverged even more emphatically than we had found in the original sessions:

The *World-weary Pragmatist* group approached the debate on the basis that the main barrier to the success of any party funding regulations would be the potential to exploit or sidestep them. They were therefore keen to consider all potential loopholes and ensure measures were as watertight and foolproof as possible.

The older *Disillusioned Idealist* group felt that reviewing and reforming how political parties are funded cannot be approached

in isolation from broader reforms to the political system. Consequently they continued to consider issues such as the reform of the House of Lords and the introduction of proportional representation as central to the debate.

The younger *Disillusioned Idealist* group insisted that an integral part of any changes to the system of party funding must be educating and informing the public about the information that is available to them, and that measures therefore needed to be designed into the system to encourage parties to make this happen in practice.

In line with the outcomes of the first round of workshops, where very few participants chose either extreme of full public or full private funding for parties, all three break-out groups **approached the day's debate on the basis of a mixed system of public and private funding of political parties**. However, participants appeared to consider that the debate about the exact balance of public and private funding was not central to their discussions. There was a general assumption that public funding might be necessary to achieve some of the objectives of democratic renewal, but equally an assumption that the best way for parties to command public support was by gaining funds principally from the grass roots of membership or other individual local supporters.

Their focus instead was on how a system of party funding could be made to work in practice in the most effective way possible. Consequently, through the day, participants attempted to devise a series of systemic hoops through which parties would need to jump, in order to achieve legitimacy as parties, and justify their income (whether this income came from public or private sources). The detail of each of these measures is explored in detail below.

At the beginning of the day participants envisaged that sweeping changes to the existing party funding rules and regulations would be needed in order to achieve the goals for a party funding system which they had identified. However, participants' baseline knowledge of the existing measures in place was on the whole extremely limited. They typically had no prior knowledge of the transparency and accountability measures and caps on election spending that were already in place across the UK; indeed, many expressed surprise at hearing about them. As they learnt more about the current situation, many began to assert that their aims for a system of party funding could actually be achieved through relatively limited changes to the status quo.

Questioning The Review's assumptions

In break-out groups, participants were presented with the assumptions outlined in the interim report of The Review. Each group picked out key words from The Review assumptions and used them as a focal point for their concerns about the issues of party funding overall.

The *World-weary Pragmatists* were the only group to question the meaning of "financial health" in The Review's first assumption that "the financial health of

political parties is fundamental to our parliamentary democracy. They felt it was fundamental to our democracy that parties should be able to operate, but “financial health” suggested to them that parties might perhaps make a profit, and therefore would be driven by the desire to keep doing so. They wanted to ensure that any changes to party funding would have a built-in mechanism to stop parties and politicians amassing increasingly more money for themselves year on year.

Does it mean very healthy financially or that they manage their money prudently? We don't want them to be rich

Female, World-weary Pragmatist group, reconvened workshop

Indeed, this group returned time and again to the perceived shortcomings of current parties. They were very sceptical about the motivations of those seeking to run and manage parties, and tended to assume that they would try to “work the system” where possible. This meant that the group focused a great deal on “designing out” possible loopholes in their funding ideas, and for them, the main principle underpinning party funding should be to curb the parties in spending and prevent them taking advantage. On the assumption regarding fairness between parties, for example, one participant commented:

When they say fair to all parties, there are parties who have created themselves but they don't know how to rule and be in power, and there are ludicrous parties out there

Female, World-weary Pragmatist group, reconvened workshop

In contrast, the *Disillusioned Idealist* group's discussion of the first of The Review's assumption focused on the nature of *parliamentary democracy*. Participants questioned the existing democratic system, pointing out that it was historically contingent and that different systems (for example, the Additional Member system used in the Scottish Parliament) created different kinds of democracies.

The kind of democracy you have is going to colour the kind of democracy you want

Male, Disillusioned Idealist group, reconvened workshop

None of the groups disagreed with the second of The Review's assumption (“how parties are funded should be fully transparent”). This reflected the central importance they ascribed to transparency as a guiding principle of any future party funding system, which as we have already seen was a finding that emerged strongly across all workshops.

The third principle, (“A future system should encourage democratic engagement and be as fair as possible between parties”) however, raised issues that were important for all groups, although the particular focus of debate again differed between them.

The *Disillusioned Idealists* pointed out that democratic engagement could and should be encouraged at different political levels, focusing particularly on the

local level, since it was felt this was the level at which members of the public were most able to engage with parties and with politics more generally.

*Things that maybe influence people here in London maybe
wouldn't influence us in York*

Female, Disillusioned Idealist group, reconvened workshop

All groups questioned how a future system would be able to be as fair as possible between parties, drawing attention to the difficulty of judging fairness between parties, and commenting that it was impossible to please all the parties. A key issue here was how funding should be allocated to parties of different sizes. The *World-weary Pragmatists* focused on small single-issue parties at this stage, asking whether such parties should be publicly funded, and if so, how funding could be arranged fairly.

*The doctor who was elected to Parliament, should he have
had the money to campaign?*

Male, World-weary Pragmatist group, reconvened workshop

While fairness for parties irrespective of size was generally felt to be an important principle, concern was expressed in the *Disillusioned Idealist* and younger group about the possibility of funding for parties holding political views that are considered extreme. There was debate about funding of controversial parties in the younger group in particular, with one participant putting forward the view that parties with a significant public support base were not extreme as they represented public opinion, while another argued that more public funding could encourage extreme parties to become more accountable to the public by being contingent on parties conforming to equalities legislation.

*If a party gets a lot of support then it's not an extreme
party as it's representing the public*

Male, younger age group, reconvened workshop

*If you look at the BNP, they contravene the law... if you
had more public funding they'd have to be more accountable
about what they say*

Female, younger age group, reconvened workshop

Additional assumptions

Accountability was mentioned as an important additional principle to underpin the party funding system by all three groups, although the groups justified their arguments for this additional principle on different grounds. For the *World-weary Pragmatists*, the main issue was that there should be a stringent set of rules that parties would need to adhere to, in order to be “allowed” to run as parties at all. Allied to this, there was a deep concern among this group about loopholes that parties could potentially exploit, and participants expressed the view that parties would still attempt to find a way around the rules, whatever system was in place.

If you want something enough then you can do creative accounting.

Female, World-weary Pragmatist group, reconvened workshop

The *Disillusioned Idealists* and the younger age group, in contrast, centred their arguments for accountability more obviously on public confidence and democratic renewal. Participants felt that it was important for parties to demonstrate publicly that they were spending money legitimately. The *Disillusioned Idealist* group elected to add accountability to the second of The Review's assumptions, transparency, since it was felt that the two were closely interlinked:

I don't think you can have one without the other, they go hand in hand

Female, Disillusioned Idealist group, reconvened workshop

The younger age group also felt that education, accessibility and encouraging public awareness of parties and politics should be key principles underlying the party funding system, which related to the importance that the younger participants – often little engaged in political debate themselves prior to the workshops – typically attached to public engagement in the political process.

Transparency and accountability

This section explores the transparency and accountability measures participants wanted to see incorporated into any party funding system, going beyond participants' support for these principles in the earlier workshops to explore their practical implementation.

Some participants, particularly those in the *World-weary Pragmatist* group felt that any transparency and accountability regulations could be circumvented by parties. For example, some felt that parties could 'fudge' their figures by raising and spending money through affiliated pressure groups and think tanks.

Might they fudge their numbers?

Male, younger age group, reconvened workshop

However, while most participants accepted that no set of measures would be absolutely water-tight, they felt that a set of robust measures would ensure a very high degree of transparency and accountability.

Once participants learnt more about the current regulations in place to guarantee transparency, they increasingly felt that only minimal changes to the status quo were necessary. Their own lack of baseline knowledge about existing transparency regulations led participants to assert that public confidence in the existing system could be increased by raising awareness of the current measures in place.

Participants also lacked knowledge of the current mechanisms by which parties could be held to account if they break funding regulations. However, in contrast to transparency, they felt current accountability measures are neither used sufficiently, nor wide enough in their remit. All three groups concluded, on the basis of differing decision-making processes, that parties should be treated much more like businesses in the way their achievements are measured, the way they are regulated, and the way they are held to account.

Transparency

Across all the groups, transparency was considered to be a central tenet of any system of party funding.

*Transparent is saying what you've done with the money ...
knowing what I've spent the money ... accountability is
knowing that I've spent it on something that is legitimate*

Male, Disillusioned Idealist group, reconvened workshop

Levels of awareness of the current measures in place to ensure transparency were extremely low. On the whole, participants did not realise that parties are already required to supply The Electoral Commission with information about donors every quarter and to annually publish their accounts, and that information about parties' finances is currently published on The Commission's website. When informed about the current systems in place, the majority felt that to a large extent the existing framework meets the requirements for transparency and accountability identified by participants. Their suggested changes to the current mechanisms were therefore relatively minor.

*A lot of the things that we wanted, we now know that
they're in place, so we don't know how lucky we are*

Male, younger age group, reconvened workshop

In light of their own lack of awareness about current transparency regulations, participants argued the key change that needs to be made to the current system is to raise public awareness about the requirements already placed on parties to be transparent about their financial arrangements. There was a widespread feeling that while an independent body such as The Electoral Commission is able to effectively monitor parties' finances, real transparency can only be achieved if the public take an interest in the issue.

*It's only transparent if people know the information is
available.*

Female, Disillusioned Idealist group, reconvened workshop

However, there was agreement that encouraging citizens to access information on parties' finances would be very difficult. Many younger participants admitted they would be unlikely to seek this information actively, and asserted that the majority of their peers would be even less likely to do so.

If there was a website, I wouldn't look at it

Male, younger age group, reconvened workshop

It could just be really, really boring. Most of the time people won't go on it

Male, younger age group, reconvened workshop

Some in the younger group who had visited The Commission's website asserted that people could be encouraged to look at the information published there if it were presented in a more user-friendly format. They argued that the site could be more easily navigable, and that the presentation of headline figures represented in a graphical rather than text-heavy way would make it easier for members of the public to access information in which they were interested.

It doesn't matter if it is all reported on that website if people don't know that site exists

Female, Disillusioned Idealist group, reconvened workshop

It's not in the most accessible format. It takes 15 minutes to work out what's going on

Female, younger age group, reconvened workshop

However, there was a feeling that even if information was available in a more accessible format, the majority of people would be unlikely to access it themselves. Some participants said accessible and understandable information could be sent to citizens in order to ensure that everyone is aware of its availability.⁶

Ken [Livingstone] kind of puts something through your door every so often, in a way that it's easy to skim, that highlights main points and tells you how to find out more if you want to

Female, Disillusioned Idealist group, reconvened workshop

There was however widespread agreement, especially among the younger and *Disillusioned Idealist* groups that genuine public interest in the affairs of political parties and heightened trust in the mechanisms in place to regulate party funding would only be achieved with increased public engagement in the political process. There was much support for a greater emphasis on political and citizenship education in schools in order to politically educate the next generation of citizens, but also as a method of encouraging parents to become more informed about the political process. There was also widespread suggestion that measures to foster democratic renewal at a grassroots level would be beneficial, such as the creation of local 'ambassadors' to go into the community and encourage people to

⁶ Care should be taken when interpreting these findings. It is a common research effect for participants to call for more information, when in practice, it is questionable whether these participants would really engage with information sent to them. The calls for more information expressed a need for greater engagement and understanding, rather than necessarily for more information *per se*.

become politically involved, and local workshops where people could engage, in the way participants did in this consultation process.

You have to get people interested in politics before you get them looking at accounts

Female, younger age group, reconvened workshop

Education is very important to get them engaged with the whole process... more engagement at an adult level and also in schools as part of citizenship

Female, younger age group, reconvened workshop

Arts ambassadors...to make it more accessible...a group of people who are local to that area and they will go and, and, actually talk to people...down to the local level and have some kind of people's forum where they can be brief, you know, how you have young people's parliaments...

Female, Disillusioned Idealist group, reconvened workshop

It just needs the debate to be started, days like this show how easy it is. We all came away with new ideas, we all came away interested, and this should be done locally

Male, younger age group, reconvened workshop

Many participants argued that, regardless of the extent to which the public analyses parties' financial information, the principle of such information being published is an important one. While there was a widespread feeling that parties' accounts should not be presented to the public in exhaustive detail, participants felt that as much detail as possible should be collected so that it would be available if any funding or spending issues required further investigation.

You can't account for every biro they buy, but if something goes wrong you should be able to delve down into the details.

Male, younger age group, reconvened workshop

Participants did not have strong feelings about how regularly party funding information should be published. There was a feeling that it should be provided regularly enough to be up-to-date, but that excessively regular reporting would be a waste of resources. Once they had been informed that parties are currently required to provide information about their donors every quarter, most agreed that this is a reasonable level of regularity.

You don't want to be bombarded with too much information

Female, Disillusioned Idealist group, reconvened workshop

There was a widespread assumption that the detail of parties' accounts should be audited by The Electoral Commission, and that the media would also analyse records in detail in order to uncover any issues requiring further investigation.

However, many participants were sceptical of the media's ability to undertake this task, feeling that unless there was suggestion of some kind of scandal, party funding may not be an issue that the media would be interested in covering.

It's important that the information does need to be out there. It's up to us to decide what to do with it

Male, younger age group, reconvened workshop

The media will say it won't sell papers.

Male, younger age group, reconvened workshop

The only time it gets into the headlines is when something bad happens

Female, Disillusioned Idealist group, reconvened workshop

Accountability

While participants expressed an ambiguous relationship with business in the first workshops, a desire for business-like regulations emerged much more strongly in the reconvened workshop, particularly among the most knowledgeable participants. When discussing "accountability", the impression that parties should *operate like businesses* emerged in different ways from all three sub-groups. Accountability, for the reconvened groups, meant that parties should:

Identify what money they need, and what they need it for, clearly showing that they are not wasting money;

Clarify a budget – how it will be spent, the results they expect to see from the expenditure, and how these will be assessed;

Set out clearly where they got their money from;

Be responsible for spending only the money they have, with sanctions in place if they overspend. The sanctions suggested by the different subgroups differed in their severity, from the *World-weary Pragmatist* group who asserted that a party breaking the regulations should be forced to "go bankrupt", to the younger group who advocated, a gentler, self-imposed regulation; and,

Have clear performance targets for any money (especially public money) and publicly record how well they have done against these.

The majority advocated that parties should have to provide accounts and be audited in exactly the same way as corporations. There was near-universal support for the principle that parties should have to account for the sources of all of their income and for how their money is spent. Many wanted the existing system to be altered so that parties could be subject to auditing spot checks, rather than simply supplying their accounts annually.

Many participants argued that an increase in the levels of public funding given to political parties would provide improved mechanisms to hold parties to account. The *World-weary Pragmatist* group was especially concerned that parties receiving public funding must be able to prove their validity as a real party in order to ensure that the public purse was not defrauded. Other groups were more concerned that parties needed to fulfil certain standards of behaviour if they were to receive public funding.

We thought public funding should be 51% and 49% private, like a company, so you've got accountability to the public in there

Female, younger age group, reconvened workshop

There was significant support for the idea that in addition to parties being held financially accountable, their success should also be measured against certain performance indicators. For example, some in the *World-weary Pragmatist* group argued that in a similar way that charities bid for funding, parties should have to produce a bid for public funding that would outline exactly why they need the money and how it would be spent. Parties would then be held accountable for staying within the budget outlined in their bid while achieving the goals set out within it. Others suggested that parties should be held accountable for achieving objectives related to democratic renewal, such as increasing turnout, engaging with young people and campaigning locally.

In Edinburgh I suggested they did what VSO have to do and you apply for funding and you have to list all that it's spent on...and every single thing is audited

Female, World-weary Pragmatist group, reconvened workshop

Many participants were generally unaware of legal and administrative recourses available when party funding rules are breached. Once informed about existing administrative and legal recourses, there was a perception that these measures are neither sufficiently well publicised nor used.

If you look at the loans for peers scandal, there's been no accountability about that, they've just said they won't do it

Male, younger age group, reconvened workshop

There was disagreement about what form appropriate punishments for breaching regulations should take. Some participants argued that parties that breach the rules should be fined, or banned from standing in the next election, while others asserted that preventing parties from standing in election would be anti-democratic.

If any other organisation committed fraud like that, someone would be hung up for it

Male, younger age group, reconvened workshop

Opinion was split on whether donors to political parties should be subject to greater scrutiny. Some participants, particularly in the younger group, asserted this would be an excessive level of regulation, and insisted that the main focus should be on political parties themselves. However, both the *World-weary Pragmatist* and *Disillusioned Idealist* group proposed measures designed to hold donors to account. The *World-Weary Pragmatist* group advocated banning anonymous donations to political parties, and the *Disillusioned Idealist* group was in favour of the creation of a register of political donors, based on the model of the Parliamentary Register of Members' Interests. Both measures were designed to ensure the identification of any undue influence gained as the result of making a donation to a political party.

We were talking about transparency, we were thinking even if the big companies were donating, well, where are they getting their money?

Female, Disillusioned Idealist group, reconvened workshop

We've taken it to another level now; it's not just the politicians that have to be accountable but also the person giving the money to the party

Female, Disillusioned Idealist group, reconvened workshop

That's really important no anonymous donations

Female, World-weary Pragmatist group, reconvened workshop

Some participants in the younger group felt that individuals should be exempt from scrutiny, but trade unions should be open to scrutiny from their members, by ensuring that members are made aware that of any funds donated to the Labour Party. Again, levels of awareness about current legislation governing trade unions' political donations were extremely low. Some participants who are union members were surprised to learn about the political levy, and those who were aware of it were unaware of union members' right to "contract out" of their union's political fund.

Members should be made aware. They should be able to opt out

Male, younger age group, reconvened workshop

Caps and controls

This section analyses participants' debates on the principles of spending and donation caps and their practical implementation.

All three groups were in agreement that the current levels of spending by the big parties should be brought under control. Although they did not advocate radically reducing the total amounts that parties currently spend, they were keen to ensure that total expenditure does not continue to increase at the rapid pace evident in recent years. The groups were also in agreement that the party funding system should be designed to limit the potential for donors to buy influence.

However, the different groups advocated achieving these outcomes in varying ways. The *World-weary Pragmatist* and younger groups advocated systems incorporating the use of both spending and donation caps. In contrast, after a detailed discussion about capping the *Disillusioned Idealist* group concluded that a system of party funding with strictly controlled levels of transparency and accountability should preclude the need for spending and donation caps.

Controls on party spending

Participants concluded that the capping of party spending should not be limited to election campaigns, as suggested as a scenario in The Review's Interim Assessment. Participants were concerned that the lines between election and everyday spending are extremely blurred and that limits on election spending could therefore easily be circumvented. They argued that campaigning conducted before the official start of an election campaign could be classified as being part of an ongoing marketing campaign rather than election spending.

Where does the marketing stop and the campaigning begin?

Male, Disillusioned Idealist group, reconvened workshop

Participants also argued for caps on parties' overall level of spending, on the basis of their assessments that parties currently spend too much and that the escalation of their total spend needs to be curbed. Capping parties' overall spend was viewed by many as an opportunity to place controls on how parties should spend their money. On the whole, the younger age group argued that placing specific controls on how much money parties could spend on certain activities would not be necessary if sufficient transparency measures were in place.

If you've got transparency you don't have to legislate, they'll be self legislating.

Male, younger age group, reconvened workshop

However, there was significant support among *World-weary Pragmatists* for the idea of ring-fencing a proportion of public funding to be spent on areas such as policy development and research, and placing limits on the amount to be spent on areas such as advertising and entertainment of potential donors.

All three groups had detailed discussions about whether two mechanisms - caps on campaign spending, and the way in which public funding would be allocated - could be used to focus parties' attentions on campaigning and operating at a local level. These discussions reflected the antipathy to national campaigning and the perception that parties are not sufficiently concerned with local issues and grassroots politics, which were expressed by many participants at all four original workshops.

The national campaign is very Americanised, Tony Blair visiting every part of the country

Female, World-weary Pragmatist group, reconvened workshop

The younger age group was divided about whether national election campaigning should be permitted at all. Some participants asserted that a revival of grassroots politics could only be achieved if candidates ran for election on the basis of local issues and a local campaign alone. However, the majority argued that while a greater emphasis on local issues would be desirable, a national campaign tying together individual local campaigns would nonetheless still be necessary.

There shouldn't be any national campaigns, it should be done locally, that's the way to get people involved

Female, younger age group, reconvened workshop

Without national spending, would they say different things to people in different areas, then how would the government run?

Male, younger age group, reconvened workshop

The *World-weary Pragmatist* group and some in the *Disillusioned Idealist* group were also keen to impose a cap on national election spending. In addition, they advocated controls on election spending so that parties would be obliged to spend similar amounts on campaigning in all constituencies they were contesting, rather than being able to funnel funds into contests for marginal seats.

They cannot say that we're going to spend a lot of money here and try and strategically win the election here

Male, Disillusioned Idealist group, reconvened workshop

There was a feeling across all three groups that capping spending would force parties to pursue what are perceived as cheaper campaigning techniques, such as canvassing and local leafleting. Their suggestions were voiced in the hope that any canvassing would trigger a degree of democratic renewal, with parties having to be more in touch with and responsive to local issues - rather than as support for leaflets or knocking on doors as techniques in themselves. Participants themselves acknowledged that they were not marketing experts, so were not in a position to advise parties on which canvassing techniques were most effective.

One of the beauties of capping is that you have to get creative in how you spend your money

Female, Disillusioned Idealist group, reconvened workshop

The younger age group pursued this line further and advocated that spending caps should be linked to parties achieving certain democratic renewal targets, such as increasing turnout, engaging with younger voters and recruiting new members. If parties could prove they had achieved such targets, the cap on their spending would be raised.

They want more and more money without getting more people to vote, which means they have to get more publicity and campaigning, it's working in inverse, less electorate, more money required. That's not progress ... It should be done proportionally on how many people they get to vote. If you enhance the democratic process, you earn the right to spend more money. It's incentivised correctly that way

Female, younger age group, reconvened workshop

Participants felt they were not qualified to set an actual figure at which spending should be capped. There was a feeling that the steep increase in party spending over recent years indicated that parties should be able to spend significantly less money than they currently do and still be able to fulfil their democratic functions. Participants asserted that caps should be set by the independent regulator of party funding, which they assumed would be The Electoral Commission.

The *Disillusioned Idealist* group concluded that although they did not object to spending caps in principle, they felt parties should be given the opportunity to limit their own spending and redirect spending into what they viewed as more productive channels over a defined time period, before reassessing whether spending caps were in fact necessary.

We are expecting you to do your best but there are checks and balances in place so that you're not given room to get too far out of line

Female, Disillusioned Idealist group, reconvened workshop

You have to value people and their integrity

Female, Disillusioned Idealist group, reconvened workshop

Controls on donations

There was much discussion in all three groups about the pros and cons of setting donation caps and controls on donors, and whether caps and controls should vary according to types of donor.

Some members of the *Disillusioned Idealist* group argued that removing the link between parties and private donors by centrally collecting all private donations into a central pot - that would then be allocated to individual parties - would allow for the highest degrees of transparency and regulation to be built into the system. The *World-weary Pragmatist* group proposed a similar system for donations made by people who wished to remain anonymous. All groups, however, recognised that this might disincentivise individuals to donate, and that if controls on donations are implemented, this may need to go hand in hand with other measures such as some assistance for parties in the interim while they establish grass roots donations (of which more below).

Maybe the model should be a central pot that is centrally open and transparent and that is centrally managed

Female, Disillusioned Idealist group, reconvened workshop

The way the cap is introduced could be a staged process. It could be £15,000 then £10,000 and then £5,000

Female, World-weary pragmatist group, reconvened workshop

Some participants in the *Disillusioned Idealist* and *World-weary Pragmatist* groups asserted that corporate donors should be subject to a lower cap on donations than individuals on the basis that they are likely to have greater funds at their disposal, and therefore have a greater potential to buy influence. However, some in the younger group were cautious about the possible implications of banning large individual donations.

If you're an individual you've got less money coming back. With companies it's different

Female, Disillusioned Idealist group, reconvened workshop

That's one of the ways the rich in the country give something back

Male, younger age group, reconvened workshop

The *World-weary Pragmatist* group proposed that in order to limit the potential influence of any group of donors, parties would only be allowed to collect a certain percentage of their income from private donations. Within that percentage, separate limits on the amount raised from different types of donor would be imposed. For example, a certain percentage would be derived from corporations and individuals and another percentage from local individuals and party members.

The younger group concluded that differential caps for different types of donors were not necessary, but they were divided about whether trade unions and corporations should be treated differently when calculating how much they could donate. Some participants argued that because trade unions represent their members, they should not be subject to the same caps as corporations, which they viewed as representing a limited number of people and a narrow viewpoint. On the other hand, other participants asserted that trade unions seek to buy influence through political donations in the same way as corporations, and should therefore be subject to the same restrictions.

The link is historical, the unions created the Labour movement

Female, younger age group, reconvened workshop

They should be treated just like businesses

Male, younger age group, reconvened workshop

The two groups advocating donation caps (the *World-weary Pragmatists* and the younger group) both advocated the implementation of the capping of individual donations at a relatively low level. This was intended to prevent the buying of influence with large individual donations. The younger group argued that the cap would need to be sufficiently low so that the donation of the average individual donor would be valuable to large parties. Participants asserted that forcing parties to gain small donations from

many donors, rather than relying on large donations from a small number of donors, would encourage greater interaction between parties and the public.

The cap should be very low I think. Most people can't afford to put a lot of money, so for the sake of democracy it should be low

Male, younger age group, reconvened workshop

Caps on individual donations would be good. They'd go out talking to people

Male, younger age group, reconvened workshop

Both groups found setting a figure at which donations should be capped difficult. Most felt they lacked a sufficiently detailed understanding of parties' spending needs and the current make-up of their income to pick an actual figure.

The younger age group felt that a single figure for a donation cap to be applied to all parties could not be set. A cap that would be sufficiently low to prevent the buying of influence over smaller parties would disadvantage smaller parties who may be reliant on a small number of large donations in order to set up the party and cover its running costs. They therefore advocated setting caps in inverse proportion to the total size of a party's income, so that small parties would be able to accept large donations, but large parties would be precluded from doing so.

You take away the fairness aspect, the lower the cap the harder it is for a small party to start up

Male, younger age group, reconvened workshop

You should think about it in terms of proportions, how much it means to each party

Female, younger age group, reconvened workshop

There was some concern that donation caps could be circumvented through the donation of benefits in kind rather than cash, and that setting thresholds which were too strict would lead to parties' attempting to find "loopholes" such as pretending to be smaller than they really are, and so on. However, participants offered no solution to this issue, feeling that such arrangements would need to be monitored by the independent regulator of the party funding system.

You could get a slick director coming along and saying I'm going to give you my services for free and you'd get a very slick product

Male, Disillusioned Idealist group, reconvened workshop

There was little concern among participants about the possible side-effects of capping the size of donations to political parties, such as an increase in the power of pressure and lobby groups as a result of receiving donations that would otherwise have been made to parties.

To have any real influence, they'll have to become a party, in which case they'll fall under the legislation

Male, younger age group, reconvened workshop

Participants discussed whether the financial health of parties would suffer if donations were capped. In the younger group, some participants argued that parties should be entirely responsible for their finances, regardless of the introduction of additional regulations imposed on them, while others asserted that allowing parties to go bust would damage democracy.

The money would turn up from somewhere, in reality the government won't let that power vacuum occur

Female, younger age group, reconvened workshop

There was some suggestion in both the younger and *World-weary Pragmatist* groups that the introduction of a donation cap should be accompanied by a transition period. During this period, parties could apply for grants to cover their costs while they restructured their operations in line with a smaller budget, or public funding could be used to pay off existing debts and commitments so that all parties would enter into the new system on an equal footing.

Although they discussed the concept of donation caps in depth, the *Disillusioned Idealist* group concluded that individuals' liberty to donate to political parties should not be limited unless strict transparency and accountability measures failed to curb the perception that political donations were buying influence.

Well I suppose we're a democracy and people should be able to give their money to what they want

Female, Disillusioned Idealist group, reconvened workshop

We're being cynical about where the money goes. Some people want to give money to something they believe in. Some people want to give the money to a good cause that they actually believe in

Female, Disillusioned Idealist group, reconvened workshop

General and targeted funding subsidies

This section explores participants' assessments of the proposal to provide parties with general or targeted public funding subsidies, or a combination of both.

As discussed above, the majority of participants were in favour of a degree of public funding for political parties. A theme common to all three break-out groups was that a degree of public subsidy would facilitate greater levels of transparency and accountability. Participants also felt that the allocation and management of funding subsidies would provide useful mechanisms for achieving their key aims of encouraging parties to be more focused on achieving measurable results in improving democratic renewal. However, there was some division in opinion about the extent to which general and targeted subsidies should impinge on parties' freedom to spend money how they wish.

The majority of participants favoured a system incorporating a degree of public subsidy of political parties into the party funding system. On the whole, participants argued it

would be possible to justify a system of public subsidies to the public, if any new measures were accompanied by a thorough explanation of the benefits of such a system, and the cost of a new system was placed in context.

It depends how much they are going to spend. If it was targeted then I think people would be more likely to give

Female, Disillusioned Idealist group, reconvened workshop

I think taxation is a myth, for this purpose, it looks like a lot of money in the press, it's a tiny amount

Female, younger age group, reconvened workshop

Everyone is going to have knee-jerk reactions, it's gonna hit me in the pocket ... They'll need to know why they're doing it, like we do

Male, younger age group, reconvened workshop

Although the weight of opinion in the *World-weary Pragmatist* group was in favour of a greater degree of public funding, reflecting this group's scepticism about politicians' and parties' motives, they were very concerned to place clear limits on the level of public subsidy, as well as strict controls on who would be eligible to receive money. There was much concern that allocating a level of subsidy to political parties could open the door to spiralling levels of funding. Participants were therefore keen to ensure that an independent regulator would set any increase in subsidy, rather than parliament or the government, and that increases should only be at the rate of inflation.

Any increase has to be referred back to some kind of independent controller

Female, World-weary Pragmatist group, reconvened workshop

An amount is agreed then there should be some way to make sure that the politicians don't vote to double that money

Female, World-weary Pragmatist group, reconvened workshop

The group was also very concerned about identifying and closing loopholes that could allow public money to be fraudulently claimed. To this end, they were keen to develop a definition of a political party that was as watertight as possible. They also advocated tight rules for the registration of parties with The Electoral Commission, which in large part replicated rules already in place, of which they were initially unaware.

There should be hoops you have to go through to be a party at all, and process of validating your role as a party

Male, World-weary Pragmatist group, reconvened workshop

An independent candidate should have to produce a certain number of supporters

Female, World-weary Pragmatist group, reconvened workshop

Reasons for supporting the introduction of increased public funding differed between the three groups. However, a common theme running across all three groups was that an element of public funding would facilitate the greatest possible levels of transparency and accountability in the funding process.

We all want the transparency, and the only way to get that is if we, the public, give them the money

Male, younger group, reconvened workshop

In line with their underlying concerns, the younger group argued that funding subsidies should be contingent on achieving certain key performance indicators relating to democratic renewal, such as campaigning at a local level and being involved in local political debates, increasing turnout and engaging younger voters.

Workshops like this, engagement, speaking to people. If you could bring people into a forum like this, and bring people from different backgrounds

Male, younger age group, reconvened workshop

They need to think about local issues all year round

Male, younger age group, reconvened workshop

There was some disagreement about the exact mechanisms that should be used to implement this system. Some participants advocated that any general subsidy should be dependent on achieving performance targets, in the same way they advocated that rises in spending caps could be linked to parties' performance in relation to certain indicators. In a similar vein, the *World-weary Pragmatist* group argued that parties would only be eligible for public funding if they submitted a detailed budget proposal to The Electoral Commission and proved that they had spent their previous subsidy as they had outlined.

You'd do it on the basis of KPIs

Male, younger age group, reconvened workshop

Grassroots recruitment – they have to go out and recruit more people, there have to be incentives and targets, public and private organisations operate like that now

Female, younger age group, reconvened workshop

Other younger participants and many of the *Disillusioned Idealists* asserted that a general subsidy should be guaranteed to parties, and that targeted subsidies should be used to encourage parties to undertake certain activities, for example policy research and development and activities related to democratic renewal.

I think we liked targeting, we got excited about that!

Female, Disillusioned Idealist group, reconvened workshop

However, in the same vein as worries about stringent controls on how parties spend their money in general, there was concern among some participants that targeted funding should not be overly controlled, and that parties should still have a degree of free choice over how they spend their funds.

Every political party are going have specific areas they need to spend money on

Female, Disillusioned Idealist group, reconvened workshop

That's like capping telling people what to do with their money

Female, Disillusioned Idealist group, reconvened workshop

I think it's down to them; just like an individual, as long as they're serving the democratic process, what they spend their money on is down to them

Female, younger age group, reconvened workshop

Reflecting their ideological viewpoint, some *World-weary Pragmatists* were concerned about a system of targeted funding for slightly different reasons, associated with the cost, bureaucracy and ethics of such a system.

It might be very bureaucratic

Female, World-weary Pragmatist group, reconvened workshop

We could have all these changes but within a finite sum and it doesn't grow with each type of thing. It all has to be kept within one thing

Female, World-weary Pragmatist group, reconvened workshop

If it becomes too targeted then it becomes bribes

Female, World-weary Pragmatist group, reconvened workshop

The ways in which participants advocated allocating subsidies to parties reflected their wider concerns and priorities. The *World-weary Pragmatist* group advocated subsidies being paid to individual candidates rather than parties, in order to shift the electoral system's centre of gravity to the local level, while the younger group hoped to encourage democratic renewal by calculating funding according to the number of party members.

You should give the money to the candidate, and then they decide how much of that to give to the party

Female, World-weary Pragmatist group, reconvened workshop

A system that will pay more money to local parties. The local candidates should give money to the central party, so all the money is not spent on Blair when it could be getting local people involved

Male, World-Weary Pragmatist group, reconvened workshop

You could do it on how many members they have

Male, younger age group, reconvened workshop

Although supporting small parties did not emerge as much of a significant priority at the reconvened workshop as it did at some of the earlier workshops, participants were concerned that parties should be treated fairly. There was therefore some support in the younger group for a system that avoided entrenching the position of the big parties. The *World-weary Pragmatist* group were concerned that if public subsidies were coupled with a system of capping private donations, there should be mechanisms in place to allow new parties to establish themselves.

If you did it by votes, wouldn't the winning party have an advantage over everyone else, forever?

Male, younger age group, reconvened workshop

You could give new parties a start-up grant

Female, World-weary Pragmatist group, reconvened workshop

While participants were keen for the allocation of public subsidies to be fair, they did not feel that all parties should be treated equally. The younger group advocated the use of subsidy money as well as benefits in kind (such as free local publicity) to bring all parties up to a common baseline. Beyond that baseline, however, parties would have differential levels of funds allocated by public subsidy and collected through private donations.

It's got to be down to what they need, pro-rata. Where I live Lewisham you can see all the manifestos on a piece of paper, they all get the same space on the paper

Female, younger age group, reconvened workshop

The *World-weary Pragmatist* group asserted that although small parties, even controversial ones, should receive a degree of public subsidy, on the condition that they act as within the law, funding should reflect differential levels of popularity among parties.

I like the idea of the number of votes whilst we have the first past the post system. You get initial first rate grant and then you get the share of the money after

Female, World-weary Pragmatist group, reconvened workshop

Voter-led incentive schemes

This section looks at participants' attitudes to the concept of voter-led incentive schemes. Although participants strongly advocated the use of incentive schemes designed to encourage parties to spend their funds in certain ways and to undertake certain roles, particularly those connected with democratic renewal, there was relatively little support for the idea of voter-led incentive schemes, which would reward people financially for donating to parties, for example through a cash incentive or through tax breaks.

There was a high level of confusion, especially among younger participants and the *Disillusioned Idealist* group about how a system of voter-led incentive schemes would work in practice.

You get money to donate? Sounds odd to me

Female, younger age group, reconvened workshop

It's one that I've found a bit hard to get my head round

Female, Disillusioned Idealist group, reconvened workshop

Some members of the *Disillusioned Idealist* group were concerned about the potential cost implications of a scheme that would match individual donations

The voter-led incentive would have to be capped

Female, Disillusioned Idealist group, reconvened workshop

Is this going to have to go up greatly, are our taxes going to rise? So no, I don't think that's viable

Female, Disillusioned Idealist group, reconvened workshop

I can't see how it could be made manageable

Female, Disillusioned Idealist group, reconvened workshop

The focus of the younger group's concern was that such a system may fail to properly engage people in politics and could actually mask underlying disengagement. They argued that encouraging people to donate to parties by increasing levels of political engagement would be a more substantial measure.

People would be more likely to do it if they actually wanted to

Female, younger age group, reconvened workshop

The *World-weary Pragmatist* group were more positive about such a scheme, and were enthusiastic about matching donations made by members, as a measure that would encourage parties to recruit more members. However, they too were sceptical that such incentives would encourage people to donate. With a certain degree of humour, they suggested that donors could be entered into a lottery, with the chance of winning some proportion of the pot, which they felt would create more of an incentive to donate.

*Well, I think that the lottery would be better as they can
gain something as well*

Female, World-weary Pragmatist group, reconvened workshop

Trade-offs

Finally, groups were asked to think about how a consistent set of measures might work together, by considering how the different specific measures they recommended would build on each other, and whether any were mutually exclusive.

In practice the process of trading off was brought up spontaneously in both of the older typology groups; as they debated new measures, participants questioned how those would relate to specific recommendations they had already decided on. When debating caps on donations, for example, the *Disillusioned Idealist* group decided that caps were unnecessary in the short term if the transparency and accountability measures they had already decided to recommend were set in place.

*Because it's transparent and we know how it's being spent
then there's no need for caps*

Male, Disillusioned Idealist group, reconvened workshop

The younger group found it more challenging to consider how the measures they advocated would interact with one other. This was reflected in their final recommendations for The Review, where they presented a package of specific measures but did not consider the trade-offs between these.

Appendices

Appendix A: Participant Profile

Appendix B: Day structure

Appendix C: Stimulus material

Appendix D: Task materials

Appendix E: Jargon buster

Appendix F: Analysis

Appendix A: Participant Profile

Workshop	Quotas
York 30 people recruited for 25 to attend (27 attended)	<ul style="list-style-type: none"> • At least 3 people from rural areas within 30 miles of York, the rest from York City • Aim for equal mix of men and women • ABC1 – aim for 14 • C2DE – aim for 11 • Half of participants aged 18-44, half aged 45+ (aim for good spread within age bands) • Not more than 3 political party/ trade union activists per workshop (see below) • Aim for a good mix of party political support • Aim for a good mix of interest in politics
London 30 people recruited for 25 to attend (26 attended)	<ul style="list-style-type: none"> • All participants to live in Inner or Outer London • Aim for equal mix of men and women • ABC1 – aim for 16 • C2DE – aim for 9 • Half of participants aged 18-44, half aged 45+ (aim for good spread within age bands) • Not more than 3 political party/ trade union activists per workshop (see below) • Aim for a good mix of party political support • Aim for a good mix of interest in politics
Edinburgh 30 people recruited for 25 to attend (29 attended)	<ul style="list-style-type: none"> • At least 3 people from rural areas within 30 miles of Edinburgh (East Lothian), the rest from Edinburgh City • Aim for equal mix of men and women • ABC1 – aim for 18 • C2DE – aim for 7 • Half of participants aged 18-44, half aged 45+ (aim for good spread within age bands) • Not more than 3 political party/ trade union activists per workshop (see below) • Aim for a good mix of party political support • Aim for a good mix of interest in politics
Cardiff 30 people recruited for 25 to attend (26 attended)	<ul style="list-style-type: none"> • At least 3 people from rural areas within 30 miles of Cardiff, the rest from Cardiff City • Aim for equal mix of men and women • ABC1 – aim for 15 • C2DE – aim for 10 • Half of participants aged 18-44, half aged 45+ (aim for good spread within age bands) • Not more than 3 political party/ trade union activists per workshop (see below) • Aim for a good mix of party political support • Aim for a good mix of interest in politics

Belfast 30 people recruited for 25 to attend (29 attended)	<ul style="list-style-type: none">• Recruitment from within the Belfast CC area• Aim for a mix of social grades• Aim for an equal mix of men and women• Aim for one third of participants aged 18-34, one third aged 35-54, and one third aged 55+• No members of political parties or party activists• Recruit 12 Nationalists; 12 Unionists; 6 'other'• Aim for a good mix of party political support• Aim for a good mix of interest in politics
Reconvened workshop 25 people recruited for 20 to attend (25 attended)	<ul style="list-style-type: none">• At least 5 participants from each of the York, London, Edinburgh and Cardiff Workshops

Appendix B: Day structures

The day structures was used as a guide for the day's discussion. However, the lines of discussion were led by the participants so the topics covered varied between workshops and breakout groups.

Day structure for initial workshops

Timing	Moderator Guide. <i>Throughout, moderator will probe on all answers and follow up responses, asking why and how people think what they do.</i>	Stimulus material
10.15- 10.30. Welcome Plenary	Moderator introduction Day timing; breaks; toilets; mobile phones off All views valid; talk and reflect as much as possible; pipe up, don't worry if not everyone agrees; feel free to tell us if you're changing your mind Film crew and Diary Room – feel free to go and record your thoughts	Approved script so that each workshop is introduced to the subject in same way. (EC) PPT presentation of current funding situation and media headlines
10.30 – 10.50 Current funding presentation	Welcome from Electoral Commission We're going to set the scene first; a few important things to tell you about what we're talking about for the rest of the day. Anything unclear, shout out. <i>PPT presentation</i>	2 large pie charts of party income and spend on wall in both rooms
10.55-11.40 Response to current situation, principles of "a healthy party system", and reaction to current news Divide into groups A, B and C	Spontaneously First thoughts on what you've just heard Anything unclear Any surprises – anything different from what you previously thought Thoughts about the media headlines Why are these issues in the news at the moment? What's behind the discussion around changing party funding, openness and transparency? What do you think about the "arms race" on party spending – what is Jack Straw talking about? Are these problems new, are they to do with these specific individuals, or are they to do with the rules and regulations? What do you think the Phillips review might say – just in your opinion? <i>NB –moderator to gather views on this, for context, rather than enter a very detailed discussion on specific issues. Can park issues to talk about later.</i>	Flip chart

	<p>Principles behind parties</p> <p>Why do you think people say parties are important?</p> <p>Prompt on – <i>represent people, help form governments, offer alternatives to voters, inform voters, provide framework and funds for people to get involved in public life, especially help with election organising – see crib sheet</i></p> <p>What makes a good party – <i>list on flip chart</i> all the things that a party would do for society if it fulfils its remit</p> <p>What would it be like if we had <i>no</i> political parties (only pressure groups?); who would it benefit, what would we lose</p> <p>So today we are talking about ways of funding parties so that they are able to do all the things we would ideally like them to do. <i>Stick chart on wall.</i></p> <p>Public debate on parties</p> <p>Have you heard any discussion about the way parties get their money? What? In the media/elsewhere?</p> <p>Where do you stand on these discussions? (Reassure participants that it's OK if they have never so far formed an opinion on this!)</p>	
<p>11.40-12.40</p> <p>Social changes which are affecting the model</p>	<p><i>Showing one at a time and rotating presentation</i></p> <p>Here are some things which are happening in our society which might affect how parties operate.</p> <p>For each:-</p> <p>What do you think of this, any surprises, how credible is it</p> <p>Why do you think this is happening</p> <p>What will be the effect on our current model of party funding, if this trend increases? (refer back to pie chart if necessary) What will no longer work? What will we need to change? What would be the pros and cons of changing?</p> <p>If ALL these things happen/ carry on happening, what will be the most important decision to be made on party funding, in a few years' time?</p> <p>5-minute summing-up at end of groups:</p> <p>Summing up so far – what needs to be changed, if anything? Why?</p> <p>What's the most interesting thing you've heard so far?</p> <p>Anyone changed their mind about any ideas they</p>	<p>A1 posters – leave these up around each syndicate room</p>

	<p>came in with? Why? Indeed, why <i>not</i>?</p> <p>First Vote – each participant fills in a voting questionnaire and posts it in the ballot box</p>	
LUNCH 12.40-1.30	Delegates encouraged to use diary room	
<p>1.30 – 2.30</p> <p>In Syndicate groups D, E and F</p> <p>Deliberate different funding models</p>	<p>Thinking about what we've discussed so far – we're now going to talk about the ideal solution for the future.</p> <p>Here are some ideas that different people we've spoken to have come up with; ideas for how we could change the system.</p> <p><i>Present A first (rotate and sometimes present B first)</i></p> <p><i>NB – we are picking up their perceptions of how these different funding worlds would work – the perceptions might not necessarily be true!</i></p> <p>A: “Political parties are funded completely from public money – no donations at all from individuals, companies, or other organisations are allowed”</p> <p>First reactions</p> <p>Perceptions of strengths and weaknesses of this idea</p> <p>If this system was put in place, how would things change</p> <p>What else would have to happen for you to have confidence in this system</p> <p><u>Specific issues to probe (probe as these points emerge, prompt if they do not)</u></p> <p>Effect on political influence:</p> <p>Is public money “cleaner” – how would you feel about politics if this situation happened, why?</p> <p>Who would influence politics and how, how would you feel about this? What kind of “corruption” do you think might be avoided / created? Why do you think that?</p> <p>How about if you had to give money to a party you didn't agree with, how would you feel; how about the possibility of choosing to opt out of your money going to any specific parties (e.g. CND supporters currently may end up paying taxes spent on arms – any way to avoid a similar situation? And how desirable would it be to avoid it?)</p> <p>How about if it made no difference to “corruption” – some studies show that other countries with a higher level of public funding still haven't eliminated this. Would it really stop people influencing politics?</p>	<p>There are 4 A4 models.</p> <p>A) Full public</p> <p>B) Full private</p> <p>C) DIY</p> <p>D) Today.</p>

	<p>Ban on donations:</p> <p>How would you feel if <i>you</i> weren't allowed to give money; is it worth it to know that others can't either?</p> <p>Effect on different parties:</p> <p>What would be the effect on small parties? i.e. they'd get more support than now. Would this be fairer, or not?</p> <p>Would this be a good effect? Why should parties without support from a large majority get our money? How do we reward a party who gets mass support?</p> <p>How would a little party start up – would they still need some private funding?</p> <p>Effect on the local level:</p> <p>With this system, what would keep parties interested in their local supporters at local level? How would we make sure that the wishes of local people were respected if the parties weren't dependent on their money?</p> <p>Party spending:</p> <p>Would the parties be able to spend this state money on whatever they want? Would you want to have any say in it, what kind of say? How will we know what they spend it on? Would you really care?</p> <p>If we had a cap on spending, should this be overall, for individual candidates, for different kinds of spend, what?</p> <p>Level of public funding:</p> <p>How much would be acceptable for us to pay, as a society? <i>(NB only if they bring this up, asking how much it would cost them in taxes – we turn the question back to them – then say there's lots of different ways it could be done, and we will talk in the next section about this)</i></p> <p>Would it be good value for money for us – would it be a big spend, in the context of what we spend on other public issues?</p> <p>The 'rules': how would the system work?</p> <p>Who decides on whether a party gets the cash – should it be based on fielding candidates, seats?</p> <p>What would be included? How about voluntary or pro bono work from individuals?</p> <p>How about if parties are more "controlled by the state" than they are now (or if we perceive them to</p>	
--	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--

	<p>be). Would that be a bad thing? Why?</p> <p>How do you imagine the system would run? Would it feel bureaucratic?</p> <p>The future:</p> <p>What would happen year on year? Would the state funding increase? How could we keep funding/spend in check?</p> <p>How sustainable would this be – given that private donations are falling, as we just heard, might this be the best solution for the future?</p> <p>Would it matter if we didn't support parties and private donations fell even lower? What would happen to the parties, and would we care?</p> <p>Overall:</p> <p>What do you think of this idea overall – remembering to think from the point of view of society as a whole as well as from your personal point of view?</p> <p>B: “Political parties are funded completely from private donation. There is no public money at all given to them”</p> <p>First reactions</p> <p>Perceptions of strengths and weaknesses of this idea</p> <p>If this system was put in place, how would things change</p> <p>What else would have to happen for you to have confidence in this system</p> <p><u>Specific issues to probe (probe as these points emerge, prompt if they do not)</u></p> <p>The ‘right’ to donate?</p> <p>What are the good points of this – individuals would be able to give money themselves (point out that it's not going to be all big business, but private individuals)</p> <p>Why would individuals want to donate?</p> <p>Effect on political influence:</p> <p>Would this lead to people “buying” influence?</p> <p>Would this lead to “corruption”? most donations aren't that big anyway, and in recent instances where parties have faced corruption allegations, this has not been proven.</p> <p>An argument to counter the view that power could</p>	
--	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--

	<p>be bought – Yes, but parties would have to prove to big donors that they really had popular support. So they would still have to create policies that people wanted, and help the public, otherwise no big donors would be interested.</p> <p>Effect on different parties:</p> <p>What would happen if the donations weren't there – would parties go bankrupt? Why would that be a problem? Which kinds of parties would be left? i.e. big ones</p> <p>Caps/limits on donations:</p> <p>In this option, should there be a limit on who's allowed to donate – e.g. Brits or those from overseas too?</p> <p>Should there be a limit on how much individuals can donate to political parties – or should they be able to donate as much as they wish? What would be the result of both these ideas?</p> <p>How about businesses (prompt if necessary: like British Airways or Sainsburys)? Should there be a limit on how much they can donate to parties? Should they be allowed to donate at all? Why do you say that?</p> <p>And how about other organisations, like trade unions? Should there be a limit on how much they can donate to parties? Should they be allowed to donate at all? Why do you say that?</p> <p>Party spending:</p> <p>How can we be sure parties will spend the money in a way which is good for all of us?</p> <p>Will there be a funding arms race? What would be the implications?</p> <p>The 'rules': how would the system work?</p> <p>What kinds of rules would there have to be on transparency, and parties disclosing what they get?</p> <p>Would there be different rules for loans and gifts?</p> <p>Effect of no public money going to parties:</p> <p>Taxpayers wouldn't have to pay – so you wouldn't have to support a party you disapproved of. What do you think about that?</p> <p>Would we lose anything if we lost state funding? Would it be worth it?</p> <p>Overall:</p> <p>What do you think of this idea overall – remembering to think from the point of view of society as a whole as well as from your personal point of view?</p>	
--	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--

	<p><u>Overall</u>, what is your view on the two options A and B – where do you instinctively sit?</p> <p>Now let's make our own version – C: DIY</p> <p>Each participant privately draws their own pie chart with the division between public/private funding, using the blank model we give them. Choose the best parts of A and B.</p> <p>Each person defends why their model looks the way it does. Moderator prompts:</p> <p>How would you ensure equality if that's what you've chosen? Matching donations?</p> <p>Would you cap spending for these parties, and if so why, and what would happen either way?</p> <p>If there is a "public pot" how should it be divided between the parties? (e.g. fixed sum given to all depending on candidates fielded? Matched donations?)</p> <p>Would there be any limits on individual donations?</p> <p>Moderator to show D – how things are today. Political parties are funded mainly from private donations with some state funding too (taken from chart we showed in initial presentation)</p> <p>What would change from today, in your ideal model?</p> <p>If they haven't changed much – how are you going to deal with the issues we talked about earlier (more elections, falling donors, etc)?</p> <p>We are all different with different views on this matter. How can we come to some agreement? The Electoral Commission needs to satisfy everyone. What would be the best way of us settling on a balance that works for us all?</p> <p>Participants discuss how they would come to agreement.</p> <p>Moderator prompts – why are these the important issues to discuss? What's the ideal solution?</p> <p>Together the group prepares a short presentation of what they've decided and which arguments are most important (this can be finished off in the next session if necessary).</p>	
Short break 15 min		
2.45 – 3.30 In the real world 2 nd syndicate groups, then	<p>In our last session you decided on your ideal model. Now we want you to go back to the real world. How would the model you chose work in practice in the UK?</p> <p><i>(prompt and probe)</i></p>	Revisit models

<p>plenary</p>	<p>Thinking about public money:-</p> <p>How would state funding be provided to parties [gather ideas from participants]? People have suggested a few different ways in which state funding could be provided:</p> <p>- <u>Tax relief or matched funding on donations.</u> At the moment, political parties can't get tax relief on donations made to them, unlike charities which can. The rules could be changed so that parties did qualify. Another suggestion is that matched funding could be introduced in the UK. This would mean that for every £1 donated to a party by individuals or organisations, £1 of public money would also be given to that party. Do you think these suggestions would work well in the UK, or not? Why do you say this?</p> <p><i>Pros and cons for moderator to use as prompts:</i></p> <p>Some people say this would mean the public money parties received was a genuine reflection of their public support. However, others say that it could bias the system towards those parties with wealthier supporters and could be bureaucratic. Also, some people ask why the state would match any money they give to a political party, but not any money they give to a campaigning or religious organisation.</p> <p>- <u>Parties would only get public money for undertaking certain activities.</u> For example, public money could be used to help parties with campaigning in local constituencies. This already happens in some countries. In Germany, for instance, public money is given to fund youth sections of parties, and to promote the participation of young people in politics.</p> <p><i>Pros and cons for moderator to use as prompts:</i></p> <p>Some people say this is a good idea because it would mean public funding was targeted at a local level, not on national campaigning such as advertising on billboards. Also, it could motivate parties to campaign in those local areas where they don't usually bother to campaign. However, other people say this could mean that parties wouldn't bother to fundraise locally, since they would be getting public funds for local campaigning anyway. It could also mean that even if a party's candidate for an election didn't have much public support, the party would still get funding for him/her to campaign.</p> <p>- <u>Parties could be given free newspaper and billboard advertising, as well as the free party political broadcasts they are already entitled to.</u></p> <p>Some people say this would mean parties are able to get their message across to voters using modern media channels, even if they would otherwise not have been able to pay for advertising. Others say parties should be allowed to decide for themselves how they want to get their message across to voters – and that if this was regulated by the government, it could be inefficient and bureaucratic, and mean that parties had less incentive to think up new</p>	
----------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--

	<p>and innovative ways of getting their message across.</p> <p>The ‘rules’ for allocating public money</p> <p>How should the amount of state funding that parties qualify for be decided? [Moderator gathers views] Why do you think that would work? Are there any drawbacks? Prompt if necessary:</p> <ul style="list-style-type: none"> - On the basis of their share of the vote at the last General Election? - By each voter ticking a box on their ballot paper at the General Election, saying which party they would like a small amount of public funding to go to? It would be up to people whether they ticked the box for the party they had just voted for, or for a different party. - On the basis of how many members a party has? Parties would need to prove these were genuine members. - On the basis of how many MPs a party has elected to Parliament? <p>Collect on flip chart the summary of the “rules” for how the new system would work.</p> <p>Vote again on 5 preferences (assuming that the “rules” you’ve just invented would come into play). Participants allowed to annotate voting slips if desired.</p> <p>Has anything changed? Anyone change the way they vote, why, why not?</p> <p>Prepare short presentation of rationale for choice to plenary. If big disagreements within group, prepare several!</p> <p>Final vote – voting slips passed around for participants to complete and put in ballot box; participants encouraged to annotate them if they feel they want to.</p>	
<p>3.30 – 4pm Final thoughts and wrap up Plenary</p>	<p>Present back</p> <p>How would you convince people who have not been here today that the decision you have come to is right</p> <p>Looking again at the future trends – do your choices work well with these</p> <p>Final advice for EC and Phillips Review</p> <p>Thanks and close</p>	

Reconvened workshop day structure

Timing	Moderator Guide. <i>Throughout, moderator will probe on all answers and follow up responses, asking why and how people think what they do.</i>	Stimulus material
<p>10.15- 10.30</p> <p>Welcome</p> <p>Plenary</p>	<p>Moderator introduction</p> <p>Day timing; breaks; toilets; mobile phones off</p> <p>All views valid; talk and reflect as much as possible; pipe up, don't worry if not everyone agrees; feel free to tell us if you're changing your mind</p> <p>Welcome from Electoral Commission</p> <p><i>Includes explanation of Review, stage we're at now, why we're carrying out this session</i></p> <p>Gelling activity – what did your friends think about previous session? How did you find it? (Room set up cabaret style)</p> <p>Have you looked for / noticed any more information on this subject since coming along last time?</p> <p><i>Show film – ask for spontaneous reactions</i></p> <p>Common misconceptions – presentation from Ipsos MORI</p> <ul style="list-style-type: none"> • MYTH: Confusion between political parties and the government, which led to confusion between public funding of parties and taxes collected by the government to fund public spending. <p>FACT: A political party is an organisation that seeks to attain political power either within a government, or by commanding a majority in Parliament, which enables its representatives to form a Government. Once formed, a government collects taxes in order to fund public spending on a wide range of public services and in other areas in which there is a public interest.</p> <p>The public funding of political parties refers to the use of taxes to provide funding, whether directly in the form of money, or indirectly in the form of benefits in kind, for political parties, as opposed to taxes used to fund Government expenditure.</p> <ul style="list-style-type: none"> • MYTH: Parties spend their money almost solely on election campaigns. Lack of awareness about parties' day-to-day running costs. <p>FACT: While it is true that the major parties do incur significant levels of expenditure during election campaigns, parties also require considerable resources to cover the cost of running their organisations; that is, to cover staff salaries, rent, office equipment, postage and so on. This means that parties require a regular flow of income in order to operate and</p>	<p>PPT presentation of common misconceptions</p> <p>Film 'Securing Public Confidence'</p>
<p>10.30 – 11.10</p> <p>Session 1 – Gelling the group</p>		

	<p>perform their functions effectively, not just in the immediate run up to an election.</p> <ul style="list-style-type: none"> • MYTH: The main donors to British political parties are large corporations, rather than individual donors. <p>FACT: Both the Conservative and Labour parties have increasingly relied on large individual donations to fund their activities rather than large corporations. Trade unions continue to form a significant source of income for the Labour Party however. Other parties have never received funding on the scale of the Labour and Conservative parties. Their income streams tend to be more a mixture of membership subscriptions, personal donations and public funding. [am double checking this with RS]</p>	
<p>11.10-11.50</p> <p>Response to common misconceptions and film</p> <p>Divide into groups A, B and C</p>	<p>Spontaneously</p> <p>First thoughts on what you've just heard</p> <p>Anything unclear</p> <p>Any surprises – anything different from what you previously thought</p> <p>Thoughts about the common misconceptions</p> <p>First advice to Phillips Review</p> <p><i>NB – moderator to gather views on this, for context, rather than enter a very detailed discussion on specific issues. Can park issues to talk about later.</i></p> <p>A first look at the assumptions of the Review – final ppt slide</p> <p><i>Moderator to show these assumptions and check for comprehension and agreement –</i></p> <p>“The financial health of political parties is fundamental to our parliamentary democracy</p> <p>How parties are funded should be fully transparent</p> <p>A future system should encourage democratic engagement and be as fair as is possible between parties. “</p> <p>What do you feel about these assumptions? Do you disagree with any of these assumptions? If so, why? Should there be any additional principles underlying the review? What are the alternatives to these ideas, if you disagree?</p> <p><i>Add questions to a flip chart to discuss later if necessary – can even create own assumptions.</i></p> <p>Putting principles into practice</p> <p>Moderator to introduce guiding principles one at a time – these are ideas which emerged from previous stages of research and we now want to see what they would look like</p>	

	<p>in practice, and how they fit with the objectives of the Review.</p> <p>A) Transparency B) Accountability C) Greater limits and controls on party spending D) Fairness for all parties irrespective of size</p> <p>For each:</p> <p>How would this work?</p> <p>What would it look like?</p> <p>What would it involve?</p> <p>How would it be calculated? <i>(a quick check to see whether people have any sense of what mechanisms should be used to introduce caps, what amounts they should relate to, etc – we will go into much more detail later)</i></p> <p>Groups collect key ideas and themes by writing on cards and discuss the consequences of suggesting this.</p> <p>After looking at each area, we bring all the cards together and ask them to map their ideal situation.</p> <p>Justification – which are the most important? Group ranks the ideas they have</p> <p>How would they build together / on each other? Any mutually exclusive?</p> <p>What would be the consequences, including unintended consequences?</p> <p>What's the most important thing to do, and who should do it?</p> <p>Importantly – how is this different from what we do now? Why do you feel the need for change?</p> <p>How would the changes you propose improve things – especially given the potential costs of changing the current system?</p>	
<p>11.50 – 12.30</p> <p>Specifics and scenario building</p>	<p>Here are some ideas which have emerged from the Phillips Review of party funding so far. HALF BEFORE LUNCH&ltamp HALF AFTER</p> <p>For each, moderator uses general probes:-</p>	<p>Order of presentation rotated across groups</p>

	<p>What do you think of this, any surprises, how credible is it</p> <p>What are the good things about this? And the bad things? How would it be <u>different/ better</u> than the status quo?</p> <p>How realistic is it? How easy or difficult would it be to enforce?</p> <p>What effects would it have on the party funding system? Any unintended consequences?</p> <p>Would this work on its own – or would you need to put it together with other reforms/changes for it to have the effect you want?</p> <p>Probe whether the changes will improve confidence.</p> <p>Probe whether or not people would actively seek further information if it is available to them.- i.e. might be interested and think it is a good idea but would they do it?</p> <p>As well as specific probes – see these under each heading below.</p> <p>Greater transparency</p> <p>Transparency provides the public with the information on the finances of political parties and lets them draw their own conclusions.</p> <p>Areas where it's been suggested transparency could potentially be increased are:</p> <p>Making further information about donors to political parties publicly available – e.g. the donor's financial, commercial or other interests, like in the House of Commons Register of Members Interests. This would only be for donations over a certain amount.</p> <p>Corporate donors, or individual donors who hold senior positions in companies, could be required to declare any government contracts the company has/ is seeking.</p> <p>Party finances could be reported on more frequently than every quarter, as at present.</p> <p>Trade unions could be required to publish a breakdown of how their political fund was spent – as well as the information they are already required to distribute to members about the fund's balance.</p> <p>All companies (public or private) could be required to reveal any donations or loans made to political parties in their annual accounts.</p> <p>Specific probes:</p> <p>How transparent is the funding system already - do we need any more transparency measures?</p>	<p>Capture key responses on flip charts for each idea – and keep each flip chart visible</p>
--	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------

	<p><i>Moderator note on existing measures: the names of all donors to parties who give over £5,000 to the central party, or £1,000 to local party branches (accounting units) are published quarterly by the EC, etc.</i></p> <p>Will these measures increase or decrease public confidence? Will they increase it enough? <i>(Moderator note: further rules could actually decrease public confidence by suggesting to the public that there's something fundamentally wrong with the system – probe on this)</i></p> <p>Do you think this would make it more or less attractive for people to give large sums of money to parties? Is that a good/bad thing?</p> <p>Should donors have a right to privacy?</p> <p>How would this affect the amount of admin that parties have to do? How would that work for small parties? How would it affect the amount of administration the Electoral Commission would need to do?</p> <p>You suggested some ideas about transparency earlier in the morning – how similar or different are these ideas to those?</p> <p>Reduced caps on election spending</p> <p>There are already national limits on election campaign spending – but the limit could be reduced further. Along with this reduced limit on national spending, the limit on candidates spending on campaigning at local level could be raised. Some people think this would have the advantage of encouraging more people to participate in politics at local level.</p> <p><i>(Moderator note: the current maximum limits on campaign spending for national election campaigning at a UK general election, are £18.84m for a party contesting every GB constituency and £540,000 for a party contesting every NI constituency, for a candidate contesting a UK general election their local spending limit is calculated by a formula dependent on how many electors are registered in the constituency in which they are standing, but the average spending limit is around £10,000)</i></p> <p>Specific probes:</p> <p>How will this affect parties? Will it encourage them to target their resources to other activities, such as policy development, leadership skills, local civic action? What would be the effect on smaller parties?</p> <p>Would reducing the limit imply that national election campaigning is a bad thing?</p> <p>How important is it for parties to present themselves nationally by campaigning? How far do we judge parties by the standards of business – needing them to be “professional”?</p> <p>Why shouldn't parties be allowed to decide how much</p>	
--	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--

	<p>they spend – and on what – themselves?</p> <p>Is there a difference for you between local spending, spending per candidate, spending nationally, spending by constituency party? What would you recommend?</p> <p>How does this fit with the ideas you had earlier this morning on limits and controls for party spending?</p> <p>Caps on donations</p> <p>The idea here might be that it would be illegal for a party to accept a large sum of money which originated from one donor - individual, corporate, or other organisation – even if the donor tried to spread the payments. Parties would therefore have to stop relying on a small number of high net worth individuals.</p> <p>Specific probes:</p> <p>What impact would this have on public confidence?</p> <p>What effect would it have on how likely individuals are to donate money to a political party? And on the perception that influence can be ‘bought’?</p> <p>Would the impact of this be different for some parties than others? (e.g. larger parties who get revenue streams from this currently)</p> <p>What level should a cap be set at?</p> <p>Would parties have enough money for their needs?</p> <p>What would happen if individuals decided to donate money to non-party groups, e.g. pressure groups or one-issue campaigners? What would be the consequences for fairness, democratic engagement?</p> <p>How does this fit with your earlier ideas on limiting party spending and income? What about transparency?</p> <p>General subsidy allocated according to voter preference</p> <p>A general subsidy could be introduced – in other words, a cash grant from public funds allocated according to how popular a party is.</p> <p>Specific probes:</p> <p>Some people say that this rewards parties for carrying out publicly beneficial activities – what are these? And what do you think?</p> <p>How far would this reduce the need for parties to raise money from individual donors, and perhaps compromise themselves while doing so?</p> <p>How fair is the way this is allocated – how would you do it? E.g:</p> <ul style="list-style-type: none"> ○ we could allocate a grant to parties on the basis of share of the vote at elections - this could encourage supporters to turn out to vote in safe seats even if they felt the fate of their 	
--	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--

	<p>favoured party was certain.</p> <ul style="list-style-type: none"> Other democracies use formulae to work out how much each party should receive, based on popularity and on the need to maintain competition between parties How would the allocation work in practice – how closely should public opinion be monitored, and how sensitive should the funding be to their changing views? If there are many fluctuations, how would this affect the parties' abilities to plan? E.g. if a party is defeated, should the funds suddenly stop, and what effect does this have on democratic renewal? <p>How should this idea work with the others we have mentioned? For instance would it fit with a cap on donations? Could this work as an interim measure – while parties adapt themselves to receiving more money from individual donors?</p> <p>Would parties become more answerable to the state than their membership?</p> <p>How about parties with extreme, inflammatory, or minority views – how should we decide who gets the subsidy? Who should decide? On what principles?</p> <p>Targeted subsidy (to support particular activities)</p> <p>Should this be direct cash grant, indirect subsidy?</p> <p>What kinds of activities? Some suggest - research, training and educational activities and some forms of community and civic engagement</p> <p>How can we police this? What threshold should be passed for a party to receive it?</p> <p>How can parties account for this – and would they have to spend more time in bureaucracy to do so?</p> <p>How do these ideas on subsidy fit with your earlier ideas on accountability and democratic renewal?</p> <p>Voter-led incentive scheme</p> <p>People would be offered a financial incentive to donate to parties. The aim would be to incentivise people to participate in the democratic process</p> <p>What kind of incentive, who should provide it?</p> <p>How much?</p> <p>How regulated?</p> <p>Would this help parties seek out smaller donations?</p> <p>Would this actually work? Would people get involved more?</p>	
--	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--

	<p>How far would this be open to abuse?</p> <p>How does this fit with your earlier thoughts?</p> <p>Can we probe whether or not people would be interested in doing this.</p> <p>5-minute summing-up at end of groups:</p> <p>After each idea, moderator to summarise the recommendation from the group, and then ask how well it fits with the <u>assumptions</u> and principles we have already discussed.</p> <p>Then all together- Summing up so far – what needs to be changed, if anything? Why?</p> <p>What's the most interesting thing you've heard so far?</p> <p>Anyone changed their mind about any ideas they came in with? Why? Indeed, why <i>not</i>?</p>	
LUNCH 12.30-1.20		
1.20-2pm	Finish off morning session in syndicate groups	

<p>2-2.45pm</p> <p>In syndicate groups as before</p> <p>Specifics and scenario building (continued)</p>	<p>Now that ideas have been discussed (moderator uses flipchart to remind participants):</p> <p>Which ideas are the most relevant – and which are the least relevant?</p> <p>How do these ideas all build on each other? Which ones work together/don't work together?</p> <p>E.g. if there was a cap on donations – would a subsidy from the public purse then be needed to make up the shortfall?</p> <p>If we put the ones that you think work together, how different is this from the current system? Is time needed to bed in minor changes before other, more major ones?</p> <p>Prepare short presentation of rationale for choice to plenary. – using cards from first session and ideas from second session</p>	Flipchart
Short break 15 min	Participants asked to get tea/coffee and bring it with them to final plenary session	
<p>2.50 – 3.30</p> <p>Final thoughts and wrap up</p> <p>Plenary</p>	<p>Present back- differences across groups</p> <p>This all has the aim of democratic renewal:</p> <p>What's most important to do first?</p> <p>Who should do it?</p>	

	<p>What's to be avoided?</p> <p>Communications – how should this be presented? (this is likely to affect morale, belief in the system, and hence participation in voting, membership, taxation etc, so might affect the feasibility of any new policy or process)</p> <p>How would you convince people who have not been here today that the decision you have come to is right?</p> <p>What would increase public confidence most? What are the traps to be avoided?</p> <p>Final advice for EC and Phillips Review</p> <p><i>Thank and close</i></p>	
--	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--

Appendix C: Stimulus material

Introductory presentation at initial workshops



The Future of Political Party Funding

On behalf of the Electoral Commission/Central Office of Information

September 2006

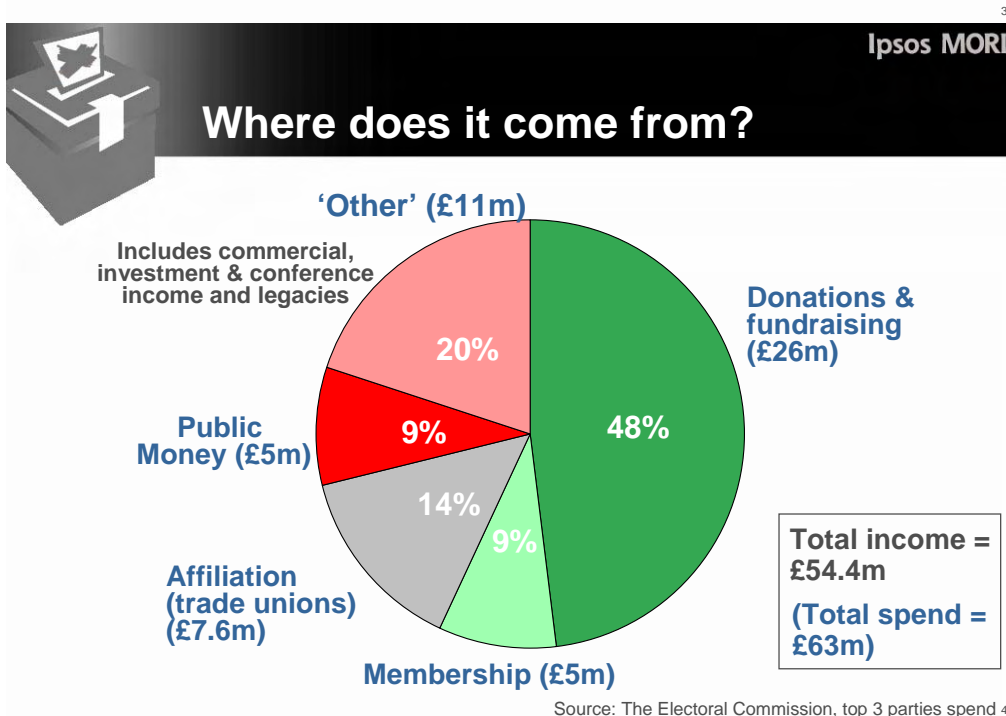


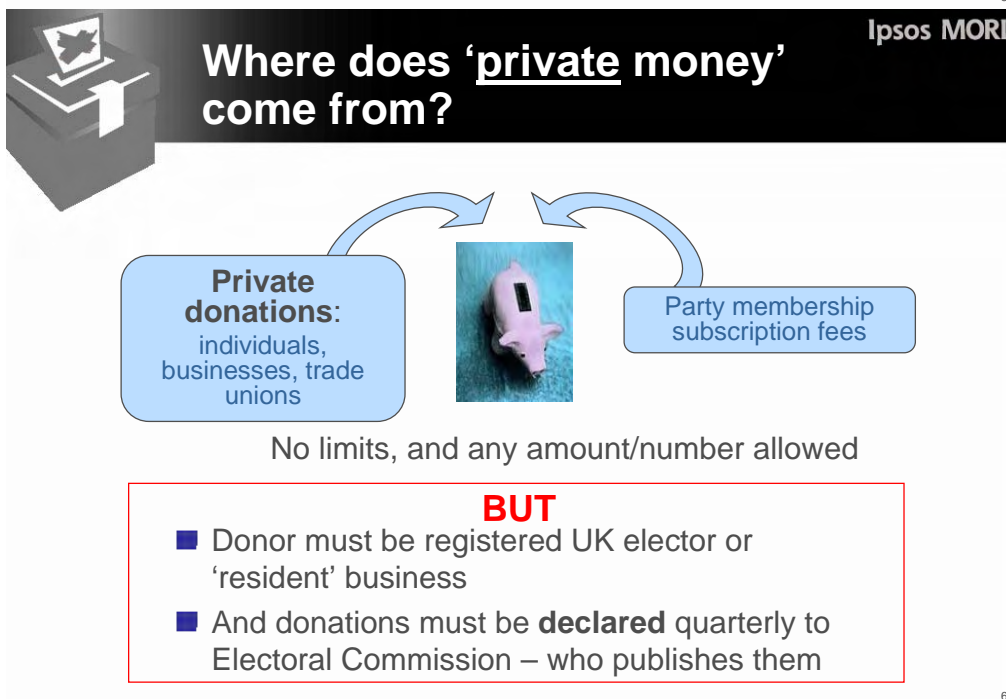
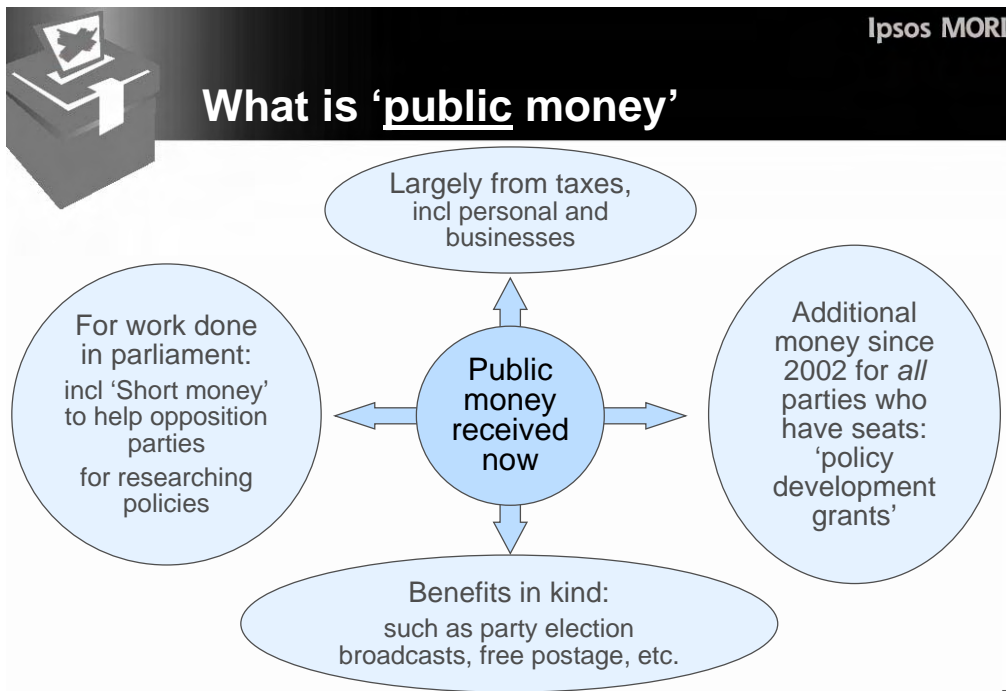
"A group of people organised together with a programme of policies on how society should be run. Unlike a pressure group they put forward candidates for local and national elections"

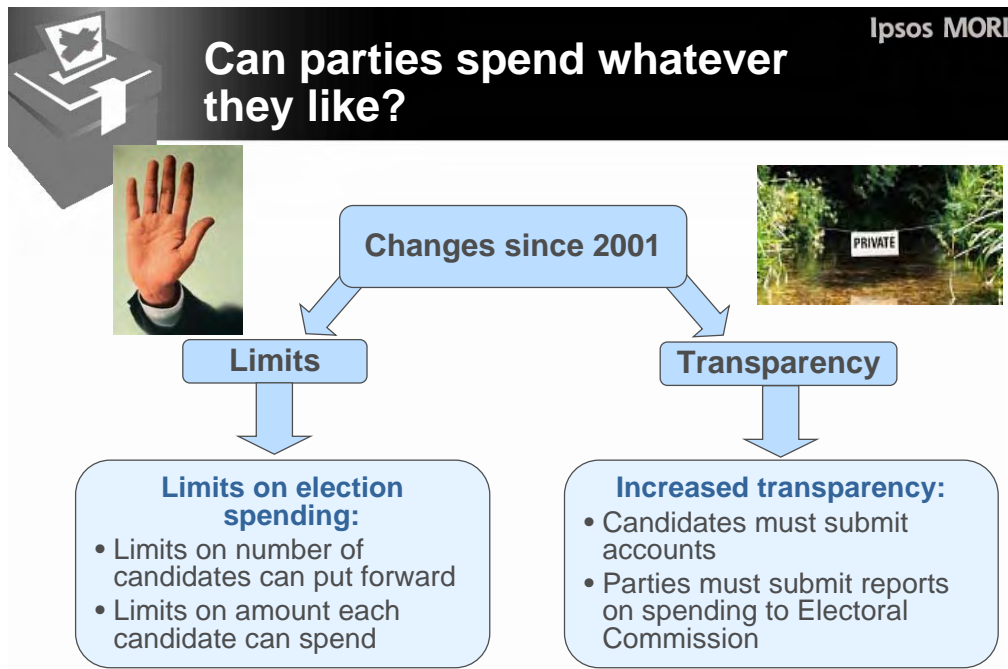


PLUS MANY MORE!









7

Ipsos MORI

The UK: a summary

- At the moment political parties in the UK are **mainly funded by voluntary private donations**
- Some parties receive **limited state funding** from public money raised through taxes
- New **transparency** in arrangements since 2001 – we can find out what they were given and what they spent

8


Ipsos MORI

People are saying the party funding system needs to change...

Politicians...

Straw pledges party funds reform

Jack Straw says he wants new rules on how political parties are funded in place before the next general election.



Party funding rules are tightened

New regulations governing the lending of money to political parties will come into force on September 11.

...and pressure groups as well

For 2 pence a week we can Cut the Cr£p Out of Politics

An Open Letter for Sir Hayden Phillips

If you agree with the contents of this letter, please cut it out, sign, add your name and address, then post it to Sir Hayden Phillips at the address below. Many thanks.

You can also email your views to review@partyfundingreview.gov.uk.
More information is available at the website - www.haydenphillipsreview.org.uk

9

Ipsos MORI

Including the political parties...

Blair & Cameron to talk funding

David Cameron says the system of party funding in Britain is "a mess", as he prepares to meet Tony Blair to discuss the fallout from recent sleaze claims.



PARTY FUNDING REVIEW ONLY PART OF THE SOLUTION - CAMPBELL

Sir Menzies said:

"The credibility of British politics will remain diminished until Labour and the Tories name their lenders and quantify the significant secret loans they received in the lead up to the last election."

10

Controversy about loans to parties...

Ipsos MORI



Labour to overhaul funding system

Labour's National Executive Committee is to take back its "rightful responsibility" for all the party's funding to make it more "transparent".

Labour was secretly loaned £14m

Labour was secretly loaned £13,950,000 by wealthy individuals ahead of last year's election, it has been confirmed.



Police brief MPs on party funding row

Police are investigating allegations that state honours were awarded in return for cash in an escalating row that has damaged Blair's standing and increased calls for his resignation.

11

And campaigning is expensive for parties...

Ipsos MORI

Tories stay calm despite £30m post-election debt

The Conservative Party denied yesterday that it was in financial difficulties despite running up debts of almost £30 million in the aftermath of last year's general election.



Labour left £27m in red by costly general election

Jobs, pay fears as Labour's debts pile up

Labour insiders fear that the party is facing a cash crisis so serious that it may not be able to pay its 230 employees next month.

12



Ipsos MORI

What do YOU think?



...how should political parties
be funded?

13

Macro trend slides



Ipsos MORI

Bigger, better, faster news media

Websites and blogs – we can all comment on news as it happens


24-hour TV...

A new blog is created every second




Citizen journalism


So ...
An inquisitive culture
 – nothing can be hidden. Parties have to spend money on communicating through the media...



Ipsos MORI

More expensive campaigns – and more elections

Britain's 3 main political parties spent **35.8 million** pounds between them at the 2005 General Election, compared to **25.0 million** in 2001



So ... parties need to spend more than they used to

Number of elections per year, 1979-2009
 Includes general, local, by-, European, National Assembly, GLA and mayoral elections

Year	Number of elections
1979	3
1980	1
1981	1
1982	1
1983	2
1984	2
1985	1
1986	1
1987	2
1988	1
1989	2
1990	1
1991	1
1992	1
1993	2
1994	1
1995	2
1996	1
1997	2
1998	2
1999	4
2000	3
2001	2
2002	3
2003	4
2004	2
2005	2
2006	2
2007	6
2008	4
2009	4



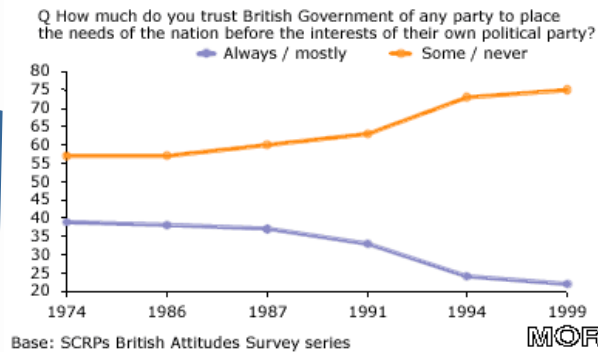
Ipsos MORI

Decline in trust generally

- People are still as interested in politics as they were 30 years ago
- But only half of people now think a person is **'seriously neglecting their duty'** if they do not vote – this compares with 9 out of 10 people 60 years ago

So ... people don't trust politicians as much as they used to, and perhaps don't feel so close to parties

Perhaps changing funding might change this?



2



Ipsos MORI

Private companies more involved in government

- More large international companies (e.g. international banks like HSBC or companies like Wal-Mart) which cut across national boundaries
- These companies often work to affect the way governments agree trade deals and other legislation



So ... political parties and private companies are more closely involved than they used to be. Do parties rely on business links?

- Many private companies now make very large contributions (either finance or knowledge) to political parties




3

Ipsos MORI

Declining party/union membership

- Membership of the main political parties has been in decline since the 1960s – the membership of the three main political parties is now less than one quarter of their membership in 1964
- In 1964, 44% of people said they felt very strong support for a political party. Only 15% felt this in 1997
- According to the BBC and other sources, membership of trade unions has been declining since the 1970s

So ...parties have fewer members than they used to – so they don't get as much money in membership subscriptions as they did before.



4

Ipsos MORI

Increase in single-issue campaigning

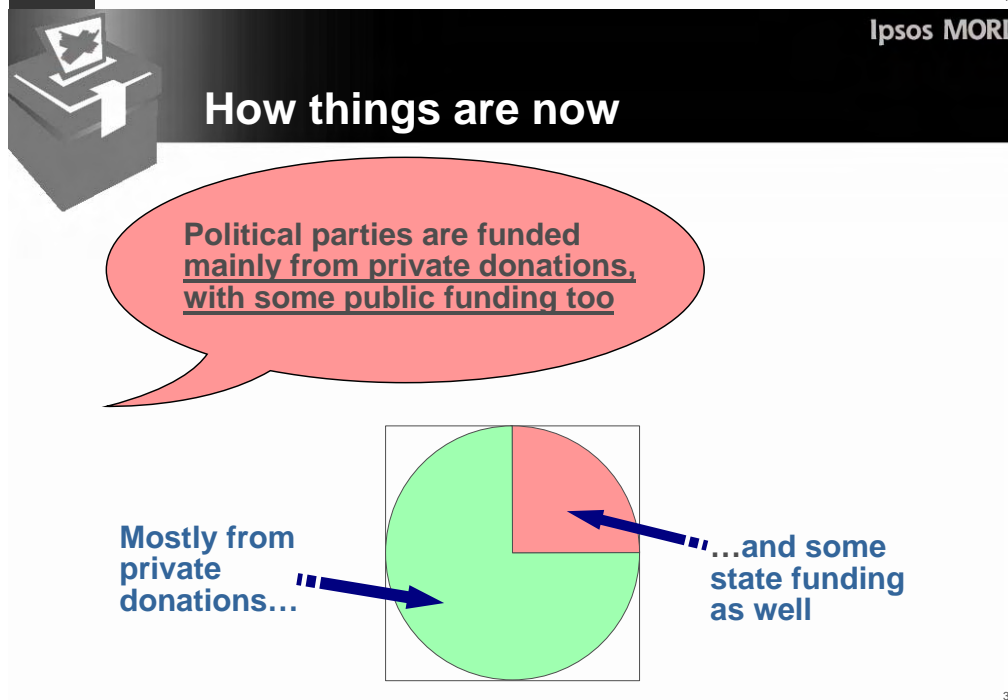
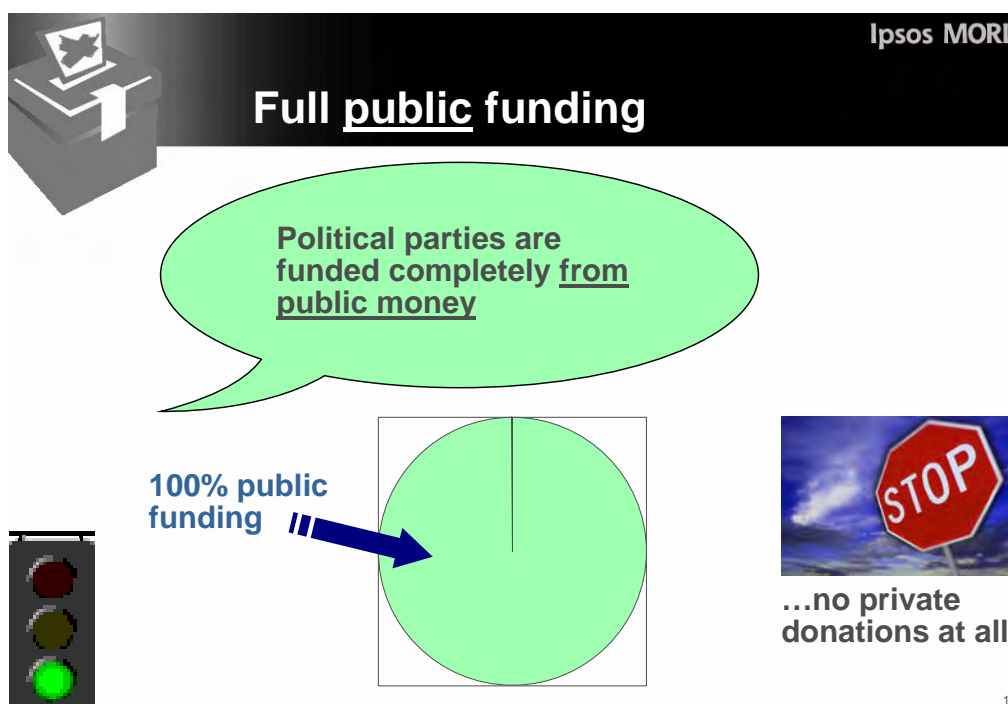
- New groups campaign about issues (e.g. groups against the MMR vaccine, anti-abortion, anti-GM crops, anti-animal testing)
- The two leading environmental groups in the UK (Greenpeace and Friends of the Earth) **now have more members combined than the major political parties have**

So ... people take part in politics by joining single-issue campaign groups – instead of parties?



5

Funding model cards



Reconvened session introductory presentation



Ipsos MORI

Ipsos MORI Workshop

The Future of Political Party Funding

**On behalf of the Electoral
Commission/Central Office of
Information**

October 2006

1



Assumptions of the Phillips Review...

Ipsos MORI

- The financial health of political parties is fundamental to our parliamentary democracy
- How parties are funded should be fully transparent
- A future system should encourage democratic engagement and be as fair as possible between parties



Common Misconceptions...

Ipsos MORI

MYTH:

How are political parties different from the government?
Confusion between public funding of parties and taxes collected by the government to fund public spending.

FACT:

- A **political party** is an organisation that seeks to attain political power either within a government, or by commanding a majority in Parliament, which enables its representatives to form a Government. Once formed, a **government** collects taxes in order to fund public spending on a wide range of public services, and in other areas in which there is a public interest.
- **Public funding of political parties** refers to the use of taxes to provide funding – rather than to fund Government expenditure. This could be **directly** in the form of money, and/or **indirectly** in the form of benefits in kind for political parties.

2



Ipsos MORI

Common Misconceptions...

MYTH:

Parties spend their money almost solely on election campaigns.

FACT:

- ❑ It is true that the major parties do incur significant levels of expenditure during election campaigns.
- ❑ BUT parties also require considerable resources to cover the cost of running their organisations, i.e. to cover staff salaries, rent, office equipment, postage and so on.
- ❑ This means that parties require a regular flow of income in order to operate and perform their functions effectively - not just in the immediate run up to an election.

3



Ipsos MORI

Common Misconceptions...

MYTH:

The main donors to British political parties are large corporations, rather than individual donors.

FACT:

- ❑ The **Conservative** and **Labour** parties have increasingly relied on large individual donations to fund their activities, rather than large corporations.
- ❑ BUT - **trade unions** continue to form a significant source of income for the Labour Party.
- ❑ **Other parties** have never received funding on the scale of the Labour and Conservative parties. Instead, their income tends to be more a mixture of membership subscriptions, personal donations and public funding.

4

Appendix D: Task materials

Participants were asked to carry out tasks during the day. They voted on their preferred funding model twice throughout the day, using a pre-printed ballot paper. They also adapted a pie chart to show their chosen balance between public and private funding, as well as adding any additional measures such as donation and spending caps, which they wanted to see included in any system.


Ballot paper

Which one of the following best reflects your view on how political parties in the UK should be funded?

PLEASE TICK ONE BOX ONLY

- | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|
| Option A – Political parties should be funded completely from public money, through taxes
.....
..... | <input type="checkbox"/> |
| Option B - Political parties should be funded mainly from public money, but some private donations from individuals and businesses should be allowed..... | <input type="checkbox"/> |
| Option C - Political parties should be funded equally from public money and from private donations from individuals and organisations
..... | <input type="checkbox"/> |
| Option D - Political parties should be funded mainly from private donations from individuals and organisations, with some state funding too..... | <input type="checkbox"/> |
| Option E - Political parties should be funded completely from private donations from individuals and organisations..... | <input type="checkbox"/> |
-

DIY pie-chart

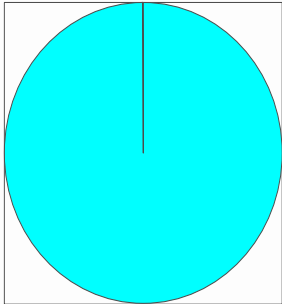
**Ipsos MORI**

Your turn...

How should political parties be funded?

Blank pie chart for you to fill in...

How much from private donations...
...and how much from public money?



1

Appendix E: Jargon buster

Participants were provided with a jargon buster to help them understand any unfamiliar terminology introduced throughout the day. These definitions were developed to provide simple and accessible information - they are neither exhaustive nor definitive in a legal sense.

Jargon buster

The big parties: The three main political parties in the UK: The Labour Party, the Conservative Party and the Liberal Democrats.

Candidates: People who stand for election. They usually represent political parties, but can also stand as independent candidates.

Cap on donations: A limit on the amount of money donors are allowed to give to political parties.

Cash for honours/peerages: Recent accusations that donors to political parties have been rewarded by receiving honours (such as knighthoods, MBEs and peerages (seats in the House of Lords)).

Constituency: A constituency is the area that elects an individual MP, and which that MP then represents in Parliament. Constituencies are also referred to as 'seats'.

Donor: Individuals or organisations who give money to political parties.

Election campaign: Campaign run by parties in order to win votes at election time. For general elections, the formal campaign begins once the prime minister has called an election, usually about four weeks before polling day, but the informal campaign often begins months before.

Election year: A year when a general election is held (usually around every four years). Parties spend much more in years when they run general election campaigns.

European Elections: Elections every four years to choose members to sit in the European Parliament in Brussels.

Fielding candidates: This is when parties put candidates up for election, so they can compete with the other candidates in that constituency for your votes.

Funding arms race: The idea that the parties compete in terms of election spending, and so need to raise more and more funds to compete with opposing parties.

Funding cap: A limit on the amount of money political parties are allowed to collect in order to fund themselves.

General Election: Election, usually held around every four years, to elect MPs to the House of Commons. The party with the most MPs forms the government and the leader of the party becomes the prime minister.

Local Elections: Elections to choose councillors to sit on the local district, borough, city or county council.

Political loans: Money lent to political parties, usually to help them fund election campaigns. Technically loans must be lent at a rate of interest that a commercial lender would offer.

Private funding: Money given to political parties by anyone other than the state, including individual members of the public, business and trade unions. Donations can be of any value.

Pressure group: An organised group that does not put up candidates for election, but seeks to influence government policy or legislation, usually in a limited policy area such as the environment, health or poverty. They can also be described as ‘interest groups’, ‘lobby groups’ or ‘protest groups’.

Public funding: Public money used to finance political parties.

Public money: All the money collected through taxation that is used by the government to finance the running of the country.

Spending cap: Limit placed on the amount of money that political parties can spend during election campaigns. A spending cap can operate at either a constituency or a national level.

Welsh Assembly/Scottish Parliament elections: Elections every four years held in Scotland and Wales to choose members of the Welsh Assembly and Scottish Parliament.

Appendix F: Analysis

The workshops generated a range of qualitative data including audio and video recordings, transcripts and field notes, presentation flip charts and other written records. As well as existing in multiple formats, this qualitative data is usually unstructured, reflecting the nature of its creation, e.g. through conversations, anecdotes, memories refined and clarified through skilled probing techniques used by the interviewer.

Therefore, the main aim of qualitative analysis is to provide enough structure to review and interpret the wealth of data produced whilst still being faithful to the original accounts and meanings intended by the respondents. Any analytical structure used also needs to be flexible enough to allow for links and connections across different pieces of data to be made and for moments of interpretative insight and inspiration to be recorded by the researcher. The main *structural* approaches to qualitative analysis at Ipsos MORI are detailed below.

Immersion

A period of immersion in the qualitative data was embarked upon straight after the fieldwork period was completed. Researchers reviewed field notes made immediately after their groups or depth interviews, listened to or viewed audio and visual recordings and read transcripts of the discussions.

Deliberative debrief

Once they refreshed themselves with the data, the core project team, along with all moderators held debrief session to discuss the emergent findings from the research. Research findings were explored both descriptively and thematically, ensuring that connections and links were made across the different pieces of qualitative data. Part of the debrief process involved revisiting the original aims and objectives of the project to ensure that the original scope of the project has been fully met.

This debrief meeting forms the cornerstone of all qualitative analysis at Ipsos MORI, irrespective of the size or value of the project. It was particularly crucial in a large, complicated project such as this as the initial debrief stage acts as a review and preparation point for the more rigorous analysis ahead.

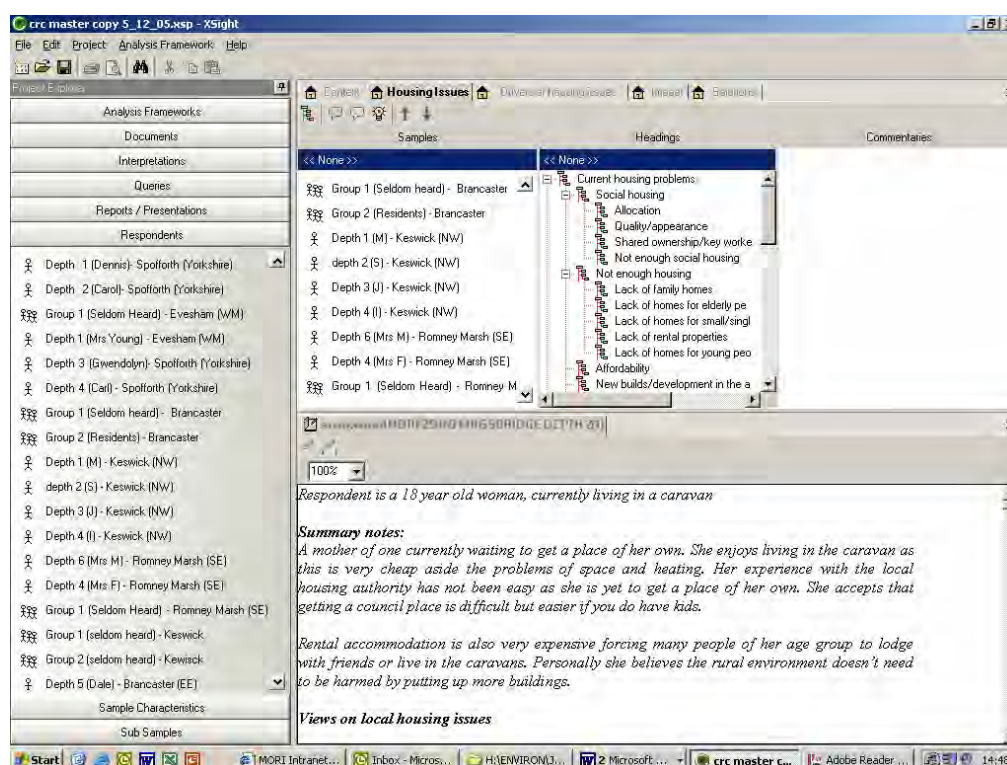
Thematic sorting and coding

A structured, systematic and comprehensive approach to analysis was required in order to ensure that the data was reviewed as rigorously as possible. Our method is robust and – importantly – transparent, in order to allow people to see how conclusions and recommendations have been drawn out from the data, thereby increasing faith in the quality of the final report.

Initial analysis took place immediately after each depth interview, group discussion and forum when moderators would brainstorm key findings. Each moderator then reviewed the audio recording and transcription to record participant views, verbatim comments and their own interpretations.

After the first two visits, the core team constructed a series of charts or frameworks based on key themes emerging from the research, against which each piece of data was plotted. These frameworks evolved over the course of fieldwork as further issues emerged. Moderators reviewed transcripts and recordings of the data and 'marked them up' systematically to make sure all relevant pieces of information were included on the framework charts. Information was recorded in both verbatim and summary form.

In order to analyse and interpret the information collected thoroughly, we used QSR Xsight software. This is relatively new to the field of commercial qualitative research and provides a means of constructing a structured and searchable framework within which to categorise data. Xsight is also designed to work as a knowledge management tool to formally capture and organise data from a variety of different moderators, meaning that it is ideally placed to assist researchers in their analysis of large-scale qualitative projects. An example page is shown below:



Each moderator had their own version of the software in which they could write up their findings from each of their groups or depths, including their own interpretations and verbatim comments made by participants. This was reviewed by the core team at stages throughout the fieldwork to ensure consistency of approach by all moderators. Each moderator's own version, once complete, was merged into a master copy containing findings from every element of the study.

Once all the data had been entered into Xsight, the research team then began to identify underlying patterns and themes within the data. The team analysed how frequently an issue emerged and revisited moderators' notes and transcripts to get a sense of the significance of the issue to people. This helped us to identify and understand the issues given greatest prominence by participants themselves. The research team spent time exploring the characteristics of participants who shared particular underlying attitudes and had a shared approach to the questions of party funding reform. From this analysis the three typologies were developed and used as overarching analysis tools.