EXPLANATORY MEMORANDUM TO

THE ELECTIONS (POLICY DEVELOPMENT GRANTS SCHEME)(AMENDMENT) ORDER 2020

2020 No. 139

1. Introduction

1.1 This explanatory memorandum has been prepared by Cabinet Office and is laid before Parliament by Command of Her Majesty.

2. Purpose of the instrument

2.1 To amend the Elections (Policy Development Grants Scheme) Order 2006 (the 2006 Order) following recommendations received from the Electoral Commission. The amendments add a political party which is eligible to receive the Policy Development Grant and remove vote share from elections to the European Parliament from the formula used to calculate each recipient's allocation.

3. Matters of special interest to Parliament

Matters of special interest to the Joint Committee on Statutory Instruments

3.1 None.

Matters relevant to Standing Orders Nos. 83P and 83T of the Standing Orders of the House of Commons relating to Public Business (English Votes for English Laws)

3.2 As the instrument is subject to negative resolution procedure there are no matters relevant to Standing Orders Nos. 83P and 83T of the Standing Orders of the House of Commons relating to Public Business at this stage.

4. Extent and Territorial Application

4.1 The territorial extent of this instrument is the United Kingdom.

4.2 The territorial application of this instrument is the United Kingdom.

5. European Convention on Human Rights

5.1 As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

6. Legislative Context

6.1 This Order amends the Policy Development Grants scheme in line with two recommendations received from the Electoral Commission, as required by s. 12(3) of the Political Parties, Elections and Referendums Act 2000 (PPERA). These were:

6.1.1 to add the Social Democratic and Labour Party (SDLP) to the 2006 Order, as they are now eligible to receive the Policy Development Grant; and

6.1.2 to remove the vote share from elections to the European Parliament as a component in the formula used to calculate each recipient's allocation.

6.2 The Electoral Commission is required to administer an annual fund available to political parties who have two or more MPs in the House of Commons who have taken the oath of allegiance and are not disqualified (under s.12 of PPERA).

6.3 The Electoral Commission is required under s.12(5) of PPERA to keep the Policy Development Grants (PDG) under review and make recommendations to the Secretary of State for appropriate amendments.

6.4 As the Electoral Commission has made two recommendations, the Secretary of State must now make an order giving effect to these recommendations, with any appropriate modifications (so long as they are approved by the Electoral Commission). In this instance, the order implements the Electoral Commission's recommendations fully with no modifications.

7. Policy background

7.1 Following the result of the general election 2019, the SDLP now have two MPs in the House of Commons and therefore meet the test set out in section 12 of PPERA. The Electoral Commission have recommended they are now added to the list of parties who can receive the grant in the 2006 Order. This will ensure they receive their share of the grant.

7.2 The Order will also amend the formula used to calculate each recipient's allocation. More information relating to this can be found in section 8.

7.3 The future of the PDG will be considered, as with all existing spending, as part of the Spending Review.

8. European Union (Withdrawal) Act/Withdrawal of the United Kingdom from the European Union

8.1 This instrument is not being made under the European Union (Withdrawal) Act but relates to the withdrawal of the United Kingdom from the European Union. The current vote share utilises vote share at elections to the European Parliament when calculating each recipient's allocation from the fund.

8.2 In light of the UK's departure from the EU, the Electoral Commission's view is that vote share from elections to the European Parliament should be removed from the formula. Given that the UK will cease to have representatives at the European Parliament after the UK leaves the EU, the UK Government agrees that the vote share at that election should not feature in the calculations for the PDG. This Order will amend the formula to that effect.

9. Consolidation

9.1 The Cabinet Office will consider consolidating the Statutory Instrument for subsequent amendments that implement recommendations of the Electoral Commission.

10. **Consultation outcome**

10.1 This Order gives effect to two recommendations made by the Electoral Commission on 23rd 2019.

11. **Guidance**

11.1 The Electoral Commission issues guidance to eligible political parties on the policy development grants scheme.

12. **Impact**

12.1 There is no impact on business, charities or voluntary bodies.

12.2 There is no impact on the public sector.

12.3 An Impact Assessment has not been prepared for this instrument because there is no impact on businesses.

13. **Regulating small business**

13.1 The legislation does not apply to activities that are undertaken by small businesses.

14. **Monitoring & review**

14.1 Section 12 of PPERA requires the Electoral Commission to keep the terms of the Policy Development Grant under review and to make recommendations to the Secretary of State or Minister for the Cabinet Office for any variations to the scheme which they consider appropriate.

15. **Contact**

15.1 Christopher Neate at the Cabinet Office, Telephone: 0207 271 8922 or email: christopher.neate@cabinetoffice.gov.uk can be contacted with any queries regarding the instrument.

15.2 Natalie Bodek, Deputy Director for Elections Division, at the Cabinet Office can confirm that this Explanatory Memorandum meets the required standard.

15.3 Chloe Smith. Minister for the Constitution, at the Cabinet Office can confirm that this Explanatory Memorandum meets the required standard.