

Representing Britain, an Investigation

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Abstract

This short paper outlines the author's proposal, a means tested grant system for improving diversity outcomes in parliamentary parties, in detail. It shows that full compensation for general campaigning activities is beyond the means of political parties, and the final recommendation is proposed grants covering the cost of one month's unpaid leave from candidates' usual full time employment. The author concludes by hypothesising that such a Campaign Leave Allowance scheme would improve diversity outcomes, if accompanied by other measures including explicit maternity rules for parliamentarians, explicit diversity targets on regional approved candidate lists, and additional diversity campaign funding for qualifying candidates in target seats.

Introduction

With reference to the author's other writing on the definition of diversity¹, in which it is suggested that the term should include educational and employment background so as to represent the full breadth of life experience, the author notes with regret the fact that the Liberal Democrats in parliament constitute not only overwhelmingly white men, but also overwhelmingly of graduates, and with a significant minority of former business persons, and those of independent means.

The aim of this paper is to map a path for improving the representation of local diversity in regional candidate lists, by enfranchising a previously blocked group of the party from going down the route of approved candidacy, namely those on low incomes. While all our members have the apparent freedom to apply to be their local parliamentary candidate many lack the measurable freedom, as a result of personal costs, to put in a serious bid. The measures proposed here aim to make the approved candidate lists a

¹see <http://politicomaniac.net/2010/05/what-falls-under-the-umbrella-of-diversity/>

zone of measurable freedom, where any member of a local party can tread without fear of personal ruin.

The author gives two reasons to focus on this group for funding, rather than ethnic minorities, women and disabled candidates directly. The first is that ethnic minorities and women are over-represented in lower socio-economic groups, however lamentable that fact, and as such by accurately reflecting the different income levels in the UK in our candidates we will also work towards fixing our conventional diversity objectives. The second is that as a social liberal party we manifestly believe in measurable freedom over apparent freedom, and as such are compelled to make parliamentary candidature a measurable freedom of all our members who have the qualities required, not just for those in convenient economic circumstances.

Finally, a note about why this article refers to personal funding rather than campaign funding. Personal funding is about getting people to think of themselves as potential parliamentarians. While it is certain that only by targeting our funding effectively will we ever get significant numbers of candidates elected, the real task when it comes to diversity is getting people onto the approved candidates lists and into the selection meetings in the first place. Undoubtedly the promise of campaign funding will appeal to some, but we need to target those who don't think of themselves as candidates, perhaps due to personal financial limitations, but who have all the qualities required of a candidate and MP.

1 Supported Candidacy

One way of solving this problem is to provide full and inclusive payment to those who essentially work part time for the party as candidates. According to conventional wisdom it takes approximately 20 hours per week to be a candidate, much more in the run up to the election. This is equivalent to 2.5 days work, according to a standard 40-hour working week, and thus should be paid at 50% pro-rata of the salary we determine candidates should receive, which should be an appreciable fraction of an MP's salary of £63,000 PA.

If we attempt a more realistic solution to the problem; say we only pay 20% pro-rata (8 hours per week) and the more modest median income (£23,000 PA) we are still left with a bill over an electoral cycle of £8,970 [1] per candidate. Assuming the party wants to fund 10% of the seats in the country in this manner, that leaves us with a bill of £538,200. The author has better suggestions for the use of half a million pounds in an underfunded political party. The equivalent cost of full MP pay pro-rata at 2.5 days a week is £3.7 million [2] , and either of these proposals are manifestly not acceptable on the grounds of cost alone.

Additionally, the author also objects to paying candidates directly for their time. Political activity, including full time members of parliament, is not paid by the hour but

rather according to the principal of measurable freedom; MPs salaries were introduced to allow those not of independent means to be MPs. Candidates should put in a significant amount of their spare time into campaigning for no material gain (and the author notes that the majority of PPCs already do this.)

2 Campaign Leave Allowance

An alternative to full labour-market rate compensation is a grant to cover subsistence while a candidate is not in paid employment as a result of the intense activity of the short campaign.

This grant, rather than compensating the candidate for total time spent over several years, is designed to enable people to campaign full time for the last month only. Assuming that budgets would also allow for additional funds to be allocated to the local campaign from other sources, we only target people's living costs over the course of the short campaign (when they are likely to be taking unpaid leave from employment.)

Setting the simulated income at £20,000 PA, which is roughly the threshold the author imagines the grant requiring, this would only cost £79,960.20 in comparable units to the numbers given above for supported candidacy [3]. Raising the funds for this could be done in a number of ways, and as an example one candidate could be funded by a regular donation of £5 per month from just 5.7 people [4]. If a large one off donation could be secured, investment interest could bulk out regular donations and make this a secure and guarantee-able set of grants.

The target funding level would be enough to fund 10% of our candidates in this way, although it is imagined that it would take several electoral cycles to reach this level and it would initially be less.

3 Regulation and Means Testing

In order to meet the stated aims of these grants they cannot be available to everyone. A means testing threshold of £20k to £25k PA should be established (including earned and unearned income, requiring that the candidate be in full time employment or a student, and taking into account any existing savings available to the candidate) according to a more detailed model that anticipates realistic take-up and donation levels based on data unavailable to the author, namely the personal finances PPCs (to be collected anonymously and volunteered only) and the number of small regular donations the party usually achieves over an election cycle.

Obviously, any sitting MP would be above this threshold and thus receive no grants. It is also assumed that a one off grant from a political party can be treated as tax free by some mechanism (similar to the ones available to charities,) and if this is in breach of

the law then the cost of the policy will have to rise accordingly, in order to include the cost of Income Tax, National Insurance and Student Loan Contributions.

It is possible (and indeed desirable) that the fund raising in the name of diversity might exceed the target. The author proposes that a second means tested grant might be made available, of a similar size to the first, to some candidates to provide skeleton campaign funding (e.g. to cover the cost of the freepost printing,) delivered as a transfer to the local party accounts. Alternatively or in addition, there should be dedicated funding for the campaigns of ethnic minority, women and disabled candidates where they are standing in winnable seats. It should be the responsibility of the party employee administering the scheme (proposed is the Chief Executive,) to decide in consultation with the Diversity Officer how best to use any surplus funding.

Conclusion

The author believes that solving this problem in full by paying people for some years to be part time supported candidates would be very expensive, and beyond the means of the Liberal Democrats in particular, and would raise more ethical questions than it would resolve both within the party and in the eyes of political opponents.

The author hopes to have shown that for a small amount of fund raising effort it is possible to offer a reasonable number of means tested grants for candidates on low incomes, which with sufficient publicity in internal literature would bring forward more people, and a more diverse mixture of people, seeking candidate approval.

With appropriate regulation and means testing as proposed, the author hypothesises that these proposals would have a measurable impact on parliamentary diversity, if coupled with other suitable measures as proposed in the Speakers Conference, the measures advocated by the Campaign for Gender Balance (particularly with regard to maternity leave and making parliament a family friendly workplace,) and the proposal for regional accountability of approved candidate lists to give people data and motivation they need to understand the diversity challenge locally and do something about it.

Appendix 1: Calculations

[0] Definitions:

Electoral cycle length $T = 3.9\text{years}$

Taken as average of last 14 election cycles, pessimistically assuming no fixed 5 year terms.

Source for levels of tax: <http://www.thesalarycalculator.co.uk/>

[1] Funding at 20% of £20k pro rata

Assuming that the candidate is appointed at the midpoint of the electoral cycle, and that tax is payable for part time employment.

Cost per candidate per cycle:

$$\begin{aligned} C &= 0.2 \times 23,000 \times \frac{T}{2} \\ &= \text{£}8,970 \end{aligned}$$

Assume we fund 10% of candidates:

$$\begin{aligned} C_t &= 60 \times 8,970 \\ &= \text{£}538,200 \end{aligned}$$

[2] Funding at 50% of £63k pro rata

Again assuming appointed at the midpoint, and that tax is payable:

Cost per candidate per cycle:

$$\begin{aligned} C &= 0.5 \times 63,000 \times \frac{T}{2} \\ &= \text{£}61,425 \end{aligned}$$

Assume we fund 10% of candidates:

$$\begin{aligned} C_t &= 60 \times 61,425 \\ &= \text{£}3,685,500 \\ &\simeq \text{£}3.7 \text{ Million} \end{aligned}$$

[3] Funding for 1 month at £20k pro rata

Assuming this time that no tax is payable as this is a one off grant. This means we pay the PPC the amount they would be paid at this salary monthly after Tax and NI, assuming no Student Loan Contributions.

Cost per candidate per cycle:

$$\begin{aligned} C &= 1 \times 20,000 \times \frac{1}{12} \times (1 - \text{tax rate as scale factor}) \\ &= \text{£}1,332.67 \end{aligned}$$

Assume we fund 10% of candidates:

$$\begin{aligned} C_t &= 60 \times 1,332.67 \\ &= \text{£}79,960.20 \end{aligned}$$

[4] Fund raising for one candidate

Assuming each donation is from one individual and is of £5 per month:

Funds raised per donor per cycle:

$$\begin{aligned} F &= 12 \times 5 \times T \\ &= \text{£}234 \end{aligned}$$

Donors per grant:

$$\begin{aligned} D_g &= \frac{1,332.67}{234} \\ &= 5.7 \text{ people} \end{aligned}$$