MONEY IN POLITICS

IN A NUTSHELL

Knowledge in a Nutshell

Open Britain

ABOUT THIS SERIES

NUTSHELL GUIDES

Nutshell Guides is an Open Britain series. Each edition takes an important question in British democracy and explains it clearly - the background, the arguments, the proposals, and where things stand.

We write for people who want to understand, not just be told what to think. Each guide distils specialist material - parliamentary proposals, policy documents, research - into something you can read in a single sitting.

This is the Money in Politics guide. It covers who pays for British politics, what the rules allow, what Parliament changed in 2026, what it left alone, and the decision that remains.

Future editions will cover other questions in British democracy. If you found this useful, pass it on.

Open Britain campaigns for a fairer democracy - for a voting system that reflects how people actually vote, against foreign interference in British politics, and for a political system that ordinary people can trust.

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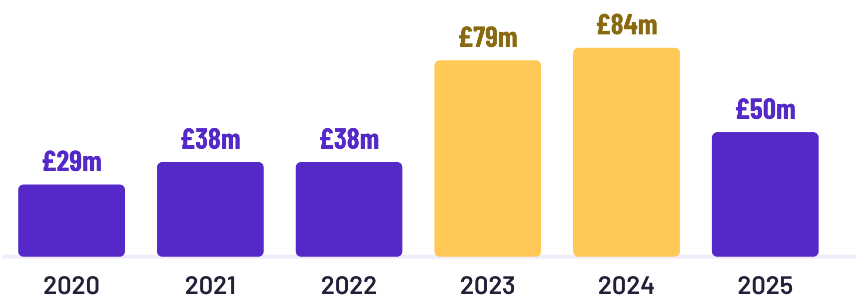
SECTION 01

WHO PAYS FOR BRITISH POLITICS

There is no limit on what one person may give a British political party, and a handful of people now supply a large share of what the parties receive.

Political parties in Britain reported £319 million in donations between 2020 and 2025. That money did not come from many people giving a little. It came, increasingly, from a few people giving a great deal.



Reported donations to political parties, 2020 to 2025. Excluding public funds. The two years before the 2024 general election, in yellow, account for half the six-year total. Source: Electoral Commission sensitivity analysis, July 2026.

In 2015, donors giving a million pounds or more in a year supplied 1% of the donations parties reported from private sources. By 2024 it was 35%. In the first three months of 2026, two people gave £7 million between them: one pound in every three the parties received.

35%

Share of private donations in 2024 from donors giving £1 million or more in a year. In 2015 it was 1%.

The largest gifts are a matter of public record, because the law requires them to be. At the end of 2019 Lord Sainsbury of Turville gave the Liberal Democrats £8 million. Between February 2023 and May 2024 Frank Hester and his company, The Phoenix Partnership, gave the Conservatives more than £20 million. In September 2023 the Conservatives received £10 million from the estate of Lord Sainsbury of Preston Candover, a cousin of the Liberal Democrats' donor, the largest single entry on the register. In 2024 Labour received £4 million from Quadrature Capital, the largest donation in its history. In August 2025 Christopher Harborne gave Reform UK £9 million, the largest gift from a living donor on the register; his donations to the party in 2025 came to £12 million. Then, on 11 September 2026, Ben Delo, who had already given Reform UK £8 million between January and May, announced that he had given the party £36 million in a single payment, which he described as £1 million a month until the general election expected in 2029, paid up front. The next day Christopher Harborne matched it with a second £36 million, writing that "my competitive spirit inspired me to match it". Each gift is the largest donation to a British political party on record, more than three times the previous largest entry on the register; together they are more than every party accepted in the whole of 2025.

£72m

Announced for Reform UK by two donors on 11 and 12 September 2026. Each £36 million gift is the largest to a British political party on record.

THE RULES, AS THEY STAND

British political finance has strict rules about who may give and how gifts are reported, and almost no rules about how much. A donor must be on a UK electoral register, or be a company or trade union that operates here. Anything over £500 must come from such a "permissible donor". Gifts over £11,180 to a party's headquarters are reported to the Electoral Commission and published every quarter.

The Electoral Commission itself puts the rest plainly: "There is currently no limit on the amount that individuals and organisations can give to registered UK political parties, candidates, third party campaigners, elected office holders or other regulated donees."

IN PLAIN ENGLISH

Permissible donor

Someone on a UK electoral register, or a company or trade union that operates here. Anything over £500 must come from one.

Parliament has limited what candidates may spend since 1883 and what parties may spend nationally since 2000. It has never limited what a donor may give. In November 2023 the national spending limits were raised by 80%: a party contesting every seat may now spend £35.1 million in the year before a general election, up from £19.5 million. At the 2024 general election, parties, candidates and campaigners spent a record £94.5 million.

80%

Rise in party spending limits in November 2023: from £19.5 million to £35.1 million for a party contesting every seat.

WHY IT MATTERS

None of the donations above broke a rule. The system works as designed, and what it is designed to allow is a very small number of very wealthy people funding the parties that compete to form the country's governments.

The public has noticed. Eighty-three per cent of people believe wealthy individuals use donations to influence government in their own interests. Only 14% think party funding and spending is transparent, down from 37% in 2011. Just 9% trust politicians to tell the truth, the joint-lowest score since the question was first asked in 1983.

14%

Think party funding and spending is transparent. In 2011 it was 37%.

A donation is not necessarily a bribe, and a donor is entitled to believe in a cause. But a democracy in which nineteen donors supplied two thirds of the reported money in a single year has a problem more fundamental than any speculation about the honesty of any of them. It is that the rest of the country cannot match them and has less influence as a result.

SECTION 02

WHAT HAS CHANGED

In 2026 the Government accepted that unlimited money from abroad is a danger to democracy and put a cap into its Bill; it has not said the same about unlimited donations made here at home.

In December 2025, a month after Nathan Gill, a former MEP, was sentenced for taking bribes linked to Russia, the Government asked Philip Rycroft, a former permanent secretary, to review foreign financial interference in British politics. He reported on 25 March 2026 with 17 recommendations. On 6 July 2026 the Government said it accepted all of them; the ones that need legislation now are in its Bill, and the rest, on the Commission's own practice, policing and sentencing, online interference and lobbying, are to follow outside it.

Those measures are in the Representation of the People Bill, which passed the House of Commons on 2 September 2026 and went to the House of Lords the next day. A Bill is not yet law; it seeks to change the law, and four of the changes this one seeks matter most here. A British elector living abroad would be able to give no more than £100,000 a year in total, backdated to 25 March 2026, and anyone returning to Britain would stay under that cap for the rest of that year and a full calendar year after it. Donations in cryptoassets would be banned. A company would not be able to give more than it has made in post-tax profit. Parties would have to carry out "know your donor" checks.

IN PLAIN ENGLISH

The Rycroft Review

Independent review of foreign financial interference in British politics, led by Philip Rycroft. Reported 25 March 2026; all 17 recommendations accepted 6 July 2026.

£100,000

Annual cap on donations from British citizens living abroad. The first limit on individual donations in British history.

The Bill also seeks to tighten the rules on unincorporated associations, the clubs and societies that may donate without saying where their own money came from. Transparency International UK found that of £40.4 million such associations have given to parties since 2010, the source of £38.6 million is unknown. Under the Bill they would have to register at a far lower threshold and name a responsible person. The Government has also said it will raise the Electoral Commission's maximum fine from £20,000 to £500,000, by regulations after the Bill passes.

£38.6m

Of £40.4 million given to parties by unincorporated associations since 2010, the amount whose source is unknown. Transparency International UK.

These are serious proposals, and Open Britain welcomes every one of them. The cap on overseas donors would be, as the Electoral Commission notes, "the first time that limits have been placed on individual donations in UK politics."

WHAT THE REVIEW DID NOT COVER

Mr Rycroft was asked about foreign money, and he was explicit that a general cap lay outside his remit: "This question sits, in my view, beyond my remit. So does the question of a universal cap on donations." The argument he made for capping overseas donors was that "potentially game-changing donations" from one source distort politics. That argument does not depend on where the donor lives.

The argument for a cap does not depend on where the donor lives.

The largest donations on the register came from people and companies with British addresses. The Bill as passed by the Commons would leave every one of them untouched.

THE TWO SEPTEMBER GIFTS

The Bill's cap on donors from abroad has two tests. A donor is caught if he held an overseas elector's registration at any time on or after 25 March 2026, or if he was living abroad at any time on or after 6 July 2026, even if he is now on the ordinary register at a British address. A donor who is caught stays under the £100,000 cap for the rest of the year he returned and the whole of the next, and any gift that took his total for the year past £100,000 would have to be returned in full within 60 days of the cap coming into force.

IN PLAIN ENGLISH

Overseas contributor

Under the Bill: a donor registered to vote from abroad, or one on the ordinary register who has lived abroad at any point since the start of the previous year. Capped at £100,000 a year in total.

Whether the cap would reach Mr Delo's £36 million turns on facts that neither he nor the party has published: when he moved back from Hong Kong, and whether he was ever registered as an overseas elector. Reform UK has said it is confident he is not caught.

Mr Harborne's gift looks different. He has lived in Thailand since 1996. Channel 4 News reported in July 2026 that he had for a time been registered as an overseas elector and that in June 2026 he registered to vote as a resident at an address in Hampshire; the Telegraph, announcing his gift, said he "has been based in Thailand for decades but is registered as a UK resident for voting and donating purposes". A Hampshire registration is not enough on its own. Neither he nor Reform UK has published the dates that decide it; asked how long each donor had been on the electoral roll, the party said only that its donations "comply strictly with Electoral Commission rules and UK law".

Either way, the Bill says nothing about a donor who has always lived here giving the same sums.

WHERE OPINION IS

The public is well ahead of Parliament. Asked by YouGov in December 2025 whether there should be a limit on what an individual can give a party, only 13% said people should be able to give as much as they wish; two thirds chose a limit of £50,000 or less, or a ban. Survation, the same month, found 57% in favour of a legal cap and 7% against. The Electoral Commission's own deliberative research in February 2026 found that participants put a donation limit among the four reforms most likely to rebuild trust.

13%

Say an individual should be able to give a party as much as they wish. YouGov, December 2025.

SECTION 03

WHY NOT DONE ALREADY?

Every attempt to cap donations since 2007 has failed on the same two objections, and both have answers.

The case for a cap is short. The case against it is older and more detailed, and it deserves to be taken seriously, because it has won every time. In 2006 Tony Blair asked Sir Hayden Phillips, a retired permanent secretary, to review party funding after the loans-for-honours affair. He reported on 15 March 2007, proposing a £50,000 cap on donations and loans from individuals and organisations, phased in, with lower spending limits and more state funding. The talks between the parties that he then chaired ran from May to October 2007 and ended without agreement. The Committee on Standards in Public Life proposed a £10,000 cap in 2011. All three main parties promised a cap in their 2010 manifestos. Cross-party talks collapsed in 2013. None of it happened.

Academics who have studied the failures give two reasons: the parties could not agree how trade unions should be treated, and nobody wanted to defend the state funding that a low cap seemed to require. Here are those objections, and the others, in the words of the people who make them.

2007

Hayden Phillips proposed a £50,000 cap. In 2011 the Committee on Standards in Public Life proposed £10,000. Neither happened.

"IT WOULD BREAK THE LINK WITH THE TRADE UNIONS"

In July 2026, with the Bill's report stage fixed for 14 July and amendments before the Commons to cap donations at £100,000 and at £1 million, the GMB union wrote to more than 80 Labour MPs urging them not to vote for either. The report stage was pushed back to 2 September, when neither cap was put to a vote. Its letter said: "Trade unions are already subject to a level of statutory regulation over political expenditure that no other membership organisations face. Political funds are governed by legislation, members have clear rights to opt out, and unions are subject to extensive transparency and reporting requirements. Affiliation arrangements are also fundamentally different from political donations and should not be treated as though they are the same."

IN PLAIN ENGLISH

Political fund

A trade union's separate fund for political spending, regulated since 1913. Members vote to set it up and have a legal right to opt out.

The union is right about the law, and a cap can be written to respect it. Money pooled from thousands of members through a fund regulated since 1913, with a statutory right to opt out, is not the same thing as one person's cheque. The amendment with the widest support in the Commons exempted union political funds on two conditions: a union cannot pass on more than its members put in, and it must be complying with the statutory rules on political funds. Canada and France went the other way and banned organisational money altogether, from unions and companies alike. Ireland caps unions like any other donor. Any of these is workable. The union question has stalled every attempt since 2007; it is answerable, and Section 5 sets out how.

There is a comparison the unions might weigh. One individual gave Reform UK £12 million in 2025. In the same year the trade unions together gave Labour just under £5 million in reportable donations. The £72 million announced for Reform UK on 11 and 12 September 2026 is more than fourteen years of union giving to Labour at the 2025 rate. An uncapped system does not protect the unions' place in politics. It lets one person outweigh all of them.

"IT WOULD MEAN TAXPAYERS FUNDING POLITICAL PARTIES"

David Cameron, rejecting a cap in 2013: "I don't see why the result of a trade union scandal should be every taxpayer in the country paying for Labour."

The state already funds parties. Opposition parties receive Short Money in the Commons, £5.5 million for the Conservatives and £2.5 million for the Liberal Democrats in 2025-26, and Cranborne Money in the Lords, a further £888,000 and £443,000, with £134,000 for the crossbenchers; the Electoral Commission distributes £2 million a year in policy development grants; parties get free election broadcasts and every candidate gets a free mailing to every voter. About 9% of party income between 2002 and 2017 came from the state. The argument is about scale, not principle.

£5.5m

Short Money paid to the Conservative Party in 2025-26 for its work as the official opposition.

Whether a cap needs more public money depends on where it is set and what parties are allowed to spend. Transparency International UK's modelling finds that a cap of £50,000 could be reached by 2030 in yearly steps "without the parties needing recourse to additional public funds", provided spending limits come down from the level set in 2023. When Canada capped donations, its parties found small donors instead: in 2004 about 55,000 Canadians gave to a federal party; in the 2015 election year, nearly 150,000 did. Whether Britain wants a modest per-vote grant of the kind Germany, Ireland and France use is a separate question. The Electoral Commission's public workshops found people warmed to the idea once they saw how other countries do it.

"DONORS HAVE A RIGHT TO SUPPORT WHAT THEY BELIEVE IN"

Reform UK's spokesperson, July 2026: "the suggestion that legitimate donations from successful individuals are somehow less valid than funding from trade unions, for example, is absurd. Meanwhile, a £100,000 cap on donations would do nothing to improve democracy. It would simply restrict political participation while entrenching the established parties, which benefit from longstanding institutional funding networks."

They do have that right, and a cap does not remove it. This guide uses £100,000 as its working example throughout, because it is the level the Government has chosen for overseas donors and the one the Electoral Commission has modelled in most detail. A cap at that level would have touched 6% of the Conservatives' reportable donors, 11% of Labour's, 3% of the Liberal Democrats' and 24% of Reform UK's between 2020 and 2025. Everyone else could give exactly what they give now. British law has never adopted the American view that money is speech. The European Court of Human Rights has accepted since 1998 that "securing equality between candidates" is a legitimate reason to limit political spending, and in 2013 upheld Britain's ban on paid political advertising on television and radio as a defence against "distortion by powerful financial groups". What the court will not accept is a limit so low it silences people. A cap in the tens or hundreds of thousands of pounds silences nobody.

6%

Of the Conservatives' reportable donors gave more than £100,000 in a year, 2020 to 2025. Labour 11%, Liberal Democrats 3%, Reform UK 24%.

"THE MONEY WILL JUST FIND ANOTHER ROUTE"

It will try. Channel 4 News reported in July 2026 that one overseas donor had registered to vote in Britain after the overseas cap was announced, and another has said he will move back. Money moves through companies, family members, loans, gifts in kind and unincorporated associations.

This is an argument for anti-evasion rules, not for no rule. Every limit in electoral law is tested at the margins and still does its job. The answer is aggregation: a donor's total giving in a year is counted across the party, its local branches, its candidates and its MPs, and across any company or association the donor controls. The Electoral Commission has said exactly this about the new company rules: a limit "must apply to the total value of all of a company's political donations in a calendar year, regardless of the number of recipients." Australia's new cap, which allows a donor to give the maximum to each of a big party's nine state, territory and federal branches, shows what happens when that lesson is missed.

IN PLAIN ENGLISH

Aggregation

Adding up everything a donor gives in a year, to every part of a party and through every company or association they control, and capping the total.

"PARTIES NEED THE MONEY"

They need some of it. The Electoral Commission estimates that a £100,000 cap would have cut reported donations by 57% over 2020 to 2025. That figure is a ceiling, not a forecast: it assumes every large donor gives nothing at all under a cap, that nobody new gives, and it counts only gifts above the reporting threshold (£7,500 until 2023, £11,180 since), so a party's members and small donors are invisible in it. The years that dominate the total are 2023 and 2024, when the 80% rise in spending limits set off a fundraising race. Lower the limits, phase the cap in, and the "collapse" shrinks to an adjustment.

57%

The Electoral Commission's estimate of the fall in reported donations under a £100,000 cap. A ceiling, not a forecast.

SECTION 04

WHAT A CAP IS FOR

A cap has one purpose: that no single donor can outweigh everyone else, whichever party they give to.

A fair settlement for money in politics has four tests, and any proposal can be held against them.

1. It applies to everyone: every donor, every party, every candidate, every campaigner. The rule must be universally applicable.
2. It counts everything. A donor's giving is added up across a year, across every recipient connected to a party, and across every company, association or family member through which the donor gives.
3. It is phased and reviewed. It starts at a level parties can adjust to and comes down on a published timetable, the permanent level set by regulations on the Electoral Commission's advice and approved by Parliament.
4. It is enforced. A regulator with the fines to make evasion a bad bet, and the routes around the cap closed in the same legislation.

Of the four, the first test matters most, because it is the only one the Government has not yet accepted. The other three are questions of design, and that work has been done before: by Hayden Phillips in 2007, by the Committee on Standards in Public Life in 2011 and 2021, and by the Electoral Commission in 2026. What is missing is not a workable design but a decision to use one.

4

Tests for any proposal: it applies to everyone, it counts everything, it is phased and reviewed, it is enforced.

The design work has been done many times. What no-one has done is take the decision to fix the problem.

IN PLAIN ENGLISH

Regulated donee

Anyone the donation rules cover: parties, candidates, MPs, elected office holders and registered campaigners. A cap applies to all of them.

SECTION 05

HOW IT WOULD WORK

The key mechanics of a cap are settled; the choices are the level, the timetable and the rules against evasion.

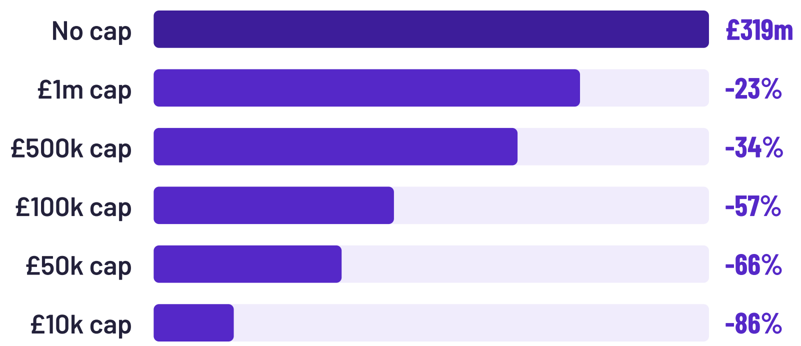
THE LEVEL

The Electoral Commission has modelled what each level would have meant for the £319 million reported between 2020 and 2025.

A cap of £1 million would have removed £74 million, 23% of the total, and would have affected only Labour, the Conservatives, Reform UK and Reclaim. A cap of £500,000 would have removed 34%. A cap of £100,000, the level in the Bill for overseas donors, would have removed 57%. A cap of £50,000 would have removed 66%; a cap of £10,000, 86%.

£74m

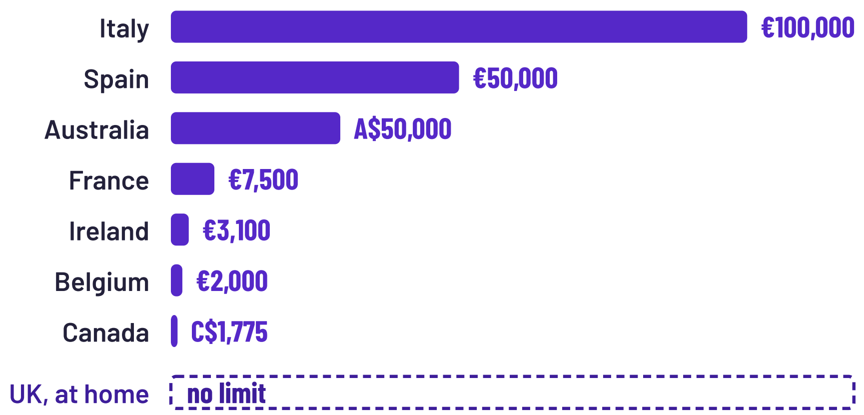
Removed by a £1 million cap over 2020 to 2025: 23% of the total. Only four parties would have been affected.



What each cap would have left. Reported donations to the nine largest parties, 2020 to 2025, and the amount that would have remained under each annual cap. The Commission calls these estimates a ceiling: the model assumes no donor changes behaviour. Source: Electoral Commission, 1 September 2026.

The Commission's conclusion: "it should be possible to set a cap at a level that would not disproportionately affect a small number of parties."

Other countries sit across that range. Canada allows an individual to give about £1,000 a year to each party and bans companies and unions altogether. France allows €7,500 and bans companies. Ireland's limit is €3,100. Belgium's is €2,000. Spain's is €50,000, with a ban on companies. Italy's is €100,000. Australia's, from 1 January 2027, is A$50,000 to each recipient. Germany has no cap but publishes any gift over €10,000 and reports any over €35,000 to the president of the Bundestag at once. Britain's £100,000 for overseas donors is at the top of the international range, and Mr Rycroft, who suggested a range of £100,000 to £300,000, called that "a reasonably high level".



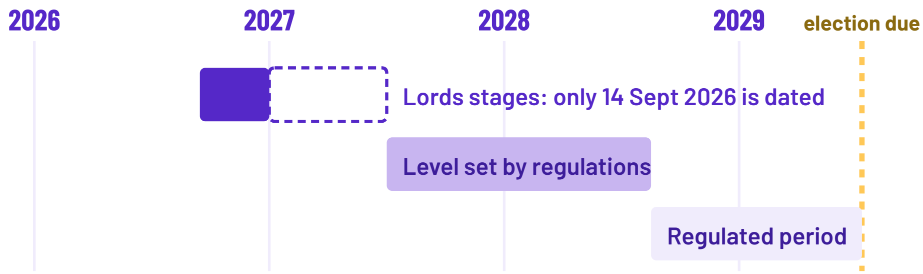
Where other countries draw the line. The most one individual may give a party in a year, in local currency; bar lengths are approximate sterling equivalents, drawn to the same scale. Canada and France also bar companies from giving; Canada bars unions. Germany and New Zealand have no cap but publish large gifts. Australia's limit is per recipient and applies from 1 January 2027.

This guide does not propose a number. The level should be set by an open process, with the evidence published and the trade-offs in view, and it should fall over time. That is what the proposal with the widest support in the Commons did, and it is what the Prime Minister himself said he wanted in May 2026: a high starting point, "reduced over time".

The level should be set by an open process, with the evidence published, and it should fall over time.

THE TIMETABLE

A cap must be in force before the general election due by 2029. The regulated period for that election begins a year before polling day, so the rules need to be law, and the parties need to know them, by 2028. A proposal that emerges in 2027 with no vehicle to carry it will miss that election. The Representation of the People Bill went to the House of Lords on 3 September 2026. It is the only Bill on the subject before Parliament.



Working back from the election. Only the Lords second reading, 14 September 2026, is fixed; later Lords stages and Royal Assent are not yet dated, but the Bill is unlikely to be in the Lords beyond the first half of 2027. Assumes an election on the last possible date, August 2029, so that the regulated period, which begins a year before polling day, starts in August 2028. The middle bar is this guide's proposal, not a Government plan. The rules need to be law, and the level known, before the regulated period begins.

2028

By when the rules need to be law for a general election due by 2029. The regulated period starts a year before polling day.

AGGREGATION

A cap without aggregation is not a proper cap. The rule has to count a donor's total giving in a year to a party and everything attached to it: constituency associations, candidates, MPs, leadership campaigns and the party's campaigning arms. It has to treat a company and the person who controls it as one donor, and it has to catch loans that are never repaid and services given free. Other countries write the same principle into law. In Canada it is an offence for an individual to give money "that was provided to that individual for that purpose" by someone else, so a donor cannot route a gift through a friend or an employee. Section 61 of the Political Parties, Elections and Referendums Act 2000 already makes it an offence to arrange to evade the donation rules; a cap gives that offence a bright line to work with.

IN PLAIN ENGLISH

Connected persons

A donor and the companies, associations and family members through which they give, treated as one donor for the cap.

THE UNIONS

Union political funds are pooled small money under a statutory regime with an opt-out. A cap can exempt them on two conditions: that a union gives no more in a year than its members contributed to the fund in that year, and that it is complying with the statutory rules on political funds. The alternative, banning organisational money altogether, is the Canadian and French route. Parliament can choose either.

1913

The Trade Union Act that first regulated union political funds. The rules have been tightened many times since.

THE REST OF THE SYSTEM

Two gaps beside the cap matter as much as the cap itself, and anyone serious about money in politics has to look at both. The first is spending limits, which drive the demand for money. They rose by 80% in November 2023, and the two years either side of that rise were the biggest fundraising years on record: parties reported £79 million in donations in 2023 and £84 million in 2024, against £38 million in 2022. A higher ceiling on spending is a higher target to raise for. The Electoral Commission is reviewing the limits at the Government's request, with recommendations due by July 2027, and the review should bring them down. The second is the years between elections. Outside the regulated period a party may spend without limit, and reports what it spent only in the broad categories of its annual accounts, not item by item as it must in a campaign. A cap on what comes in, with no limit on what goes out for most of the four years between general elections, would leave the arms race half regulated. A cap, lower limits and year-round reporting belong together.

IN PLAIN ENGLISH

Regulated period

The 365 days before a general election in which party spending is limited and reported. Outside it, neither applies.

ENFORCEMENT

In 2024-25 the Electoral Commission imposed seven penalties totalling £7,450. Its maximum fine was £20,000, which the Government's own strategy says some parties regard as "the cost of doing business". The Government has said it will raise the maximum to £500,000 by regulations; the Bill itself does not do it. That is the right direction, once it is done. The Committee on Standards in Public Life recommended in 2021 that the maximum be 4% of a campaign's spending or £500,000, whichever is higher, so that it scales with the offender. Rules only shape behaviour if they are enforced fairly by a body with the independence, powers and resources to do so effectively.

£7,450

Total fines imposed by the Electoral Commission in 2024-25, in seven penalties. Maximum per offence: £20,000.

SECTION 06

WHERE THINGS STAND

The Government's position on a domestic cap has moved three times since December 2025 and now rests on a team the Government has said it will assemble, with no published remit, membership or reporting date.

On 23 December 2025 a Government spokesperson said: "we have no plans to introduce a donations cap."

On 6 July 2026, announcing the acceptance of the Rycroft Review, Samantha Dixon MP, then the minister, was asked in the Commons to cap UK donations at £100,000. She replied: "it is the Government's view that there is a place in UK political finance for legitimate donations and we do not intend to introduce a cap."

The Government's position on a domestic cap, in nine months. Quotations from a Government spokesperson (23 December 2025), Samantha Dixon MP (6 July 2026) and Florence Eshalomi MP (2 September 2026).

WHAT THE PRIME MINISTER HAS SAID

Andy Burnham, in May 2026, before he became Prime Minister, was asked by a member of the public whether there should be a cap on political donations. He replied in writing; the correspondence was reported by Byline Times on 10 June 2026. "Yes, I do think there should be a cap on political donations. This would guard against the perception of any one party being unduly influenced or swayed by one person or organisation. As to the level, I think that would have to be subject to wider review of political funding but my gut feeling would suggest somewhere in the region of £500k." He added that he "would definitely want to see that reduced over time."

Labour's 2024 manifesto promised to "protect democracy by strengthening the rules around donations to political parties." It did not just specify foreign donations.

The Guardian reported on 26 August 2026 that the Prime Minister had decided not to back a cap in the Bill, and attributed the decision to representations from Labour's affiliated unions. The next day a Labour source told the paper: "This bill was designed to deliver our manifesto commitments on votes at 16 and to strengthen political donation rules to guard against foreign interference and that's what the government is prioritising. But we're not ruling out taking further steps to protect our democracy in the future."

On 1 September 2026, in his first statement to the House as Prime Minister, he was asked by Stella Creasy MP whether his democracy review would look at caps on UK donors and whether the Government would legislate before the next general election. He replied:

> **THE PRIME MINISTER, COMMONS, 1 SEPTEMBER 2026**
>
> *"I recognise the importance of the issues my hon. Friend is raising, for the reasons I gave earlier. The Bill we will debate later this week is a start, but I do not think that anyone on the Government front bench is saying that that is the end of the matter. We do need to go further. I encourage her to engage with the defending democracy taskforce and, certainly, I have an open mind about what those further measures might be."*

£500k

The level the Prime Minister suggested in May 2026, to be "reduced over time".

IN PLAIN ENGLISH

Defending Democracy Taskforce

Set up in November 2022 to counter foreign interference; chaired by the Security Minister; reports to the National Security Council. The body the Prime Minister pointed to on 1 September 2026. The domestic cap has since been promised to a "new cross-Government task and finish team" which, at the time of writing, was still to be assembled.

WHAT HAPPENED IN THE COMMONS

On 2 September 2026 the Commons debated five proposals for a domestic cap, at £1 million, £500,000, £250,000, £100,000 and £5,000, and a sixth that would have left the level to an independent review. The one with the most support, Stella Creasy's New Clause 120, would have set a cap of £500,000 at once, falling to £100,000 the following year, with a permanent level to be set by regulations on the Electoral Commission's advice. Sixty MPs from six parties, and four independents, had signed it. Following the minister's reply, the amendment was not moved, so it was never put to a vote.

Closing the debate, Florence Eshalomi MP, the minister responsible for democracy, said:

> **FLORENCE ESHALOMI, MINISTER FOR DEMOCRACY, COMMONS, 2 SEPTEMBER 2026**
>
> *"Several hon. Members, including my hon. Friend Ms Creasy, have sought to reduce the influence of large donations on our politics by proposing an annual cap on donations, including domestic donations. The Bill already contains a package of significant measures designed to strengthen the political finance regime while ensuring that legitimate donors can continue to fund election campaigns. The Secretary of State and the Prime Minister are determined to tackle the UK-based issue of mega-donors in UK politics, as the Prime Minister outlined yesterday. That is why I am happy to announce that the new cross-Government task and finish team will be working at pace to find a solution without unintended consequences. I can reassure Members that once those solutions have been found, we will want them in force as soon as possible."*

Asked by Lisa Smart, for the Liberal Democrats, what the team would do, on what timetable, and whether a cap would be in place before the next general election, she said: "I cannot stand here and unilaterally write the terms of reference for the taskforce."

> IN PLAIN ENGLISH
>
> ### New Clause 120
>
> Stella Creasy's amendment: a cap of £500,000 at once, £100,000 the next year, then a permanent level on the Electoral Commission's advice. Union political funds exempt.

The body the Prime Minister pointed to on 1 September is the Defending Democracy Taskforce, set up in November 2022 under the previous government to counter foreign interference, chaired by the Security Minister and reporting to the National Security Council. Its remit, widened in 2024, is the full range of threats to democracy, foreign interference first among them; it has never been given one on domestic political finance. The next day the democracy minister announced a "new cross-Government task and finish team" on mega-donors and called it "the taskforce" when pressed. On 10 September 2026 Dan Jarvis MP, the Security Minister, who chairs the taskforce, told the Commons the Government "will assemble" that team: as at that date it did not yet exist. Neither body has published terms of reference, membership or a reporting date for a domestic cap.

The position has three parts. The Government now accepts there is a "UK-based issue of mega-donors". It has not said what it will do about it, or when. And the amendments that would have decided the question were not put to a vote.

3

Government positions since December 2025: "no plans" (December 2025), "do not intend" (July 2026), "task and finish team" (September 2026).

THE £72 MILLION

On 11 September 2026, nine days after the Commons vote and three days before the Lords' second reading, its first debate on the Bill, Ben Delo announced his £36 million to Reform UK. He wrote that he had paid it in one sum "to remove the temptation from Labour to use control of Parliament to try to cut that financial lifeline to a competitor". Nigel Farage said he was "honoured and humbled".

The next day, 12 September, Christopher Harborne announced a second £36 million. He wrote: "Whilst I have been making donations to Reform of around £1m a month, Ben Delo told me he was going to make a record donation of £36m. My competitive spirit inspired me to match it, so that is what I've done." And: "What do I expect in return for my donations? Nothing, personally. No peerage, no policy change, just a party that is ready for government." Mr Farage said that "thanks to their generosity, we are now able to fight that election on a level playing field".

Stella Creasy called it "more for Reform on one day than the entire amount spent by Labour in the general election", which is right: Labour spent £30.1 million in 2024. Lisa Smart MP, for the Liberal Democrats, said: "Andy Burnham needs to introduce a cap on political donations." The Labour Party's response, from its chair, Bridget Phillipson MP, who is also a minister, attacked Reform UK's finances. By 12 September no minister had spoken for the Government on the donations or on a cap, and the BBC reported that Mr Delo's donation "is not being seen inside government as a significant turning point". Transparency International UK called the two gifts "a watershed moment" and "an irrefutable case" for a cap.

£30.1m

What Labour spent on the whole 2024 general election. Two donors announced more than twice that for Reform UK in two days.

WHERE THE BILL IS

The Commons passed the Bill at third reading on 2 September 2026 by 411 votes to 102, with the main Rycroft measures in it and no domestic cap. The Liberal Democrats' proposal for a Royal Commission on a cap was defeated by 427 votes to 85. The Bill went to the House of Lords on 3 September 2026. Peers from three parties had signalled, in a debate on 2 July 2026, that they would want the Lords to go further.

411 v 102

Third reading of the Representation of the People Bill, 2 September 2026.

So the position: the public wants a cap, the Prime Minister wrote before he took office that he does, 64 MPs from six parties signed up to one, the Electoral Commission has costed every level, two donors have announced £72 million for one party in two days, and the Government has promised a team to look for "a solution".

SECTION 07

ANSWERS TO FREQUENTLY ASKED QUESTIONS

The Government's own words raise the questions that decide this, so this section answers them directly.

"Hasn't the Government dealt with this in the Bill?"

It has dealt with part of it. The Bill's measures would close the routes foreign money took: overseas electors, cryptoassets, companies that never traded, associations that never said who funded them.

They do not touch the largest donations on the register, which came from British addresses, and whether they would touch either of the two £36 million gifts of 11 and 12 September 2026 turns on the donors' registration (Section 2). The Government has accepted Mr Rycroft's argument about "game-changing donations" for a donor abroad. It has not said why the argument stops at the border.

17

Rycroft Review recommendations, all accepted by the Government on 6 July 2026. None of them caps a donor living in Britain.

"Isn't a task and finish team the right way to find 'a solution without unintended consequences'?"

Care in design is right: a cap drawn badly could entrench incumbents or push money into channels that are harder to see. But those risks have been studied since 2007, and the Electoral Commission's 2026 modelling says a workable cap is possible.

A team can do useful work if three things are public: who is on it, what it has been asked, and when it reports. On 10 September 2026 the Security Minister told the Commons the team was still to be assembled. The test of the team is whether it produces a cap that is law before the general election due by 2029. "As soon as possible" is not a date.

19

Years since the Hayden Phillips review proposed a £50,000 cap, in March 2007.

"Won't a cap hurt the trade unions?"

Not if it is written properly. The amendment with the widest support in the Commons exempted union political funds on the condition that a union gives no more than its members paid in. The GMB's own description of union money, a regulated fund, a statutory opt-out, extensive reporting, is the reason that exemption can be drawn. What an uncapped system offers the unions is a contest with individual mega-donors that they cannot win.

"Isn't this aimed at Reform UK?"

Danny Kruger MP, for Reform UK, in the Commons on 2 September 2026: "The claim is made that the Bill will defend democracy, but it is actually a flagrantly partisan attempt to kneecap Reform UK."

The Electoral Commission's figures say otherwise. Over 2020 to 2025 a £100,000 cap would have taken more money from the Conservatives than from any other party, £78 million, and about seven pounds in ten from Labour and Reform UK alike. The record gifts on the register went to the Conservatives, the Liberal Democrats and Labour before they went to Reform UK. A cap that applies to every donor and every party cannot be aimed at one of them.

£78m

What a £100,000 cap would have cost the Conservative Party over 2020 to 2025. More than any other party.

"What level should the cap be?"

The evidence is published; the choice is political. The proposal with the widest support in the Commons started at £500,000 and fell to £100,000; the Prime Minister, in May 2026, suggested £500,000 "reduced over time". The level should be set by regulations on the Electoral Commission's advice, approved by Parliament, and it should come down as parties adjust. It should not be settled privately between the parties.

"Who decides?"

Parliament. The Bill is in the House of Lords, which can amend it; the Commons then decides whether to accept any amendment; and the Government can bring its own at any stage. The Government has said it wants a solution "in force as soon as possible". The decision is not technical: it is the one the Government has already taken for donors abroad, applied at home.

WHAT HAPPENS NEXT

ONE QUESTION

In 2026 the House of Commons voted to cap what a British elector living abroad may give to politics at £100,000 a year, on the argument made by the Government's own reviewer: a single very large donation from one source distorts politics wherever it lands. The Bill is in the House of Lords. Within ten days of the Commons vote, two donors announced they had given one party £72 million. The Government has promised a team to find "a solution" for donors at home, without saying who, what or when.

The Government has accepted that unlimited money from one source is a danger to democracy. The only question left is whether it matters where the donor lives.

Open Britain will keep this guide updated as the position changes. The current edition, and everything that stands behind it, is at www.open-britain.co.uk.

WHERE THIS COMES FROM

Everything in this guide is drawn from verified sources. Where figures have appeared in different forms in earlier publications on this subject, we have used the current, accurate version and explained any discrepancy. Hansard quotations are checked against TheyWorkForYou, which prints members' names in place of constituency references.

THE ELECTORAL COMMISSION ON DONATION CAPS

Electoral Commission, "Briefing on donation caps amendments", 1 September 2026, and "How different levels of donation caps could affect political parties", July 2026. All 2020-2025 figures (£319 million; reductions at each cap; per-party effects, the Conservatives £142.2 million to £64.2 million, Labour -71%, Reform UK -72%; donors above £100,000 by party) and the quotations on the current position and workability. The £1 million and £500,000 figures appear in the 1 September briefing only. The aggregation quotation is from the Commission's response to the Rycroft Review, published between 25 March and 6 July 2026. The Commission calls its figures estimates.

MILLION-POUND DONORS

Transparency International UK, "Taking Big Money Out of Politics", 2 March 2026: 1% in 2015, 35% in 2024; a £50,000 cap reachable by 2030 without additional public funds. "Cheques and Balances", January 2025: 19 donors gave 66% of £85 million in private donations in 2023. Both work from Electoral Commission data.

FIRST QUARTER OF 2026

Electoral Commission, Q1 2026 donations release, 4 June 2026 (£20,791,006 excluding public funds); Electoral Reform Society, 4 June 2026 (£7 million from two individuals).

THE SAINSBURY DONATIONS

Electoral Commission register: Lord Sainsbury of Turville (David Sainsbury), £8,000,000 to the Liberal Democrats, received 1 November and accepted 1 December 2019 (C0477216); Lord Sainsbury of Preston Candover (John Sainsbury, his first cousin, who died in January 2022), £10,000,000 to the Conservative Party, received 11 September and accepted 12 September 2023 (C0572407), a bequest and the largest entry on the register.

FRANK HESTER AND THE PHOENIX PARTNERSHIP

Electoral Commission register: Frank Hester, £5,000,000, 15 May 2023; The Phoenix Partnership, his company, ten cash donations totalling £15,306,300, February 2023 to May 2024. All to the Conservative Party.

QUADRATURE CAPITAL AND LABOUR

Stella Creasy MP, House of Commons, 2 September 2026, col 290: "We took £4 million from Quadrature Capital - the largest single donation in our party's history."

CHRISTOPHER HARBORNE AND REFORM UK

Electoral Commission register: £9,000,000, received and accepted 1 August 2025 (C0833694); £3,000,000, 12 November 2025 (C0835545); £3,000,000, 23 January 2026 (C0836608); nothing further to 30 June 2026. Dates from the register export of 12 September 2026. "Largest gift from a living donor": the previous record was Lord Sainsbury's £8 million in 2019; the £10 million entry of 2023 was a bequest.

THE RULES ON DONATIONS

Political Parties, Elections and Referendums Act 2000, Part IV and Schedule 9. Reporting thresholds £11,180 (central party) and £2,230 (accounting units) since 2024. Regulated period: 365 days before polling day.

THE 2023 RISE IN SPENDING LIMITS

SI 2023/1235, made 20 November 2023: "The limits have been increased by 80.06%"; £19.5 million to £35.1 million for 650 constituencies. Candidate limits date from the Corrupt and Illegal Practices Prevention Act 1883.

SPENDING AT THE 2024 GENERAL ELECTION

Electoral Commission, "Report on campaign spending at the 2024 UK Parliamentary general election", July 2025: £94.5 million, a record.

PUBLIC BELIEF ABOUT DONORS' MOTIVES

More in Common for Transparency International UK, 12 June 2026: 83%. Earlier polling for the same organisation put it at 84%, the figure used in the Commons on 2 September 2026.

TRANSPARENCY OF PARTY FUNDING

Electoral Commission, "Public attitudes to elections and democracy: 2026 findings", fieldwork December 2025: 14% (17% under the Commission's earlier weighting); 37% in 2011.

TRUST IN POLITICIANS

Ipsos Veracity Index 2025, published 9 December 2025: 9%, the joint-lowest since 1983.

THE RYCROFT REVIEW AND THE GOVERNMENT'S RESPONSE

Philip Rycroft CB, "Report of the Independent Review into Countering Foreign Financial Influence and Interference in UK Politics", 25 March 2026 (commissioned 16 December 2025, a month after Nathan Gill's sentencing); quotations on remit, "game-changing donations" and the level (paragraph 54). "The Rycroft Review: HM Government Response", 6 July 2026. Samantha Dixon MP, HC Deb, 6 July 2026, col 45.

WHERE THIS COMES FROM

Continued.

THE BILL, THE PRIME MINISTER AND THE LORDS

Representation of the People Bill: Commons third reading 2 September 2026 (Ayes 411, Noes 102); Government new clauses agreed without division; Lords first reading 3 September 2026. Andy Burnham's correspondence, May 2026: Byline Times, 10 June 2026 (whose rendering opens "Yes,"; The Guardian's, 27 August 2026, opens "I do think"). HC Deb, 1 September 2026, col 48. Labour source: The Guardian, 27 August 2026. Labour manifesto 2024, "Reforming politics". Spending limits review, reporting by July 2027, extended to candidate limits on 29 August 2026 (HC Deb, 2 September 2026, col 341). Peers: Baroness Hayter, Lord Johnson of Lainston, Lord Pack, HL Deb, 2 July 2026.

UNINCORPORATED ASSOCIATIONS

Transparency International UK, "Does UK politics have a dark money problem?", 30 June 2025: of £40.4 million given by unincorporated associations since 2010, £38.6 million cannot be traced to its source.

ENFORCEMENT AND FINES

"Restoring trust in our democracy", MHCLG, 17 July 2025, paragraphs 108 and 110. House of Lords Library, 26 June 2026: seven penalties totalling £7,450 in 2024-25; maximum £20,000; the increase to £500,000 by secondary legislation.

PUBLIC OPINION ON A CAP

YouGov tracker, fieldwork 27-29 December 2025: 13% "as much as they wish"; two thirds chose £50,000 or less, or no private donations. Survation for 38 Degrees, fieldwork 9-11 December 2025 (1,008 adults, online): 57% support, 7% oppose.

THE ELECTORAL COMMISSION'S DELIBERATIVE RESEARCH

Electoral Commission, "Public attitudes to how political parties are funded" (nine workshops, 72 adults, February 2026) and "Political finance: a roadmap to rebuilding public trust", June 2026.

EARLIER ATTEMPTS AT A CAP

Sir Hayden Phillips, "Strengthening Democracy: Fair and Sustainable Funding of Political Parties", 15 March 2007, commissioned by the Prime Minister in 2006; inter-party talks suspended October 2007 (House of Commons Library, SN07152); Committee on Standards in Public Life, "Ending the Big Donor Culture", 2011, and "Regulating Election Finance", 2021 (recommendation 37); the 2010 manifestos, the end of talks on 4 July 2013 and the explanation of the failures: House of Commons Library CBP-11072; David Cameron, Prime Minister's Questions, 10 July 2013.

THE GMB LETTER

Reported by The Guardian, 10 July 2026, quoting the letter sent to more than 80 Labour MPs who are GMB members ahead of the report stage then fixed for 14 July 2026, against amendments to cap donations at £100,000 or £1 million. The letter itself has not been published.

THE HOUSE OF COMMONS, 2 SEPTEMBER 2026

HC Deb, 2 September 2026: Florence Eshalomi MP, cols 339 and 342; Stella Creasy MP, cols 289-291; Danny Kruger MP, col 296; Lisa Smart MP, col 342. New Clause 120: 64 MPs on the bills.parliament.uk record as at 5 September 2026 (Labour 34, Liberal Democrat 13, Green 5, Plaid Cymru 4, SNP 3, Alliance 1, independents 4); not moved. New Clauses 69 (£1 million), 80 (£250,000), 71 (£100,000; not called), 111 (£5,000), 21 (level after independent review). New Clause 88 negatived, Ayes 85, Noes 427. Defending Democracy Taskforce: GOV.UK, 28 November 2022 (first meeting) and 10 April 2025 (widened mandate); the Prime Minister, HC Deb, 1 September 2026, cols 36 and 48; the First Secretary of State, HC Deb, 2 September 2026, col 180; Dan Jarvis MP, Security Minister, HC Deb, 10 September 2026, col 1186: "We will assemble a new cross-Government task-and-finish team to identify next steps for tackling the issue of megadonors in UK politics."

OTHER COUNTRIES

Canada: Elections Canada, limits 2026; Canada Elections Act, sections 363 and 370; donor numbers via CBC, 18 October 2019. France: Law 88-227 of 1988, article 11-4. Ireland: gov.ie, "Political Donations", 26 August 2026 (SIPO's guidance still gives the 2012 Act's €2,500). Belgium: Act of 4 July 1989, article 16bis. Spain: Organic Law 8/2007, article 5. Italy: Law 13 of 2014, article 10. Germany: Political Parties Act, section 25. Australia: Electoral Reform Act 2025; nine-branch point from Professor Joo-Cheong Tham, The Conversation, 14 February 2025.

TRADE UNION DONATIONS TO LABOUR

Electoral Commission register, donations accepted by the Labour Party from trade unions in 2025: £4,960,715 in reportable entries, calculated by Open Britain from the register export (5 and 12 September 2026). Danny Kruger MP, HC Deb, 2 September 2026, col 296: unions "have given £17 million to the Labour party in the last five years".

WHERE THIS COMES FROM

Continued.

PUBLIC FUNDING OF PARTIES

House of Commons Library, "Short Money", 8 July 2026: 2025-26, £5,518,243 (Conservatives), £2,522,049 (Liberal Democrats). Cranborne Money 2025-26: £887,939 (Conservatives), £443,340 (Liberal Democrats), £134,380 (crossbench), House of Lords; the Commons Library and Institute for Government give the crossbench figure as £134,850. Electoral Commission: policy development grants, £2 million a year. Sam Power, cited in CBP-11072: about 9% of party income 2002-2017 from the state.

STATEMENTS TO THE PRESS

MHCLG spokesperson to PoliticsHome, 23 December 2025. Reform UK spokesperson, The Guardian, 12 July 2026.

THE EUROPEAN COURT OF HUMAN RIGHTS

Bowman v United Kingdom, 19 February 1998: limiting third-party election spending pursued "the legitimate aim of securing equality between candidates"; the £5 limit was disproportionate, and Parliament raised it to £500 in 2000 and £700 in 2014. Animal Defenders International v United Kingdom, 22 April 2013: the broadcast advertising ban upheld against "distortion by powerful financial groups".

THE TWO £36 MILLION DONATIONS TO REFORM UK

Ben Delo, The Telegraph, 11 September 2026 ("I have front-loaded these donations into a single payment of £36m"; "to remove the temptation from Labour to use control of Parliament to try to cut that financial lifeline to a competitor"). Christopher Harborne, The Telegraph, 12 September 2026 ("My competitive spirit inspired me to match it"; "Nothing, personally. No peerage, no policy change"), and Nigel Farage's statements in both reports. Further reports: Financial Times, The Guardian, BBC, Reuters, 11 and 12 September 2026. Neither gift on the Electoral Commission register as at 12 September 2026; a donation received by 30 September is reportable by 30 October and published in early December (the 2025 third-quarter figures appeared on 4 December 2025). Delo's earlier donations, by date accepted: £2,000,000 (14 January 2026), £2,000,000 (2 March), £1,000,000 (18 April), £3,000,000 (1 May). Comparators: the £10 million bequest of 2023; all parties' donations and public funds, £24.7 million in the first quarter of 2026 and £17.1 million in the second, and "almost £65m" in 2025 (Electoral Commission); Labour's and the Conservatives' combined spending at the 2024 general election, £53,958,973. The Bill's tests for donors from abroad: HL Bill 47, section 62 and Schedule 11; MHCLG letter to parliamentary parties, 6 July 2026. Mr Harborne's registration: Channel 4 News, 27 July 2026; The Times, 28 June 2026; The Telegraph, 12 September 2026; Reform UK spokesperson, The Guardian, 12 September 2026. Reform UK's confidence on Mr Delo: The Guardian, 3 September 2026; i news, 12 September 2026. Reactions: Stella Creasy and Lisa Smart, The Guardian and BBC, 11 and 12 September; Bridget Phillipson, PA, 12 September; Duncan Hames, Transparency International UK, BBC and PA, 12 September 2026.

ROUTES AROUND THE RULES

Channel 4 News, 27 July 2026; The Guardian, 4 September 2026 (section 61 of the Political Parties, Elections and Referendums Act 2000); Spotlight on Corruption, "Party spending year-round".

OPEN BRITAIN

Open Britain campaigns for a fairer, more transparent democracy. We work for a voting system that genuinely reflects how people vote, against foreign interference in British politics, and for a political system that ordinary people can trust and engage with.

This guide is the second in the Nutshell Guides series. The first covered the proposal for a National Commission on Electoral Reform. Future editions will cover other important questions in British democracy.

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