EXPLANATORY NOTE

(This note is not part of the Order)

This Order re-states with variations the Scheme originally created in 2002 for making policy development grants to certain political parties to assist with the development of policies for inclusion in their manifestos for parliamentary elections, elections to the European Parliament, the Scottish Parliament, the National Assembly for Wales, and the Northern Ireland Assembly, local government elections and local elections in Northern Ireland. The Scheme, as varied, is provided in the Schedule to the Order, and has effect in relation to the year ending on 31st March 2007, and subsequent years.

The variations give effect to the recommendations of the Electoral Commission. The Ulster Unionist Party is removed from the Scheme because it no longer satisfies the eligibility requirement (of having two Members of Parliament who have taken the oath) contained in section 12 of the Political Parties, Elections and Referendums Act 2000.

The amount available for allocation annually by way of grant under the Scheme is £2 million. It will be divided between eligible parties in accordance with paragraph 5 of the Scheme, and will comprise a fixed amount (determined by dividing £1 million by the number of eligible parties for the year) and a variable amount (determined by reference to each eligible party's share of the vote, weighted by turn-out, in accordance with paragraphs 6 to 9 of the Scheme).