

## Calculating Expenditure Limits

For referendums in devolved areas, the Commission recommends in general that:

- the maximum spending limit should be set by reference to the expenditure limits applying to elections to the relevant devolved body;
- where the Commission designates lead campaigning organisations on both sides of the referendum question, the maximum spending limit should apply to those ‘designated organisations’;
- the limit applying to all campaigners registered with the Commission as permitted participants, other than designated organisations and political parties, should be set at a minimum of £100,000 or 10% of the limit for designated lead campaigning organisations, whichever is higher;
- the limits applying to political parties that register as permitted participants should follow the PPERA structure for UK-wide referendums, which provides higher spending limits for those political parties with a track record of electoral support than for other permitted participants; and
- the track record of electoral support for political parties should be assessed on the basis of ‘the most recent relevant election’.

### Designated organisations

Designated organisations have access to the maximum spending limit for the referendum. The Commission recommends that the maximum spending limit should be set by reference to the campaign spending limit applying to elections to the relevant devolved body. For National Assembly for Wales elections, these are £10,000 per constituency and £40,000 per region contested. Therefore, based on 40 constituencies at £10,000 (£400,000) and 5 regions at £40,000 (£200,000), the maximum expenditure limit for designated organisations would be £600,000.

### Political parties: Share of the vote

The Commission recommends that the spending limits applying to political parties should be set with reference to the 2007 Welsh Assembly elections, rather than to UK Parliamentary general elections. In line with National Assembly for Wales elections, the Commission recommends that the percentage share of the vote for both constituencies and regions should be taken into account.

To produce a single percentage figure for this purpose, the Commission recommends that a two-thirds weighting should be given to each party's share of the vote in constituencies and one-third for regions to reflect how the seats are distributed in Welsh Assembly elections e.g. single percentage =  $\frac{2}{3}$  constituency % +  $\frac{1}{3}$  regions %. Putting this calculation into practice for the 2007 Welsh Assembly elections provides the following<sup>1</sup>:

---

<sup>1</sup>[http://news.bbc.co.uk/1/shared/vote2007/welshassembly\\_english/html/scoreboard\\_99999.stm](http://news.bbc.co.uk/1/shared/vote2007/welshassembly_english/html/scoreboard_99999.stm)

- |          |                |                      |                    |
|----------|----------------|----------------------|--------------------|
| • Labour | Constituencies | $32.2\% / 3 = 10.73$ | $\times 2 = 21.46$ |
|          | Regions        | $29.6\% / 3 = 9.87$  | $\times 1 = 9.87$  |
|          |                |                      | 31.33%             |
- |                 |                |                     |                    |
|-----------------|----------------|---------------------|--------------------|
| • Conservatives | Constituencies | $22.4\% / 3 = 7.47$ | $\times 2 = 14.94$ |
|                 | Regions        | $21.4\% / 3 = 7.13$ | $\times 1 = 7.13$  |
|                 |                |                     | 22.07%             |
- |               |                |                     |                    |
|---------------|----------------|---------------------|--------------------|
| • Plaid Cymru | Constituencies | $22.4\% / 3 = 7.47$ | $\times 2 = 14.94$ |
|               | Regions        | $21.0\% / 3 = 7.00$ | $\times 1 = 7.00$  |
|               |                |                     | 21.94%             |
- |               |                |                     |                   |
|---------------|----------------|---------------------|-------------------|
| • Liberal Dem | Constituencies | $14.8\% / 3 = 4.93$ | $\times 2 = 9.86$ |
|               | Regions        | $11.7\% / 3 = 3.9$  | $\times 1 = 3.9$  |
|               |                |                     | 13.76%            |
- All other parties received less than 5% of the vote in both the constituencies and regions.

#### Political parties: Expenditure limits

The limits applying to political parties that register as permitted participants should follow the PPERA structure for UK-wide referendums, which provides higher spending limits for those political parties with a track record of electoral support than for other permitted participants. The PPERA structure provides that political parties have the following percentage of the designated organisations' expenditure limit based on their share of the vote:

Share of vote	Percentage of designated organisations' expenditure limit
More than 30%	100%
Between 20% - 30%	80%
Between 10% - 20%	60%
Between 5% - 10%	40%
Less than 5%	The same limit as non-party permitted participants

#### Permitted participants (non-political parties)

The limit applying to all campaigners registered with the Commission as permitted participants, other than designated organisations and political parties, should be set at a minimum of £100,000 or 10% of the limit for designated lead campaigning organisations, whichever is higher. For a

referendum in Wales, this would result in the expenditure limit for permitted participants, other than political parties, being £100,000.

Main party expenditure limits based on the 2007 Welsh Assembly elections

Type of organisation	Limit on Expenditure	(Major party expenses limits as per the 2007 Welsh Assembly election)
Designated organisations	£600,000	
Political Parties with a percentage of the vote at 2007 Welsh Assembly elections of:		
• More than 30%	£600,000	Labour (31.33%)
• Between 20% -30%	£480,000	Conservatives (22.07%) Plaid Cymru (21.94%)
• Between 10%-20%	£360,000	Lib Dems (13.76%)
• Between 5% - 10%	£240,000	None
• Less than 5%	£100,000	All other parties
Other permitted participants	£100,000	

Aggregation of spending limits

In the light of the referendum held in the North East of England in 2004, the Electoral Commission proposed that expenditure limits at future referendums held under PPERA should be subject to aggregation provisions, similar to those that PPERA applies to the spending limits that apply to campaigning organisations at elections. These provisions would prevent campaigners from circumventing the limits by registering separately but acting together to a joint plan of campaign. In practice, this means that if two or more permitted participants incur expenses in pursuit of a joint plan or arrangement to promote a particular outcome at a referendum, then the **combined** expenses of **all** permitted participants involved in the joint arrangement will count against each individual limit. This could lead some permitted participants to exceed their own limit as a result of combined spending, even if they do not themselves spend more than their own limit.

PPERA does not currently provide for this, but the Constitutional Reform and Governance Bill currently before the UK Parliament would, if passed, amend PPERA to introduce such provisions. The Electoral Commission has recommended to the Wales Office that the same provisions should apply for a referendum on the powers of the National Assembly for Wales.