

Referendum on the voting system for UK Parliamentary elections

Counting Officers' Expenses Guidance Notes

March 2011

Translations and other formats

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We are an independent body set up by the UK Parliament. Our aim is integrity and public confidence in the democratic process. We regulate party and election finance and set standards for well-run elections.

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1 Introduction

1.1 As the Regional Counting Officer or Counting Officer appointed for the referendum on the voting system for UK Parliamentary elections, you are personally responsible for all the expenditure incurred for the purpose of conducting the referendum in the counting area for which you act.

1.2 Although parts of your claim may be prepared by deputies or election staff, personal responsibility for ensuring that the accounts are complete, legitimate, properly presented and auditable rests with you. Please therefore ensure that all parts of the claim meet with your approval before it is submitted to the Election Claims Unit (ECU); any queries will be addressed to you in the first instance, and you must be prepared to answer for any deficiencies and justify your decisions if necessary.

1.3 The approach we have adopted in relation to expenses is similar to that which operated at the UK Parliamentary elections in 2010 and the 2009 European Parliamentary elections. The aim is to ensure the transparency and accuracy of the process, whilst giving you some flexibility and avoiding over-prescriptive central direction.

1.4 This guidance is based upon that issued by Cabinet Office at the UK Parliamentary election in 2010 and has been updated to reflect the special requirements of the referendum and our special responsibilities in relation to accounting for it. We have incorporated some changes to the guidance after consulting with Cabinet Office, and we are confident that the changes we have introduced reflect issues and concerns that would have been included in Cabinet Office guidance in any case.

1.5 The main change from previous elections is in the calculation of advances and the timing of fees for Counting Officers' services.

1.6 Advances will be payable on the basis of 75% of the overall maximum amount specified for the Counting Officer's expenses in the relevant Charges Order. This excludes the element payable for the Counting Officer's services.

1.7 The payment for the Counting Officer's services will be paid in two stages: 75% will be paid following polling day, and the remaining 25% will be paid immediately following clearance of accounts.

1.8 The deadline for submission of claims has also been changed to be 8 months from the date of the referendum, **Thursday 5 January 2012**. This will be the same as that set for the return of claims in respect of the Scottish Parliament and Welsh Assembly elections. We consider this to be a reasonable deadline that avoids final accounting being carried out in the midst of elections teams' preparations for the scheduled May 2012 elections; it will also enable us both to process claims by 31 March 2012 and make our submission of complete accounts in respect of the referendum in a timely

manner (we aim to be able to do this by 30 June 2012). We will ensure that resources are in place to enable claims to be processed without undue delay. Where claims are not able to be submitted in time we have made provision for Counting Officers to apply to submit incomplete accounts in exceptional circumstances, and where that procedure has been followed, for subsequent provision of complete accounts within one month of the deadline i.e. by Monday 6 February 2012.

1.9 These guidance notes have been developed both to help you through the process and to explain the reasoning behind it. They give details of the thinking which has gone into assessing likely costs, as well as the assumptions used to calculate the amounts specified in the Charges Order.

1.10 The Charges Order¹ specifies an overall maximum recoverable amount available to you. This comprises a maximum recoverable amount for specified expenses and a maximum recoverable amount for Counting Officers in respect of their services. You cannot exceed the maximum recoverable for your expenses without prior authorisation under certain specified circumstances. However, within the amount for your expenses, there is no specific limit on what is available to you to spend on each particular element - you must nevertheless ensure that all expenses are necessarily incurred and properly recorded.

1.11 Payment in respect of the maximum recoverable amount for Counting Officers' services specified in the Charges Order will be paid separately by us, as specified in paragraph 1.7 above.

1.12 You may apportion funds between the different functions specified in the Charges Order as appropriate up to the overall maximum recoverable amount, provided you account for the expenditure properly and only spend on what is necessary for the efficient and effective conduct of the referendum.

1.13 This guidance note covers the following areas:

- The legislation governing the submission of referendum claims;
- The accounting requirements, including the quality of the supporting documentation and vouchers, and the expectations of the Commission and the National Audit Office;
- The status and responsibilities of Regional Counting Officers and Local Counting Officers;
- The arrangements for initial and subsequent advance payments;
- Details of how the amounts allocated for each function which make up the overall maximum recoverable amount have been calculated and what data have been used;
- Instructions on how to submit a claim;

¹ The Referendum on the Voting System (Counting Officers' and Regional Counting Officers' Charges) Order 2011

- Information about how each claim should be presented

1.14 To assist in preparing your claim we will make the spreadsheets available electronically. This does not mean that hard copy documentation is now unnecessary, but it should help you to process and submit your claim more easily. More detailed information about this is contained in the relevant chapters.

1.15 These notes are as comprehensive as possible and we hope cover most of the questions which are likely to arise. However, we will also publish a FAQ document on our website alongside the guidance. This will enable us to capture any additional queries that might be of wider interest as and when they arise following the publication of this guidance, and provide you with additional help and information in completing your claims. It is available at:

<http://www.electoralcommission.org.uk/guidance/resources-for-electoral-administrators/referendums>

1.16 If you have any problems to which you cannot find the answer, or are experiencing any difficulties with the preparation or presentation of your accounts, the ECU are ready to provide help and assistance. Please do not hesitate to contact them direct. It is better to obtain their advice in advance than be faced with difficult questions after your claim has been submitted.

1.17 The contact details for the ECU are:

Email: ecu@communities.gsi.gov.uk

Telephone: 030 344 43912

1.18 You are reminded in particular of the following important points:

- Expenditure must be necessary for the efficient and effective conduct of the referendum. Examples of the types of expenditure which does **not** fall into this category are given at paragraph 14.30.
- Claims must be submitted by 5 January 2012 in accordance with The United Kingdom Parliamentary Voting System Referendum (Counting Officers Accounts) Regulations 2011. This is a statutory requirement; it is therefore unlawful to submit claims after this deadline unless this has been agreed with us and in accordance with the regulations. Further information about this requirement is given in Chapter 6.
- We may refuse to settle claims which do not conform to the statutory requirements. This includes claims submitted late, or those without sufficient supporting documentation, or those which are not auditable. Further explanation about the circumstances in which a refusal may be considered is given in Chapter 6.

1.19 These arrangements are intended to make the system flexible, transparent and straightforward for you to implement. These Guidance Notes cover England, Wales, Scotland and, where applicable, Northern Ireland.

2 Referendum claims – legislative background

Political Parties, Elections and Referendums Act 2000

2.1 The Political Parties, Elections and Referendums Act 2000 (PPERA) provides the broad framework for the conduct of UK referendums. It provides for the Chair of the Electoral Commission to be the Chief Counting Officer for any UK-wide referendum. It also provides for the Chief Counting Officer to appoint Counting Officers for each voting area. In Northern Ireland, the Counting Officer for a UK-wide referendum is defined as the Chief Electoral Officer.

2.2 The general duties of Counting Officers are set out in Section 128(5) of PERPA. They are required to certify, within the area for which they have been appointed, the number of ballot papers counted and the number of votes cast in the referendum in favour of each answer to the referendum question.

2.3 The general duties of the Chief Counting Officer are set out in Section 128(6) of PERPA. The Chief Counting Officer is required to certify, for the referendum area as a whole, the total number of ballot papers counted and the total number of votes cast in the referendum in favour of each answer to the referendum question.

2.4 Section 129 of PERPA provides powers for the Secretary of State to make further detailed provisions for regulating the conduct of a referendum to which the Act applies. Additional legislation must be made to enable a referendum to take place.

2.5 The Act also gives the Commission responsibility for:

- commenting on the wording of the referendum question
- registering campaigners
- designating lead campaign organisations
- regulating campaign spending and donations
- giving grants to lead campaign organisations
- conducting the poll

Parliamentary Voting System and Constituencies Act 2011

2.6 The Parliamentary Voting System and Constituencies Act 2011 received Royal Assent on 16 February 2011. It provides the detailed legal framework for the conduct of the referendum on the voting system for UK Parliamentary elections. The referendum is one to which the provisions of PPERA apply.

2.7 Paragraph 5(2) of Schedule 1 to the Act specifies that Counting Officers are responsible, in the area for which they are appointed, for counting the votes cast in the referendum. Paragraph 2 of Schedule 1 to the Act makes provision for those appointed as Returning Officer in respect of particular elections to become the Counting Officer at the referendum without the need for an appointment to be made by the Chief Counting Officer.

2.8 In England, the person who has been appointed as the Returning Officer for local government elections will be the Counting Officer in that voting area. As a result of amendments to allow for the poll for the referendum to be combined and held together with the polls for the scheduled May 2011 elections, Counting Officers in Scotland and Wales will be the constituency Returning Officers for Scottish Parliamentary and National Assembly for Wales elections respectively. In Northern Ireland the Chief Electoral Officer for Northern Ireland will be the Counting Officer.

2.9 Paragraph 5(5) of Schedule 1 to the Act specifies that the Chief Counting Officer may give Counting Officers directions about the discharge of their functions, and paragraph 5(8) provides that: "A person to whom a direction is given under this paragraph must comply with it."

2.10 Schedule 1 of the Act provides that Counting Officers and Regional Counting Officers are entitled to recover their charges for services rendered or charges incurred in connection with the referendum from the Commission.

2.11 The total overall amount that a Counting Officer or Regional Counting Officer can recover for the services rendered and the expenses incurred in connection with the referendum is set out in a separate Order made by the Secretary of State. Fees and charges are recoverable provided that the services were necessarily rendered or the expenses were necessarily incurred for the efficient and effective conduct of the referendum.

2.12 In addition the Commission may, with the consent of the Treasury, authorise the payment of more than the maximum recoverable amount if it is satisfied that it was reasonable to render the services or incur the expenses in question and that the charges for them were reasonable.

The Referendum on the Voting System (Counting Officers' and Regional Counting Officers' Charges) Order 2011

2.13 The Charges Order, which for the referendum covers the whole of the UK, is made under Schedule 1 of the 2011 Act and is structured in a similar way to the Charges Orders for the European Parliamentary elections in England and Wales in 2009 and the 2010 UK Parliamentary election. The Order contains schedules which list local authorities in Great Britain and alongside them sets out the maximum amounts recoverable by Counting Officers in respect of the specified services rendered and the specified expenses incurred for or in connection with the referendum together with the total of these figures – the overall maximum recoverable amounts for each voting area.

2.14 The Charges Order also lists what constitutes a Counting Officer's specified services. These include conducting the referendum, discharging the Counting Officer's duties at the referendum and making arrangements for the referendum. The Order sets a maximum recoverable amount for services of the description specified for each authority. Under paragraphs 20(2) and 20(3) of Schedule 1 to the 2011 Act the Commission has the power to reduce or remit the fee of any Counting Officer if they are held not to have performed their services adequately. This might be the case, for example, if a Counting Officer was found to be in breach of official duty or did not comply as directed with the Chief Counting Officer's directions. The Commission's procedure for evaluating performance of services in relation to paragraphs 20(2) and 20(3) of Schedule 1 of the Act can be found on our website alongside this guidance at:

<http://www.electoralcommission.org.uk/guidance/resources-for-electoral-administrators/referendums>

2.15 Similarly the Charges Order lists what a Counting Officer may claim in respect of any of the specified expenses. These include providing and paying staff, conducting the referendum and the count and all the ancillary activities necessary to discharge the Counting Officer's functions. Again, the Order sets a maximum recoverable amount for expenses of the description specified for each authority.

2.16 All this legislation is available from Her Majesty's Stationery Office (HMSO) via the Office for Public Sector Information (OPSI) website: www.opsi.gov.uk/legislation

The Counting Officers', Regional Counting Officers' and Chief Counting Officers' Accounts (Parliamentary Voting System Referendum) Regulations 2011

2.17 These Regulations set out the time and manner in which Counting Officers' accounts must be submitted. The Regulations require accounts to be submitted by Thursday 5 January 2012. They provide for the submission of incomplete accounts where that may be necessary and describe the circumstances under which incomplete accounts may be submitted. They also set out the documents to be submitted with the accounts and the form of the accounts.

3 Accounting requirements

National Audit Office

3.1 In recent years the National Audit Office (NAO), on behalf of the Comptroller and Auditor General (C&AG), has shown particular interest in the submission of accounts in respect of election expenses. Because of the failure to submit accounts on the part of some Returning Officers, the C&AG qualified his opinion on election accounts in all years between 2002 and 2009.

3.2 However the most recent certificate and report of the C&AG published in January 2011 in respect of the 2009/2010 accounts was not qualified and reflected the C&AG's opinion of an improvement in submission of accounts. This report is available to view at:

www.nao.org.uk/publications.aspx

3.3 The Commission, if directed to do so by the Treasury, must prepare accounts which set out the expenditure in relation to the referendum. The Chief Executive of the Commission is the Accounting Officer with responsibility for preparation of the accounts and wishes, in the interests of the community of election professionals across the United Kingdom, to be able to submit an unqualified set of accounts. We therefore want to ensure that the accounts provided by all Counting Officers not only arrive within the deadline, but meet best accounting practice. These notes are intended to provide the necessary assistance to enable that to happen.

General requirements

3.4 The use of public money to meet referendum expenses requires proper, auditable accounting and transparent presentation. Whatever is claimed requires appropriate supporting documentation which can be verified if necessary and which meets best accounting practice. Even if you are submitting your accounts using the electronic forms, they will still need to be supported by hard copies of the relevant documentation. Authorisations will also need to be submitted in hard copy (separately from, and in addition to, the electronic forms) and signed personally by those with the authority to do so.

3.5 **You are therefore advised to read this chapter carefully to ensure that your accounts meet the requirements.** Please also ensure that anyone involved in assisting you in completing your accounts is also familiar with the contents of this guidance and this chapter in particular.

Specific requirements

3.6 All hard copies of accounts and supporting vouchers or invoices must be completed **either in typescript or in pen**. Pencil is not acceptable and any documents submitted in pencil will be returned for resubmission in the correct format.

3.7 Accounts and supporting documents **must not be altered using liquid paper**. Any improperly completed documents will be returned for resubmission.

3.8 All payments made **must be supported by original receipted vouchers or invoices**. You must take care to collect and preserve these safely. For payments to staff, individual vouchers or receipts will not always be necessary, as long as there is sufficient documentation to show what payments were made to whom. Payroll information, pay books, or signed payment receipts showing tax deducted (P528 forms) will be acceptable if they identify payments made under the correct heads and are certified as true records. Aggregated lists of payments – for instance lists of BACS payments or bank statements - will also be acceptable, as long as they confirm that payments have been made to particular staff for particular duties and are certified as correct by the Counting Officer. Even if you are submitting electronic versions of your accounts you will still need to supply hard copies of the supporting documentation. In exceptional circumstances, we may be prepared to accept the following, **by prior agreement**:

- Photocopied vouchers, as long as they have been personally certified by the Counting Officer (or a properly authorised deputy – see paragraphs 4.9 to 4.11) as a true copy of the original vouchers;
- Cross-referenced original bank statements or paid cheques in lieu of individual receipts, together with a description of the expenditure if they are not already self-explanatory; or
- Where the original receipted documentation is impossible to retrieve or is otherwise unavailable and neither of the above bullet points apply (but only in those circumstances), a personal declaration from the Counting Officer (or a properly authorised deputy) that the payments have been made and the figures are accurate. **As stated, such declarations should only be made in exceptional circumstances and we would expect you to make every effort beforehand to obtain original supporting documentation. Where a claim contains a number of personal declarations then we will query your submission and may request that you make further efforts to obtain supporting documentation.**

3.9 All vouchers and invoices must be clearly numbered to indicate how they relate to the entries on the covering forms or the electronic accounts, and in the order they are shown on those forms or accounts.

3.10 Where a voucher or invoice covers several items of expenditure across different heads of accounts, for example where a member of staff has received payment for different duties under different heads, the document must be positioned where the first item appears in the covering form. Subsequent items can then be listed on the appropriate form and cross-referenced to that first appearance, or a cross-referenced photocopy may be positioned accordingly.

3.11 If you are unsure of what to do in any particular case, the ECU will be happy to advise. It is better to ask in advance rather than take a decision which may be questioned at a later date.

Checking your accounts

3.12 Many Counting Officers will have access to professional accounting or audit advice within their local authority. Although we recognise that for these purposes you are acting outside the jurisdiction of the local authority and that local authority accountants or internal auditors have no official role in relation to these matters, they may be able to assist in checking or quality control of your accounts. Professional accountants or auditors – even if they are not specialists in electoral accounts – may be able to help you in advising on accepted accounting standards, in pointing out deficiencies, and in suggesting improvements to the presentation of your accounts.

3.13 Whilst we recognise that this is a decision for you, the Counting Officer, we recommend as good practice involving some independent and suitably qualified person such as a professional accountant or auditor in either the preparation or quality control of your accounts to help ensure that they meet the required accounting standards. This should help to minimise any subsequent enquiries from the ECU.

3.14 Any cost associated with such checks is not an expense of the referendum itself and must therefore be met from the amount provided for the services of the Counting Officer, or from other sources.

Bank accounts

3.15 Counting Officers are strongly advised to open separate bank or building society accounts for their initial advances and subsequent referendum expenditure. This ensures that the funds are kept separate from local authority money and that the expenditure can be easily accounted for. It also ensures that lines of accountability and responsibility are clear and that only staff directly authorised by the Counting Officer have access to the accounts. If other arrangements are entered into (such as shared accounts), Counting Officers should ensure that there is suitable separation of funds and that accountabilities are clear.

4 Regional Counting Officers, Local Counting Officers and deputies

4.1 At the referendum on the UK Parliamentary voting system on 5 May 2011 the Chair of the Electoral Commission is the Chief Counting Officer. The Chief Counting Officer has in turn appointed Regional Counting Officers to assist with the organisation of the referendum in each of the UK European parliamentary regions, except for Northern Ireland where there is a single Counting Officer. Each individual counting area within the regions also has a Counting Officer.

4.2 Each type of officer has different functions and each therefore has different spending and accounting responsibilities. These are summarised below. Subsequent chapters deal with the detailed requirements under the appropriate spending head. Unless otherwise specified or the context requires, throughout this guidance the term “Counting Officer” covers both the Regional Counting Officer and Counting Officer posts.

Regional Counting Officers

4.3 The role of the Regional Counting Officer includes planning and co-ordination at a regional level, managing the collation of regional count totals and reporting those totals to the Chief Counting Officer.

4.4 Regional Counting Officers can recover their charges for services necessarily rendered and expenses necessarily incurred for the efficient and effective conduct of the referendum. The Charges Order lists the specified services and sets out the maximum recoverable amount for these services. Similarly it lists the specified expenses and the maximum recoverable amount for these expenses. The total of these two amounts is the overall maximum recoverable amount available to Regional Counting Officers.

4.5 Regional Counting Officers are only responsible for preparing and submitting the accounts for their own activities. They are **not** responsible for preparing and submitting accounts for all Counting Officers in their region although they will all also be Counting Officers in their own right and be required to prepare and submit separate accounts for their activities as a Counting Officer.

Counting Officers

4.6 The role of a Counting Officer includes managing the conduct of the poll in their local area, counting the votes and passing the local area totals to the Regional Counting Officer.

4.7 Counting Officers can recover their charges for services necessarily rendered and expenses necessarily incurred for or in connection with the referendum. The Charges Order lists the specified services and sets out the maximum recoverable amount for these services. Similarly it lists the specified expenses and the maximum recoverable amount for these expenses. The total of these two amounts is the overall maximum recoverable amount available to Counting Officers.

4.8 Counting Officers are responsible for preparing and submitting the accounts for their own activities.

Deputies and authorised signatories

4.9 It is recognised that Counting Officers may wish to appoint deputies to act on their behalf. There is therefore provision for the appointment of deputies who can also be given delegated powers to sign documents instead and on behalf of Counting Officers, should those officers be unavailable. Deputies who are given responsibility for covering the entire range of the Counting Officers' duties are referred to as "deputies with full powers". Other deputies may be given limited powers to exercise responsibility over specifically identified areas or functions.

4.10 The ECU will accept documents signed by deputies only when they have been notified of their identity in advance, been provided with specimen signatures against which subsequent signatures can be checked, and supplied with a copy of their letter of appointment signed by the relevant Counting Officer. Form B is available for this purpose.

4.11 In general it is preferable for the use of such deputies to be restricted, both as to function and to numbers. Whenever possible the relevant Counting Officer should sign documents personally. Only when it is absolutely essential should delegated powers to sign documents be called upon.

5 Initial and further advances

Terms of advances

5.1 The Parliamentary Voting Systems and Constituencies Act 2011 allows the Commission to make advance payments to Counting Officers on such terms as it thinks fit to cover the costs of the referendum. The following paragraphs describe the terms on which the Commission will make advance payments.

Initial advance

5.2 Initial advances will be distributed to Counting Officers from the beginning of April. . **Payment of the advances is contingent on the ECU having received notification from each Counting Officer of the bank account details to which payments should be made.** Form C is available for this purpose. Payments will be made in the first week of April if bank account details were submitted by 11th March as requested or as soon as practicable if this deadline was not met. Any changes to bank account details should be notified to the ECU using a further form C.

5.3 Payment will be made direct to the notified bank account and no acknowledgement of receipt is required. Form C must be signed by the relevant Counting Officer to confirm that they have read and accept the terms on which the advance has been made. These terms are:

- the Counting Officer will account properly and on time for any advances;
- the Counting Officer will repay any unspent funds that have been advanced to them;
- the Counting Officer will use any advances only in accordance with the provisions in the Charges Order; and
- the Counting Officer has read and understands the compliance measures set out in paragraph 6.4 of these Guidance Notes

5.4 The amount of the initial advance will be 75% of the maximum recoverable amount specified in the Charges Order in respect of a Counting Officer's **expenses** in each counting area. This is a change from previous advances where the initial payment was based on the overall maximum recoverable amount, including the fee for a Counting Officer's services. This new arrangement separates out any fees due in respect of the Counting Officer's services.

5.5 Payment for a Counting Officer's **services** will on this occasion be made in two instalments. 75% of the fee will be paid after polling day in the week

commencing 16 May, and the remaining 25% after accounts have been submitted and settled by ECU.

5.6 There will be an exception to this rule. In the case of Counting Officers for local authorities or constituencies which have not returned accounts for the last relevant election on time, the amount of the advance in respect of a Counting Officer's expenses will be reduced to 60% of the maximum recoverable amount published in the Charges Order. The last relevant election means in this context the last election in that area for which accounts should have been submitted to the ECU. For the referendum, this means those Counting Officers who:

- had submitted accounts for the 2009 European Parliamentary elections after the deadline and without the agreement of the ECU, and
- as of 28 March 2011 had not yet submitted accounts for the 2010 UK Parliamentary general election.

Further advances

5.7 As at previous elections, provision for further advances has been made for those Counting Officers who are faced with unexpected higher costs which cannot be covered by the initial advance. Further advances of this kind will only be made when a special application has been made and where it is apparent that there is an unforeseen bill that needs to be paid urgently. The basis for the application of this provision will be the same as at previous elections. Evidence of further need will need to be produced, for example a breakdown of the costs and payments made to date and copies of the invoices awaiting payment together with an explanation for the need for the further advance.

5.8 Further advances up to a maximum of 90% of the overall maximum recoverable amount for expenses published in the Charges Order will therefore be made available to those who may need them. However, **a further advance cannot be used to claim for the total outstanding balance of your actual spend on the poll.** In order to have your claim settled in full you must submit your account.

5.9 Form D is available for the purpose of applying for a further advance. It requires confirmation that you have read and understood this guidance and the conditions upon which advances are made as set out at paragraph 5.3. The ECU will liaise with us and ensure that applications for further advances will be dealt with promptly, as long as they are alerted to the submission of the application, and it is accompanied by the correct supporting documentation.

5.10 As with initial advances, there will be some exceptions to this general rule, however. Applications for further advances from Counting Officers for areas where accounts for the last relevant election were not returned on time will generally not be considered unless there are genuinely mitigating circumstances.

5.11 No Counting Officer will receive in advances more than 90% of the total amount for expenses shown in the Charges Order. Any balance which might be due after initial and further advances are taken into account will not be settled until the accounts have been received and scrutinised and any queries answered satisfactorily.

5.12 Additionally, no further advances will be made to any Counting Officer for applications made more than four months after the date of the referendum, i.e. made on or after Monday 5 September 2011. If there is a need for further funds at this stage, the full claim should be made so that the account can be settled and the balance due paid. The ECU should be alerted to any outstanding unpaid invoices.

Use of advances

5.13 Advances made for the UK referendum must not be used to offset payments in respect of any other elections, such as local elections. They must only be used for expenses in connection with the UK referendum itself. Further guidance and clarification will be provided separately on costs affecting local elections consequent upon the Chief Counting Officer's directions. Further information on apportioning costs in respect of combination is given at paragraph 6.11.

6 Making a claim

Time limits

6.1 The 2011 Act gives the Commission the power to make regulations specifying when and in what format accounts must be submitted. We have determined that accounts must be submitted within 8 months from the day of the referendum i.e. by Thursday 5 January 2012.

6.2 The reasons for this deadline are :

- It is good practice to account for expenditure promptly, before memories fade and whilst details are fresh in the mind and evidence to support claims is usually more readily available;
- It avoids final accounting being carried out in the midst of elections teams' preparations for the scheduled May 2012 elections;
- It enables us both to process claims by 31 March 2012 and make our submission of complete accounts in respect of the referendum in a timely manner
- It ensures that public funds are accounted for properly and with documentary evidence available to audit within a reasonable time, whilst giving those responsible for completing them adequate time to do so;
- It enables the Accounting Officer (the Chief Executive of the Commission) and those who have a role in overseeing the way in which public funds are spent – the National Audit Office and HM Treasury – the chance to examine them to check whether the funds have been expended properly and to query payments promptly;
- It allows for lessons to be learned and adjustments made before the next national election event comes round; and
- It enables the whole process to be open and transparent and gives the public and the UK Parliament the opportunity to be assured that the referendum has been conducted and paid for correctly.

6.3 The consequences of missing the deadline are that these reasonable aims cannot be met. In particular, the overall referendum accounts which the Commission has a statutory responsibility to prepare and submit cannot be completed fully. The Commission does not wish to be in a position of having the accounts qualified because of late returns by Counting Officers and having to report this fact to Parliament.

6.4 Three months before the deadline, i.e. on Wednesday 5 October 2011, Counting Officers who have not returned their accounts will be sent reminders that their accounts are due and warned of the consequences of failure to submit them on time. Every chance will be given for proper and timely compliance. But as a general rule we will refuse to consider claims or accounts that arrive too late.

6.5 This does not, however, absolve Counting Officers of their duty to account for their spending. Accounts will still be required, even if the deadline has been missed and even if no money is owed on either side. Counting Officers will be pursued for the submission of their accounts until they have been received.

6.6 In addition, Counting Officers are reminded that the Commission does not propose to pay the remaining 25% of the overall maximum amount for their services until the final accounts are cleared..

Incomplete accounts

6.7 It may be that a Counting Officer is unable to complete a claim because of failures by others to supply invoices or information, or for some other good reason. If it appears likely that a Counting Officer will be unable to submit a complete claim then they should first inform us of this and explain the circumstances. You must then submit an incomplete claim together with a formal explanatory note rather than delay submission until after the time limit. Further documentation can be supplied at a later date. Incomplete accounts must be **substantially complete** – they can be considered initially by the ECU without the missing information. Every effort should be made to produce as complete accounts as possible by the deadline. But an incomplete account is better than a missed deadline, even if further enquiries are then necessary.

6.8 The Counting Officers', Regional Counting Officers' and Chief Counting Officers' Accounts (Parliamentary Voting System Referendum) Regulations 2011 therefore provide that, where complete accounts cannot be produced within the time limit and there is a good reason for that, incomplete accounts **must** be submitted before the deadline. Such accounts must be as complete as possible in the circumstances and they must be accompanied by a statement that they are incomplete, give the reason for the inability to provide complete accounts, and state the date by which complete accounts will be submitted. This date must be within one month of the time limit, and by Monday 6 February 2012.

6.9 It will be for the Chief Executive of the Commission as Accounting Officer ultimately to decide whether or not the reason is satisfactory, whether the incomplete accounts are as complete as possible in the circumstances, and whether the proposed date for submission of complete accounts is reasonable. If he is not satisfied as to these points, he can require complete accounts to be submitted at an earlier date than that proposed.

6.10 If you think that you may not be able to complete your accounts on time for any reason, you are strongly advised to contact the ECU as soon as possible to explain the circumstances and to obtain advice.

Accounting for combination

6.11 Where two or more polls are combined, the costs attributable to the various electoral events need to be apportioned accurately and appropriately. Detailed advice is given under of the various form headings regarding costs attributable to combination and required to be apportioned, and what are costs solely attributable to the referendum.

6.12 For the purposes of establishing the overall cost assumptions, an equal split for combination has been assumed on the basis that there would be two polls taking place. However, in many areas there may be more than two polls. Scheduled elections are listed below:

England	PVS Referendum Principal area authority elections (in some areas) Parish council elections (in some areas) Mayoral elections (in some areas) Mayoral referendums (in some areas)
Scotland	Scottish Parliamentary elections PVS Referendum
Wales	Welsh Assembly elections PVS Referendum
Northern Ireland	Northern Ireland Assembly elections PVS Referendum Local council elections

6.13 Apportionment of costs can therefore be more complex than a straight 50/50 split. Where three polls are taking place costs will need to be apportioned, where shared, and divided by three. If four, then relevant costs will need to be divided by four.

6.14 Apportionment on combination can be even more problematic where a poll is taking place in only part of an area where another poll is taking place. In such a case relevant costs will need to be apportioned in respect only of that area under combination. It is important that any elements of combined cost are identified in your accounts and apportioned correctly, and that they

are highlighted on your returns. **Further advice is given in the following sections under the relevant heads.**

Accounting for combination – local authority elections in England

6.15 Combination of polls and the consequent sharing and apportionment of many of the costs should enable substantial overall savings to be made in respect of each individual poll.

6.16 The general principles of reimbursing Counting Officer expenses where polls are combined (paragraph 5 of Schedule 5 of the 2011 Act) are that:

- The costs of running the combined polls, and any costs attributable to their combination, are to be apportioned equally between the polls; but
- Any cost solely attributable to the referendum will be met from the funds set aside for this purpose

6.17 We would normally expect claims from Counting Officers to be based on an equal split of the costs of combined polls and shared between the polls. However, if a Counting Officer provides detailed and substantiated evidence that they have incurred additional costs in running combined polls which are solely attributable to the referendum, we will consider claims for reimbursement of an amount that represents more than an equal split.

6.18 The following example illustrates how a calculation could be applied in practice in an area where the referendum is combined with a local authority election.

In Authority Z the 2010 general election was combined with local council elections and polling station A had 2,600 electors allocated to it. The Returning Officer assigned 1 Presiding Officer and 3 Poll Clerks to the station.

Cost (at 2011 cost levels):

Cost: Presiding Officer £195 + Poll Clerks (3 x £115) £345 = **£540**

Cost to local authority: £540 x 50% = £270

Cost to other poll: £540 x 50% = £270

At the referendum the Chief Counting Officer's directions require that there are two polling stations as the electorate exceeds 2,500. Also staffing ratios as directed require 2 poll clerks at each.

So polling station A now has 1,300 electors allocated to it and new polling station B has 1,300 electors allocated to it.

Cost: Presiding Officers (2 x £195) £390 + Poll Clerks (4 x £115) £460
= **£850**

Cost to local authority (based on previous staffing of 1 PO + 3 PCs):
 $£540 \times 50\% = £270$

Cost to referendum: $£540 \times 50\% = £270 + (1 \times £195 \text{ for extra PO}) + (1 \times £115 \text{ for extra PC}) = £580$

6.19 There are additional expenses that might be consequent and classed as solely attributable to the referendum. For example a more expensive alternative polling building might be required because of the need to house two stations, or an additional mobile building might be the only practical alternative if the original polling station is too small to provide for two stations to be located within the same room or building. In this case we would expect that the cost of hiring one polling station be split, and the additional cost of the other polling station is attributable to the referendum.

6.20 The main evidence that you will need to provide in support of claims for reimbursement of more than an equal split of costs, will be that the costs you have incurred in running elements of the 5 May polls are clearly greater than those incurred in running the broadly comparable combined elections in 2009 (when elections were combined with the European Parliament elections) and 2010 (when elections were combined with the UK General Election); and a clear demonstration of how following the Chief Counting Officer's directions for the referendum has led to additional costs being incurred in 2011. Without such evidence, claims for reimbursement of an amount greater than the result of an equal split, are unlikely to be considered. You must therefore be able to provide details of corresponding expenditure for comparison and clearly identify the elements of additional cost when submitting your claim.

6.21 Claims will not be considered in respect of expenditure that we would expect you to incur normally to provide for the efficient and effective running of the poll. This includes items such as provision of training for election staff that you may not usually carry out, for example poll clerks, or for printing fewer local government ballot papers than are required to ensure that every eligible elector is able to receive a ballot paper if necessary.

Accounting for combination – Scotland, Wales and Northern Ireland

6.22 On 5 May 2011 polls for the Scottish Parliament and Welsh Assembly will be combined with the poll for the referendum. Although there will be separate elements of the polls to the Scottish Parliament and Welsh Assembly to reflect votes for constituency members and regional members, they should be treated as one election for the purpose of apportionment of costs. Therefore combined costs should, where applicable, be split equally 50/50 between the referendum and the other poll.

6.23 In Northern Ireland on 5 May 2011 there will be combined polls for the Northern Ireland Assembly, local council elections, and the referendum. Therefore combined costs should, where applicable, be apportioned equally in thirds between the referendum and the other polls.

Form of claim

6.24 To support the system of assessing claims and preparing accounts, a suite of forms has been developed. These are modelled on the forms used at the last European and UK Parliamentary elections. The forms are available as hard copies from the ECU (contact details at the beginning of this guidance) or as electronic copies in spreadsheet form to download from our website at:

<http://www.electoralcommission.org.uk/guidance/resources-for-electoral-administrators/referendums>

Certain forms will be required in hard copy, for instance those containing original signatures; these are identified both on their face and in this guidance.

6.25 The forms are as follows:

- Form A Summary of accounts (hard copy required)
- Form B Appointment of deputies with full powers (hard copy required)
- Form C Bank account details (hard copy required)
- Form D Application for further advance (hard copy required)
- Form E Counting Officers' services
- Form F Polling station costs
- Form G Postal voting costs
- Form H Poll card costs
- Form I Count costs
- Form J Other costs

6.26 Some of these forms will need additional supporting documents listing the detailed amounts expended, as well as original invoices or vouchers as evidence.

6.27 Counting Officers will need to complete one set of forms for each counting area for which they are responsible. All forms must be completed, except for form B (the appointment of deputies) and form D (further advance application), both of which are only needed for those specific purposes. Information about completing the forms is contained in the relevant chapters of this guidance.

Over and under spending

6.28 It must be stressed that the figure for expenses in the Charges Order is the maximum recoverable amount. That means that you should not automatically expect to spend all the money which has been allocated. It represents what in the view of the Government is a reasonable amount to run

the referendum, based upon agreed assumptions and data previously supplied by Counting Officers and their staff in respect of each counting area . But you should make every effort to limit your expenditure and you must only spend on what is necessary for the efficient and effective conduct of the referendum.

6.29 In some localities or circumstances it will be possible to provide a function for less than has been allowed for in the calculations. In that case, a saving can be realised and your claim should reflect that. It would be surprising if all the bills in relation to particular functions exactly matched what had been calculated as the reasonable cost. Some bills will come in at a higher level and some lower, and **the system provides the flexibility for you to manage that and account for it accordingly, without necessarily referring the decision to the ECU.** We expect this flexibility to offer you opportunities to realise savings wherever they are possible. In short, you do not have to spend all the money available to you – you will be expected to manage these funds to allow you to come in under budget wherever possible.

6.30 Nevertheless, we also recognise that there may be occasions when, because of an emergency or special circumstance, particular functions will cost considerably more than what has been calculated as reasonable. Examples might be multiple recounts or unexpected security alerts requiring extra staffing or special equipment at short notice. Where these extra costs are clearly necessary, unavoidable and unexpected their costs should be absorbed by savings elsewhere, but where that is not possible there is flexibility for additional funds to be made available. We have discretion to authorise the payment of more than the overall maximum recoverable amount in a particular case, but only if it was reasonable for the Counting Officer to incur the spending, and if the charges themselves were reasonable.

6.31 We would not expect Counting Officers to inform the ECU of any anticipated underspend. The accounts will reveal the details when they are submitted. **But you should not assume that our discretion will be automatically exercised for any overspend.** If there are special circumstances that you think may require extra funding you should make the ECU aware of it **as soon as possible**, preferably before the spending has been incurred, but if not, as soon after as is reasonable. Contact details appear at the beginning of this guidance.

6.32 If such emergency spending is incurred which is not notified in advance or as soon as is practicable after the event, we reserve the right to refuse to reimburse it.

Submitting your claim

6.33 The electronic spreadsheet versions of the forms available on our website should be used wherever possible to submit your claim. This will enable greater speed and accuracy in both compilation and in processing. Only if it is not possible to use that format should hard copy, paper versions be submitted. Accounts should be sent via e-mail, but in all cases they will

need to be supplemented by hard copy versions of Form A (and Form B if it has not been submitted in advance), along with **original hard copies** of supporting invoices, vouchers, etc., as evidence of spending. Where there is any doubt, check with the ECU about the precise requirements.

6.34 Accounts should be submitted to the ECU within 8 months of the day of the referendum (i.e. by Thursday 5 January 2012) by e-mail and/or by conventional mail to the addresses shown at the beginning of this guidance. You should ensure that hard copies are sent using either registered post or other secure delivery method. You should also take copies of supporting documentation in case the originals go missing in transit. The ECU will acknowledge receipt of your accounts within 3 days and give an estimate of how long it will take to process them. If you do not receive an acknowledgement within that time, you should check that the message or the accounts have arrived safely. It is your responsibility to ensure that the accounts are submitted – you should not assume that they have arrived in the absence of an acknowledgement.

Checking your claim and reconciliation

6.35 The ECU will examine the accounts submitted to them in the order in which they are received and as soon as possible after receipt. As part of the agreement between the Commission and ECU all claims submitted by the deadline should be processed by ECU by 31 March 2012. However, there will still clearly be times when there are a large number of claims submitted at once so a delay in processing might occur at these times. On acknowledgement of receipt of your claim, ECU will be able to let you know how long it is likely to take to process them, based upon the number received and outstanding at that time. The Commission will monitor the process to check for particular delays.

6.36 Accounts will be scrutinised carefully to ensure that they are sufficiently supported by evidence of payment, and to identify any anomalies and any exceptional or unusual payments. We will need to check that payments have indeed been made; that they have been made for the correct purposes; and that the amounts paid are reasonable and only necessary for the effective and efficient running of the referendum.

6.37 There will, of course, be a certain amount of leeway which the flexibility of the system is aimed at enabling. But where costs of functions appear to be either significantly above or below average and there is no accompanying explanation, we will seek further information to identify the cause. **It is therefore helpful to include any explanation of significant variances with your claim.**

6.38 After the accounts have been settled, the Commission, the ECU and Government departments will study the figures to help refine the process for the future. The data that you submit in your accounts will help inform future policy and provide the basis for revisions of the calculations where necessary. It may be that, where anomalies or exceptional payments are identified, we

will want to come back to Counting Officers for further information. You should therefore be prepared to provide that, when requested.

6.39 Once the accounts have been cleared, ECU will arrange for any reconciliation payments for expenses to be made, either by requesting reimbursement of funds from Counting Officers, or by arranging for the payment of whatever is due to them after deduction of any advance payments. Final payment will also be made for the balance of fees payable for Counting Officers' services. Payment will be made direct to the notified bank account within three working days following clearance and no acknowledgement will be required.

7 Summary of accounts – Form A

7.1 The summary of accounts form is the master document which both summarises the amounts claimed and confirms that the accounts are true and accurate. It contains the totals carried forward from the accompanying forms E to J and takes account of the amounts already received as initial and/or further advances. It therefore sets out in summary what has been expended, what has been advanced and what remains due (or owed). In addition, it seeks some further, general, data about the overall numbers of voters, as well as postal and proxy voters. The overall number of voters is the same as that used for other elections – that is, the figure at the close of the register 5 days before polling day and including all those registrations determined following applications up to the 11 day deadline for registration.

7.2 The total amount recorded in part 2 of Form A – amounts claimed under each head of expenditure – should not exceed the total amount listed as the overall maximum recoverable amount for that authority in the Charges Order. Any underspend will not need specific explanation (although we may want to discuss with you at a later date how any significant underspends were achieved) but any overspend will need to be justified carefully in the accompanying documentation, and agreed with – or notified to - the ECU in advance wherever possible (see paragraphs 6.28-6.32).

7.3 Once you have satisfied yourself, as Counting Officer, that the accounts are true and accurate and that the arithmetic is correct, you must sign the form to declare that, to the best of your knowledge and belief, the accounts are accurate and that expenditure has been incurred in accordance with the regulations. It is in law a personal responsibility and you will be accountable for any inaccuracies or discrepancies.

7.4 Counting Officers should therefore sign the declaration personally. Although it is not usual, however, there may be circumstances where the Counting Officer is not available to sign the accounts off in person. In such exceptional circumstances it may be acceptable for a deputy “with full powers” (see paragraphs 4.9 to 4.11) to sign the declaration on behalf of the Counting Officer. Deputies doing so must ensure that they are properly authorised to do so and that they have submitted a Form B and their letter of appointment in advance.

8 Counting Officers' services – Form E

8.1 Counting Officers will be able to recover an amount for their specified services (as opposed to their expenses). This is also known as the “personal fee”. The Charges Order sets out a maximum recoverable amount for the services specified. This amount cannot be exceeded. The flexibility given to Counting Officers to allow them to pay more for some functions and less for others within the maximum recoverable amount for expenses does not apply to the personal fee. Counting Officers are not therefore entitled to claim more than the amount specified in the Charges Order as the maximum for their services although there is of course nothing to prevent them claiming less.

8.2 At the referendum the amount payable for a Counting Officer's services will be paid in two parts: 75% will be paid after polling day in the week commencing 16 May, and the remaining 25% immediately following clearance of referendum accounts. However, under paragraphs 20(2) and 20(3) of Schedule 1 of the 2011 Act the Commission has the power to reduce or remit the fee of any Counting Officer if they are held not to have performed their services adequately. This might be the case, for example, if a Counting Officer was found to be in breach of official duty or did not comply as directed with the Chief Counting Officer's directions. The Commission's procedure for evaluating performance of services in relation to paragraphs 20(2) and 20(3) of Schedule 1 of the Act can be found on our website alongside this guidance at:

<http://www.electoralcommission.org.uk/guidance/resources-for-electoral-administrators/referendums>

8.3 The usual practice at elections is for Returning Officers to appoint deputies to act on their behalf and in some circumstances the Returning Officer may choose to allocate all or part of his personal fee to any deputies. Where that is the case, suitably signed supporting vouchers or receipts should be submitted which provide details of the basis on which any amount has been paid. To ensure transparency and accountability it is not sufficient to make a blanket payment without providing a detailed justification for that payment. The claim form (form E) has a space for this information to be included.

How the amounts are calculated

Regional Counting Officers

8.4 The Charges Order provides for Regional Counting Officers to recover a standard amount for their services. The tasks undertaken by Regional Counting Officers are not necessarily dependent on the size of the area they

administer. There is an irreducible core of activities which must be completed by all Regional Counting Officers, regardless of the number of local counting areas or the electorate in their areas.

8.5 Each Regional Counting Officer will therefore be entitled to recover for their services at the UK referendum a standard maximum of no more than £12,000.

8.6 Similar arguments apply to the expenses of the Regional Counting Officer. There is an irreducible core of activity which they all must undertake and which must be paid for, and a standard limit for all to cover the bulk of these costs is therefore appropriate. Each Regional Counting Officer will therefore be entitled to recover up to a maximum of £15,000 for their expenses in addition to the costs of their specific functions which are calculated on a pro rata basis. All these costs can be attributed to one of the heads of expenditure described below and should be claimed under those heads. So the costs in relation to the regional count, for instance, should be claimed under head I.

8.7 The other expenses of the Regional Counting Officer (for instance, to cover the appointment and payment of deputies, training costs, travel and subsistence, and other miscellaneous costs) will be recoverable under head J (other costs) and using that form.

Counting Officers

8.8 The Charges Order provides for Counting Officers to recover a maximum recoverable amount for the services specified in the Order. This amount relates to the size of the voting area for which they are responsible, and should therefore broadly reflect the amount of work required to conduct the referendum in that area. The amount has therefore been calculated in relation to the numbers of electors in the voting area, but with an underpinning minimum amount which recognises that there is an irreducible core of activity which all Counting Officers undertake, whatever the size of their voting area.

8.9 For each voting area, therefore, the Counting Officer will be entitled to recover for his services at the referendum a sum of £475 for every 10,000 electors in that area on a pro rata basis (that is, electorate as at 1st December 2010 \div 10,000 \times £475). Where the figure produced by that calculation is below £2,500, however, the Counting Officer will be entitled to a minimum of £2,500.

8.10 Where the poll at the UK referendum is combined with the polls at any other elections, this amount will be increased by 20% in recognition of the increased complexity involved in administering more than one election at one time. Responsibility for paying this increased amount (but not the fee itself) is to be divided equally between those responsible for the polls which are to be combined, so for example where two polls are combined we will pay 50% of the increased amount, and where there are three polls combined we will pay 33% of the increased amount. For the avoidance of doubt this increase does not apply to the fees of Regional Counting Officers.

8.11 The amount for the services of the Counting Officer in the voting area which is the subject of the claim should be recorded on the form in the relevant box under head E1.

8.12 You should also include on this form any superannuation costs which are reclaimable for the Counting Officer only. Superannuation payable for other electoral staff should be included under other costs – head J6. Guidance on entitlements to reimbursement of superannuation payments for Counting Officers and other staff is at paragraphs 14.10 to 14.12.

8.13 Superannuation costs are separate from - and additional to - the amount for the services for the Counting Officer at head E1. They should be recorded on the form at head E2 and any further relevant information – such as the percentage applicable and details of the pension provider – should also accompany the claim.

9 Polling station costs – Form F

How the amounts have been calculated

9.1 The costs of providing polling stations have been calculated using the following formulae:

Cost item	Basis of calculation
1. Presiding Officers	number of polling stations x rate of pay of £195
2. Poll clerks	number of polling stations x 2 x rate of pay of £115
3. Supervising Officers	number of polling stations ÷ 10 x rate of pay of £195
4. Increase for combination	Increase rates of pay at 1 to 3 by 20%
5. Travel and subsistence	number of staff x average cost of £30 per person
6. Receiving training	number of staff x average cost of £50 per person
7. Accommodation costs – permanent stations (including heat, light, adapting building, etc)	number of permanent polling stations x average cost of £300
8. Accommodation costs – temporary stations (including heat, light, adapting building, etc)	number of temporary polling stations x average cost of £1,500
9. Preparation and transport of equipment	number of polling stations x average cost of £40
10. Cost of equipment (polling screens, ballot boxes, tactile voting device, stationery, etc)	number of polling stations x average cost of £10
11. Printing ballot papers	electorate x £0.04
12. Increase for inner London counting areas	increase 1 - 9 by 25%
13. Increase for outer London counting areas	increase 1 – 9 by 20%

14. Reduction for combined poll	reduce total of 1 – 8 and 12 - 13 by 50%
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9.2 In items 1 to 3 (staff costs), the number of polling stations is the actual number of polling stations in that area as notified to us. For the purposes of these calculations we have assumed an average of 2 Poll Clerks per polling station. This represents an increase from the figure of 1.8 Poll Clerks which was used for the 2009 European Parliamentary election and 2010 UK Parliamentary elections. The uplift has been provided in response to the issues which arose at some of the polling stations which were used for the latter election and due to the certainty that a national referendum being held for the first time in many voters' experience and combination with other elections will result in voters needing additional help and will take up more time per voter than is normally the case. We have also revised our guidance on the allocations of electors to polling stations (altering the allocation of staffing in relation to the number of electors) and the outcomes from that fit within the revised assumption.

9.3 There is no provision within the assumptions for reserve or standby staff to be paid a Presiding Officer or Poll Clerk fee. Although it is best practice to ensure that there are staff available to cover in the event of emergencies, payment should be made only for the duties that they perform. Payment may be made for training attended by reserve staff but, as mentioned in paragraph 9.7 below, any such payment must reflect actual and real costs incurred in attending such training. Consideration must also be given to how many staff may be required to be on standby, based on previous experience of drop out rates, so that value for money in providing training can be demonstrated. Any payments made under this category should be met from within the overall assumed costs.

9.4 An amount has also been included in the calculations for Supervising Officers at a rate of one for every ten polling stations, and at the same rate of pay as Presiding Officers. The term 'Supervising Officer' is intended to cover staff who act as Polling Station Inspectors, as well as any other ancillary staff employed on activities attributable to setting up and managing polling stations. Care should be taken to record the nature of such activities and who undertakes them for how many hours so that a properly supported claim can be made. The rates of pay for all these staff are the same as those that applied for the European elections in 2009 in England and Wales and the UK Parliamentary election in 2010.

9.5 The amount at 4 (increase for combined polls) reflects the extra payments traditionally made to staff for the increased complexity of conducting the polls where they are combined. In areas where some - but not all - polling stations feature combination, these amounts are payable only in those polling stations. The increase is at the same rate as the similar increase for Counting Officers' services. Both the payments made to staff and the increases are divided equally between the numbers of polls being combined.

9.6 The amounts allocated at 5 (travel and subsistence) and 6 (training) are based on information received from electoral administrators about their costs, but represent more than the averages paid at recent elections would indicate are appropriate, according to ECU records in England and Wales. The amount for receiving training is intended to cover the costs incurred by staff in attending training sessions, in recognition of the fact that they may have to take time off to attend. It is not intended to cover the costs of providing the training, which is covered elsewhere (in 'Other Costs' – form J).

9.7 Counting Officers must be careful to ensure that fees paid under this head reflect actual and real costs. If, for example, staff are not required to take time off to attend a training session or did not incur travelling expenses then there is no justification for paying a fee up to the calculated assumed amount. Similarly, any flat rate paid must be clearly justifiable and beyond challenge.

9.8 Similarly, the amounts allocated at 7 and 8 (accommodation) and 9 (transport) are based on data supplied by electoral administrators about the costs they incur for the rent, heating, lighting and setting up of polling station premises, and for the preparation and transport of equipment to them. These are again higher than the averages derived from ECU figures in England and Wales indicate, but are based on more recent and detailed data.

9.9 Accommodation costs (items 7 and 8) are split into separate categories – for permanent and temporary polling stations. This recognises the increased use in some areas of temporary accommodation – usually Portakabins or other temporary structures – following polling station reviews. It also recognises the increased costs associated with hiring and supporting these structures. The amount at 9 is intended to cover both the costs of preparation of polling station equipment and its transport to the polling station.

9.10 There is no provision within the assumptions for reserve or standby venues to be reimbursed. Although it is best practice to ensure that there are arrangements in hand to provide cover in the event of emergencies, payment should be made only for those that are actually required for the efficient and effective conduct of the poll in those special circumstances. It is not reasonable for payment to be made for dual provision of facilities. Any payments made under this category should be met from within the overall assumed costs.

9.11 The cost of polling station equipment is covered at 10. The amount allocated has been calculated using data supplied by electoral administrators about their costs at their most recent elections for the provision of polling station equipment. Information has also been provided by the ECU about the amounts they have distributed to local authorities to assist in the purchase of equipment over the past five years. Any costs associated with mobile phones – either reimbursement of the costs of calls

on personal mobile telephones or the costs of hiring them – should be included here (see paragraphs 13.12 to 13.13)

9.12 As has been the case at the last two national elections, the Charges Order continues the approach to the way the taxpayer contributes to the cost of election equipment provided for elections it funds. Instead of the former system of “grants” the modified approach, in line with the principles underlying the rest of the funding system, gives the responsibility for managing funds spent on electoral equipment to the Returning Officer/ Counting Officer. It redistributes the funds which would otherwise be spent on “grants” for the next five years to the Charges Order. Those funds are distributed to each authority in proportion to their size (in the case of polling stations, according to their number).

9.13 Unlike the “grants” system, this allocation is not meant to pay outright for the cost of the equipment. Rather it is meant to pay for the use of the equipment at that election or referendum. It is assumed that the Returning Officer/Counting Officer will pass the amounts claimed under this head to the owner of the equipment (presumably the local authority) who can use them as they wish, but may want to help offset the initial cost of the equipment, for instance, or contribute to the cost of new equipment in the future.

9.14 The amounts included at 10 in the table at paragraph 9.1 (and the amounts included for equipment elsewhere in this Guidance) take into account the amount of use the taxpayer will get from the equipment over its lifetime, compared with that made by local authorities. Most local authorities use electoral equipment for their own elections more than it is used for national elections or referendums. This indicates that the proportion of contribution the taxpayer should make to its cost should be no more than half.

9.15 The amount allocated at 10 in the table at paragraph 9.1 (£10 per polling station) may seem low in comparison to the actual costs of polling screens, ballot boxes, etc, but it does not represent the total cost. It represents the cost of the use for this referendum only and already takes account of the amount of use at local elections. The aim is, over time, for an appropriate and proportionate contribution to the cost of the equipment to be recouped from the taxpayer to supplement the cost of its use by others.

9.16 What can be claimed and how to do so is covered for each head of expenditure in the section ‘Completing the Form’ – for the polling station head see paragraphs 9.32 – 9.43 below.

9.17 We have reduced the cost of printing the Ballot Paper from 5p (the assumption which was used for the European Parliamentary and UK Parliamentary elections) to 4p. This reflects the fact that the ballot paper is simpler to produce for the referendum. Printers will be able to print the ballot paper several weeks in advance, whereas for an election ballot paper printing cannot take place until the names of candidates who are standing are known (in practice this is 11 days before the poll when the Returning

Officers publishes the statement of persons nominated) which adds a premium to the costs of production as it is only finalised at short notice.

9.18 The Chief Counting Officer has directed that 100% of ballot papers for the eligible electorate be printed and the assumption provides for this.

9.19 Ballot paper printing costs have been included at item 11. The cost level has been based on information supplied by electoral administrators and printers. It is assumed that one ballot paper can be produced for 4 pence (or £4 for a hundred), though it is appreciated that such costs can vary from area to area. However, the flexibility available under the system should allow savings elsewhere to meet any extra costs under this head.

9.20 For the purposes of these calculations, and in accordance with usual practice, it has been assumed that the printing of ballot papers will be undertaken by the Counting Officer, even though the Regional Counting Officer has the power to arrange this themselves. Claims for reimbursement of ballot paper printing expenses should therefore be made by Counting Officers.

9.21 Should a central ballot paper printing contract have been entered into, however, by the Regional Counting Officer, or by a group of Counting Officers, arrangements should be made for the bill to be paid and claimed for locally, or for an internal reimbursement arrangement to be set up.

Increases for Inner and outer London voting areas

9.22 The increases at 12 and 13 (increases for inner and outer London) reflect demonstrably higher costs in and around London for staff, accommodation and transport and are similar to the rates in previous Charges Orders. Similar increases are made for those items of expenditure in the following chapters of this guidance.

9.23 In this context – and as in previous Charges Orders – inner London voting areas means the 32 London boroughs in the Greater London Authority area, plus the City of London. They are:

Barking and Dagenham	Hounslow
Barnet	Islington
Bexley	Kensington and Chelsea
Brent	Kingston upon Thames
Bromley	Lambeth
Camden	Lewisham
City of London	Merton
Croydon	Newham
Ealing	Redbridge
Enfield	Richmond upon Thames
Greenwich	Southwark

Hackney	Sutton
Hammersmith and Fulham	Tower Hamlets
Haringey	Waltham Forest
Harrow	Wandsworth
Havering	City of Westminster
Hillingdon	

9.24 Outer London voting areas means the 17 voting areas immediately surrounding the Greater London Authority area. They are:

Basildon (Essex)	Reigate and Banstead (Surrey)
Brentwood (Essex)	Sevenoaks (Kent)
Broxbourne (Hertfordshire)	Spelthorne (Surrey)
Dartford (Kent)	South Bucks (Buckinghamshire)
Elmbridge (Surrey)	Tandridge (Surrey)
Epping Forest (Essex)	Three Rivers (Hertfordshire)
Epsom and Ewell (Surrey)	Thurrock (Essex)
Hertsmere (Hertfordshire)	Watford (Hertfordshire)
Mole Valley (Surrey)	

9.25 The extra allowances made for inner and outer London areas are an integral part of the cost assumptions. While there is flexibility to pay staff at rates outside the assumed scale and within the overall maximum amount, we will query claims where rates are applied that differ noticeably from the assumptions and which we deem to be outside the costs that we consider necessary for the essential, effective and efficient running of the poll. Where costs exceed what we would consider reasonable, we may choose not to meet the full cost of that part of the claim.

Combined polls

9.26 Subject to the procedure outlined for identifying any costs solely attributable to the referendum (see paragraphs 6.15 to 6.23), where two or more polls are combined, the costs of providing polling stations are divided equally between the number of polls combined on that day. The consequent reduction is catered for at 14. All the allocated costs except those for equipment (the contribution for which has already been taken into account) and printing of ballot papers have therefore been divided appropriately. Account has been taken of combination with scheduled polls which takes place across only part of an area, wherever possible. No account has been taken of unscheduled polls which may be combined on that day – such as filling of local authority casual vacancies – since that information is not available. The figures represent over-provision in these circumstances, though of course your accounts must show a correct attribution of costs in those areas. You should note that the increase for combination (item 4 in the table) should be added before any division is calculated, not after.

9.27 For the purposes of these calculations, it is assumed that two polls only will be combined. This means that, in areas where three or more polls are combined, there is over-provision in these figures. Clearly, the accounts will need to show a correct attribution of the costs according to each poll being taken together, and we would therefore expect your claim to be correspondingly reduced. We will require an explanation if it is not.

9.28 It should be noted that all these figures are allocated – or predicted – expenditure. They represent what it is considered reasonable for each of these elements to cost. If you can spend less on one element or need to spend more on another, you have the flexibility to do so as long as you do not exceed the maximum recoverable amount for the expenses specified in the Charges Order. You can spend less (or more) than has been allocated above on polling stations and more (or less) for other functions (such as postal voting or the count) provided it is necessary for the efficient and effective conduct of the referendum. All the above figures tell you is what has been allowed for in the calculations making up the maximum recoverable amount for expenses.

9.29 You do, however, have to account for your spending. The following paragraphs explain how to do that for this function by completing form F.

Completing the form

9.30 Each of the payments to staff must be accounted for under the appropriate head of expenditure, which corresponds to the table at paragraph 9.1. Thus payments to Presiding Officers is head F1, those to Poll Clerks is head F2, those to Supervising Officers is head F3 and so on. These payments can be listed on the attachment to form F or as a similar supporting schedule if one is available (to save copying them all out). If you prefer to pay staff with a standard fee covering wages, travel, allowances, etc you may do so, as long as the payments are justified and accounted for under the appropriate head of expenditure. Where a standard fee has been paid it will be sufficient to indicate that on the claim form along with the numbers of staff and the aggregates of the gross fees under each head of expenditure.

9.31 Evidence for all payments must be provided, either by signed vouchers, or original P528 forms, or a signed wages book or other payroll information. The evidence should also indicate at which polling station, or in what capacity, the member of staff was employed. Aggregated lists of payments – for instance lists of BACS payments - will also be acceptable, as long as they confirm that payments have been made to particular staff for particular duties and are certified as correct by the Counting Officer or a deputy. If claims are being made for more than one voting area, care must be taken to ensure that payments relating to each claim are kept separate. Please therefore indicate to which claim payments are attributable.

9.32 If staff are paid through a payroll system, you must ensure that special arrangements are made to exclude National Insurance contributions, which are not payable in respect of the referendum. The supporting payroll

documentation should clearly identify staff and the duties performed, as well as provide evidence of payment to the person concerned.

9.33 Other costs must also be shown on the form under the appropriate heads – head F7 and head F8 (accommodation, heating, lighting, setting up, etc) head F9 (preparation and transport of equipment), head F10 (equipment costs) and head F11 (printing of ballot papers) - and supported by evidence, such as paid invoices or signed vouchers.

Equipment costs

9.34 As indicated in paragraphs 9.11 – 9.15 above, equipment costs included here are for the use of the equipment at this referendum only. You cannot claim for the full cost of equipment which may also be used at other elections – just the proportion of their cost for this referendum and in this voting area. To do this you must take into account the value of the equipment on an annual basis, or the annual depreciation value.

9.35 Depreciation is potentially a complex subject, but it is essentially a way of calculating the value of assets on an annual basis. The simplest way of working this out is to use the following standard formula:

$$\text{annual value} = \frac{\text{cost} - \text{scrap value}}{\text{useful life}}$$

So, for example (and keeping it simple), a number of polling screens or ballot boxes cost £16,000, and you estimate their scrap (that is their residual or salvage) value at £1,000. You also estimate their useful life at 15 years. The calculation of their annual value is thus:

$$\frac{\pounds 16,000 - \pounds 1,000}{15} = \pounds 1,000$$

15 years

For each year of its use, the equipment therefore depreciates by £1,000. This represents both the annual depreciation value and also the amount you can claim for its use for a single election. If there were to be a general election every year for the next 15 years, and you claimed its value each time, the taxpayer would have paid for the equipment at the end of that time, minus the scrap value. As it is, you will use the equipment for other elections and it is right that those responsible for funding those pay their contribution for the use of the equipment for those elections.

9.36 Clearly, the longer the estimated life of the equipment, the lower the annual value will be as a proportion of the initial cost. The estimated life of equipment will vary depending on the equipment in question; its quality; the amount of use it gets; how it is handled, stored and maintained and so on. As a general rule, we would expect major items of polling station equipment such as modern polling screens and ballot boxes to last at least 15 years in regular use – that is, for most local authorities, around 6 national and up to

10 local or other elections (though some of these will be combined, of course, and there will be other, casual vacancy elections, too). Any lower estimation of the life of such equipment will need to be justified carefully (estimates of a longer life expectancy will, of course, be acceptable).

9.37 Estimates of the scrap value (the residual or salvage value) of equipment may be difficult to make, and for some equipment there will be none. But metal polling screens, for instance, have relatively substantial scrap value (there have been instances of them being stolen for their scrap value alone) and we would expect some realistic estimate to be made in those cases. We would not expect any costs to be incurred for obtaining such estimates, however.

9.38 The same principles will apply to other items of equipment. Some equipment, such as notices, stationery, seals, large print ballot papers, etc, can only be used once or is only valid for this referendum. The costs of such equipment can be claimed in full. Other equipment may be used for other elections - or for other purposes - after the referendum, and you should claim only that proportion applicable to the referendum. Such equipment may include unused tactile voting devices, unused or partly used stationery (pens, pencils, rulers, staplers, etc), plastic storage boxes or trays and so on. Clearly the life of such equipment is limited but, nevertheless, an estimate of the proportion attributable to this referendum must be made.

9.39 Care must be taken only to claim for the relevant amount for each counting area (which may be smaller or larger than the local authority which owns the equipment). Where polls are combined, your claim must split the costs equally between the number of polls which are taking place in the usual way, unless the items are solely to be used for the referendum (such as large print ballot papers).

9.40 These arrangements will only apply to equipment purchased for this referendum and thereafter. Any equipment bought with the aid of a grant from the Government under the previous arrangements has already been paid and accounted for by the Government and no further funds can be claimed for it. Claims at this referendum can only therefore be made for new equipment bought recently for which no Government grant has been received.

9.41 It has been suggested that the effect of the Chief Counting Officer's directions in relation to polling station sizes and staffing ratios has resulted in the need for more equipment than would be usual for a local poll. Claims can therefore be made for such equipment on the same basis as for any other equipment. It will be available for local elections into the future, and although it may not be necessary to use it every year, it will prolong the life of the stock overall and mean that any replacement schedule will be extended. It will supplement existing stock already bought and paid for by Government grant.

9.42 Storage costs in the referendum year only can also be claimed under this head (equipment costs – head F10). This is on the basis that storage of the equipment would in any case be necessary for local elections, but that

the taxpayer should pay their share since it uses the equipment in that year. Once again, this can only apply to new equipment bought without the aid of a Government grant since the grant payment already made factored in storage costs as part of the amount granted. It can also only be made for the counting area for which the claim is being made, not for the whole of the local authority area if that is different.

9.43 Some Counting Officers with combined polls may have made arrangements with neighbouring Counting Officers who only have a single poll to borrow spare equipment to supplement their own. We would not expect charges to be made for the loan of equipment in such circumstances, especially if the equipment had already been purchased with the help of Government “grants”. Reasonable transport costs may, however, be claimed, if necessary, under head F9.

9.44 Your claim should make clear how you have arrived at the annual value of the equipment claimed for and include evidence to support that, such as invoices showing the initial cost and any advice you may have received about the useful life of the equipment or its estimated scrap value. It will not be necessary to retain all these for submission with future claims, but you should keep some records so that you can refer the ECU or appropriate body to this one when making a new one at a future date. Other invoices or other supporting evidence, for instance for storage costs, should also be submitted and listed on the appropriate forms.

9.45 This is still a relatively new system and the advice contained here may not cover all eventualities or be clear enough for every circumstance. The ECU should be the first point of contact for requesting further advice and guidance on what is acceptable and on how to make a claim if it is necessary. Contact details are at the beginning of this Guidance.

9.46 Wherever possible, the costs on this form must relate to those for polling station equipment only. So the costs, for instance, of the production and printing of ballot papers under head F11 should relate to those for polling station ballot papers only (and not to those for postal voting). In most cases these costs should be possible to identify separately simply by dividing the ballot paper costs in the same ratio of polling station voters to postal voters. Where a single contract has been entered into for ballot paper and postal ballot pack production, you should require the contractor, as part of the contract, to identify the costs separately so that they can be accounted for appropriately.

9.47 Any equipment costs necessary for the support of postal voting or the count must be included on the forms for those functions.

9.48 It will not be necessary to include increases for inner and outer London counting area separately on the form or in the spreadsheet. Instead the actual amounts paid to staff in these areas should be listed on the accompanying form or as an accompanying list under the appropriate head.

9.49 The total amounts for each head of expenditure calculated on the supporting forms should be transferred to the relevant line at part 2 of form F

and totalled. This total can then be transferred to the appropriate line in form A. You should also state at part 3 of form F, where polls have been combined, the extent of the combination, (whole or part of the voting area, how many polls have been taken together and the number of polling stations affected). Also include overall numbers of polling stations and the staff involved.

10 Postal voting costs – Form G

10.1 Take up of postal voting continues to increase. Levels of change vary around the UK but indications are that the postal vote rate as a percentage of the general electorate at the May 2010 General election was around 15% nationally, as opposed to 12% at the previous General election – an increase of 25% over 5 years. We have therefore made allowance in our assumptions for a further increase of 10% for May 2011. Where any individual authority has an increase above that level the flexible nature of the funding can be used to absorb the increase.

10.2 Because of varied costs between areas, estimates of the likely costs for postal voting are therefore necessarily just that, since there is relatively little hard data on which to base them. Nevertheless as PVI checking has become more established since 2006, we are confident that what has been calculated represents reasonable postal voting costs, based on this experience.

How the amounts have been calculated

10.3 The costs of postal voting have been calculated using the following formulae:

Cost item	Basis of calculation
1. Staff costs – preparation and issue	Expected number of postal votes ÷ number processed per hour of 60 x hourly rate of £7.50
2. Staff costs – opening and checking	Expected number of postal votes x 75% number processed per hour of 20 x hourly rate of £12.50
3. Receiving training	Amount at 1 and 2 x 10%
4. Printing and stationery	Expected number of postal votes x average unit cost of £0.55
5. Postage - outward	Expected number of postal votes x postage rate of £0.46
6. Postage – inward	Expected number of postal votes x 75% x postage rate of £0.46
7. Accommodation	Expected number of postal votes ÷ 10,000 x £1,175
8. Equipment	Expected number of postal votes ÷ 10,000 x £85
9. Increase for inner London voting areas	Increase 1 – 3 and 7 by 25%
10. Increase for outer London voting areas	Increase 1 – 3 and 7 by 20%

10.4 In items 1, 2 and 4 – 8, the expected number of postal votes is the number of postal votes in that voting area as collected by Government in the summer and autumn of 2010, increased by 10% to account for expected

turnouts and continuing interest amongst electors in voting by post. This number has been reduced in items 2 and 6 to reflect the fact that return rates for postal voting run at around 75%. The number processed per hour in items 1 and 2 (one per minute and one every three minutes respectively) is an estimate based on feedback from a number of electoral administrators. The calculations assume that Counting Officers will be checking 100% of personal identifiers accompanying returned postal votes as directed by the Chief Counting Officer.

10.5 The hourly rate at items 1 and 2 reflects a reasonable staff cost for this activity, bearing in mind the responsibility. Issuing postal votes requires less specialist skill than in dealing with their return and the checking process. The hourly rate for issue is therefore calculated at roughly the same rate of pay as that for Poll Clerks. That for return is calculated at roughly the same rate as that for Presiding Officers. The amount for training at item 3 has been calculated at 10% of the costs at 1 and 2 together. Training costs here represent only the cost of receiving training.

10.6 There is no separate calculation for supervisory, ancillary or IT staff employed on postal vote preparation, issue, receipt and checking. Any staff costs arising should be covered under items 1, 2 and 3.

10.7 In item 4, the average unit cost of printing a ballot pack (£0.55) has been estimated using figures from previous elections together with information supplied by electoral administrators. The postage rates for outward mail (item 5) assume that ballot packs will be sent out at first class rates. The inward rate (item 6) is also first class, assuming a 75% return rate. These rates reflect the rise in first class postage costs that will be introduced by Royal Mail on 1 April 2011.

10.8 The costs in items 7 and 8 have been calculated using figures from previous elections, together with input from electoral administrators. They are related to the number of postal voters in the voting area and therefore the scale of the operation needed to process them.

10.9 Accommodation costs have been included because many Returning Officers report that the scale of any in-house ballot pack preparation arrangements and of the checking operation have made it necessary to hire additional dedicated accommodation. The figure included is necessarily an estimate, though it is based on information provided by electoral administrators.

Equipment costs

10.10 Equipment costs are intended to cover any additional equipment required for this referendum over and above what was provided for by the grants issued to local authorities in England, Wales and Scotland when PVIs were first introduced. Those grants were made to enable the purchase of hardware and software necessary to carry out PVI checking, even for those authorities who had no upcoming elections and who would consequently not need the equipment immediately. These grants were a special, one-off,

payment from the Ministry of Justice budget and unrelated to the funds provided for this and other elections.

10.11 We recognise, however, that this equipment may now need some upgrading and that the level of demand for postal voting in 2011 may mean that further provision is necessary. We also recognise that the way that IT suppliers now structure their contracts means that one-off payments or grants do not necessarily meet administrators' needs. Typically, PVI checking hardware and software is supported by annual licence fee payments which are more like maintenance contracts. They may cover the supply of scanners and other equipment, support services, software upgrades and other services and are much more than a simple licence to use the particular system purchased.

10.12 Counting Officers and electoral administrators would of course need to have such contracts in place annually whether or not there was a general election. The licence fee has to be paid to enable any election to run – including, for instance, local casual vacancies. Nevertheless, it is fair for the taxpayer to contribute to the costs of the annual IT licence fee in the year in which there is a UK referendum, and to contribute to the costs of any necessary hardware in the same way as for polling station equipment.

10.13 Where polls are combined, any extra equipment needs which arise from the additional burden imposed by the other election(s) are not attributable to the UK referendum.

10.14 The figure at 8 is therefore an estimate of the possible costs, averaged out across all authorities, and taking into account the amounts paid in grants for such items over the last five years. As with polling station equipment, they are not intended to cover the whole costs of postal voting processing equipment and the associated IT; they represent the taxpayer's contribution to those costs for this referendum in that counting area.

Royal Mail “sweeps”

10.15 The Chief Counting Officer has directed the use of sweeps of Royal Mail mail centres in order to ensure that postal votes are received at the count centres before close of poll. This process has been undertaken at recent national elections on an ad hoc basis with the taxpayer paying when they were used for the national poll. The Chief Counting Officer wants to ensure a consistent approach across the UK in respect of the referendum and so has directed all Counting Officers to use sweeps.

10.16 Sweeps will pick all postal vote envelopes at mail centres and will therefore pick up any postal votes for combined polls. Some of those votes will be in the same envelopes as the referendum postal ballots where there is combined issue and some will be separate. The cost for a sweep is not impacted by the number of papers or polls; therefore we think it reasonable for the Consolidated Fund monies to cover this cost as sweeps are being mandated for the referendum only. Any collection of papers for other polls taking place on the day will be an unavoidable by-product of these

arrangements and it is not possible to separate out the benefits to different polls.

10.17 Allocation of funds within the Fees and Charges Order for the provision of sweeps has been adjusted accordingly. Because of the nature of the referendum with the Chief Counting Officer overseeing the poll, we intend to enter into a national agreement with Royal Mail to provide for an overall saving. Therefore the cost of the national sweep will be disbursed directly by the Chief Counting Officer, rather than by each Counting Officer as has previously been the case. Each Counting Officer or local authority area will, however, be invoiced for a Royal Mail Postal Vote Licence and at the referendum this should be claimed and highlighted under item 6 – Postage Inward.

Combined and separate issue of postal votes

10.18 From the elector's point of view, where there are combined polls it is more convenient and less confusing to receive one postal ballot pack containing ballot papers for all the elections taking place that day and only one postal voting statement. Combining the postal voting process in this way reflects current good practice amongst Counting Officers and an approach that puts the needs of the elector first.

10.19 We recognise, however, that the decision about whether to combine the postal vote issue where other elections are taking place is entirely for the individual Returning Officer for those elections. We have assumed, for the purposes of the calculations, that either separate or combined issue is possible. We have therefore made no reduction for combined issue of postal voting in any counting area in our calculations.

10.20 Sufficient funds for separate issue of postal votes have therefore been allocated, and where Counting Officers feel that it is a necessity they will be able to claim for them. But where combined issue is possible, that should be the preferred option, both for elector convenience and since it represents good practice. Where combination takes place, costs should be apportioned as necessary between the relevant elections, including for example apportionment of costs of postage for combined ballot packs, costs of returned postal votes, and the cost of checking postal vote identifiers.

10.21 Where postal vote issues are combined between the referendum and a second poll, but a third poll taking place on the same day is covered by a separate issue, the costs must be apportioned to reflect the actual processes followed and costs incurred in respect of each poll. In such a case, for example if there was a combined issue for the referendum and a principal area election and then a separate issue for a parish election, then the cost of the combined issue should be split 50/50 and the parish should be recharged the full amount for the separate issue. It would not be permissible to apportion the overall cost of all issues equally between all polls.

10.22 In all cases, only in exceptional circumstances will extra funds over and above the overall maximum recoverable amount be approved.

10.23 Once again, all these figures are allocated – or predicted – expenditure. They represent what it is considered reasonable for each of these elements to cost. If you can spend less on one element or need to spend more on another, you have the flexibility to do so as long as you do not exceed the maximum recoverable amount for the expenses specified in the Charges Order. You can spend less (or more) than has been allocated above on postal voting and more (or less) for other functions (such as polling stations or the count) provided it is necessary for the efficient and effective conduct of the referendum. All the above figures tell you are what has been allowed for in the calculations making up the maximum recoverable amount for expenses.

10.24 You do, however, have to account for your spending. The following paragraphs explain how to do that for this function by completing form G.

Completing the form

10.25 Each of the payments to staff must be accounted for under the appropriate head of expenditure which corresponds to the table at paragraph 10.3. Thus payments for preparation and issue of postal votes should be included at head G1, those for opening and checking them at head G2, those for training at head G3 and so on. These can either be listed on the attachment to form G, or as a similar supporting schedule if one is available (to save copying them all out). Where a standard fee has been paid it will be sufficient to indicate that on the claim form along with the numbers of staff and the aggregates of the gross fees under each head of expenditure.

10.26 Evidence for all payments must be provided, either by signed vouchers, or original P528 forms, or a signed wages book or other payroll information. The evidence should also indicate in what capacity the member of staff was employed. Aggregated lists of payments – for instance lists of BACS payments - will also be acceptable, as long as they confirm that payments have been made to particular staff for particular duties and are certified as correct by the Counting Officer or a deputy. If claims are being made for more than one counting area, care must be taken to ensure that payments relating to each claim are kept separate. Please therefore indicate to which claim payments are attributable.

10.27 If staff are paid through a payroll system, you must ensure that special arrangements are made to exclude National Insurance contributions, which are not payable in respect of the referendum. The supporting payroll documentation should clearly identify staff and the duties performed, as well as provide evidence of payment to the person concerned.

10.28 Other costs must also be shown on the form under the appropriate heads – head G4 (printing and stationery), head G5 (outward postage), head G6 (inward postage), head G7 (accommodation), and head G8 (equipment) - and supported by evidence, such as paid invoices or signed vouchers. Where printing and stationery has been sourced in-house, confirmation of the cost from internal Finance departments will be sufficient evidence. The Royal Mail

will probably submit a single invoice for their postal voting services, but the invoice will break down the costs into separate elements (outward post, inward post, etc). These separate elements should be indicated on the form.

10.29 Accommodation costs should also be shown with supporting evidence – once again, internal confirmation will be sufficient where appropriate (head G7).

Postal vote checking equipment

10.30 Claims for costs of postal vote checking equipment or services over and above those already met by the taxpayer when PVI checking was first introduced should be made under head G8. Claims for hardware or other equipment should be made on the same basis as for polling station equipment, taking into account its annual depreciation value (see paragraphs 9.33 – 9.42 for a detailed explanation). Care should be taken to ensure that only claims for costs relevant to the voting area are made.

10.31 Claims may also be made for IT costs associated with postal vote processing and PVI checking, including licence and other annual fees (such as maintenance contracts). The Commission will be prepared to contribute up to half the cost of the annual licence fee payable in the year of the UK referendum, on the basis that the licence fee is also payable for other elections (such as local casual vacancies) in that year. Any costs must – as with all costs - be contained within the overall maximum recoverable amount specified for that voting area.

10.32 It will not be necessary to include increases for inner and outer London constituencies separately on the form or in the spreadsheet. Instead the actual amounts paid to staff in these areas should be listed on the accompanying form or as an accompanying list under the appropriate head.

10.33 You should also indicate at part 3 of form G where polls have been combined, the extent of the combination (whole or part of the voting area, how many polls have been taken together and where). Please also indicate here whether or not a combined postal ballot pack was issued and enter the total number of postal voters. Please also indicate the percentage of postal vote identifiers checked.

10.34 Where all or part of the postal voting process has been outsourced and contracts with companies have been entered into for the delivery of goods and services, you should, as part of the contract, require the contractor to identify the costs separately under the heads of expenditure listed above. You can then complete form G appropriately, attaching the invoice(s) as necessary. Contractors should not object to this, but if there are any questions, you should point out that one of the aims of the new system is to introduce more transparency to the process of funding elections. You as the customer, the Government as the funding source, and the public who ultimately pay for it, have a right to know what each element of the process has cost.

Cross Boundary PVI Checking (Scotland and Wales)

10.35 Also include under this head any extra IT costs for making arrangements for checking PVIs in constituencies in Scotland and Wales which cross local authority boundaries, where they are applicable. The costs allocated are £500 for each receiving or sending local authority. Some will only receive, some will only send, but local authorities which both send and receive PVIs have been given two allocations of £500 – a total of £1,000. These allocations are irrespective of how many constituencies are affected in that local authority area, so only one payment for sending, or one for receiving, or one each for both – a maximum of £1,000 – will be claimable per local authority area. Whilst provision for these costs has been made within the cost assumptions for the referendum, we understand that some suppliers may not charge for providing this service².

10.36 Any costs which are charged by suppliers will be to local authorities rather than to Counting Officers. However claims will come from Counting Officers rather than local authorities. The table in annex A to this Guidance sets out how the funds have been allocated and details who may claim and the amounts available to them. Some Counting Officers will need to make a claim both for payments due to their own local authority and for those due to the neighbouring authority. They will then need to make subsequent arrangements to pay the relevant amounts to the appropriate neighbour.

10.37 The distribution of funds to constituencies as described in the table in annex A has been designed to minimise the number of payment transfers between local authorities. For instance, all local authorities which receive PVIs have been allocated their amount (£500 or £1,000, depending on whether or not they also send PVIs to neighbouring authorities) to their own affected constituencies and do not need to claim any payments from another local authority. A local authority which only sends PVIs has had their £500 allocated to one of the neighbouring authorities to which they send, as indicated by the table, and will need to make arrangements to reclaim that amount.

² The fees which were charged for the 2010 UK Parliamentary election largely related to setting up systems to provide the cross boundary PVI checking service. We understand that some suppliers will not charge any further amounts to their customers for using these systems for other polls, including the referendum on the voting system.

11 Poll card costs – Form H

11.1 The Electoral Administration Act 2006 provided for the first time for every elector, including postal and proxy voters, to receive a poll card informing them of the arrangements which have been made for them to cast their vote.

How the amounts have been calculated

11.2 The costs of poll cards have been calculated using the following formulae:

Cost item	Basis of calculation
1. Staff costs – preparation	Electorate ÷ number processed per hour of 240 x hourly rate of £7.50
2. Equipment costs	Average cost per 10,000 electors of £5
3. Printing	Average cost per card of £0.03
4. Postage / delivery	Electorate x postage rate of £0.32
5. Increase for inner London constituencies	Increase 1 by 25%
6. Increase for outer London constituencies	Increase 1 by 20%

11.3 Preparation of poll cards should not be an onerous or lengthy task and the figures in the table above reflect that. Most are now produced automatically and the process does not absorb a great deal of staff time or expertise. It should be easily possible for a single staff member to produce four poll cards a minute, or 240 an hour, taking into account all the processes involved. The hourly rate represents a reasonable cost for this relatively low level activity and reflects the rates used for Poll Clerks and for staff issuing postal votes. The equipment costs at 2 are included to cover any special software or other equipment required for the production of the cards, which should be minimal. The printing costs at 3 have been calculated by reference to costs recorded for previous elections.

11.4 Postage costs are at the standard second class rate applicable as at April 2010. This figure has not been increased in line with national postage increases as it is clear from examination of previous claims that very few Returning Officers pay anything like the full second class postage rate for the delivery of poll cards. Usual practice either takes advantage of Royal Mail's 'walksort' or other products, or utilises hand delivery by casual staff.

11.5 As with postal votes, and from the elector's point of view, where there are combined polls it is more convenient and less confusing to receive one poll card for all the electoral events taking place that day rather than separate ones for each. Combining poll cards in this way reflects current good practice amongst Returning Officers and an approach that puts the needs of the elector first.

11.6 The Chief Counting Officer has directed that combined poll cards should be issued in all areas where there are combined polls on 5 May 2011. As a consequence, where polls are combined the cost should be apportioned between the polls.

11.7 As before, all these figures are allocated – or predicted – expenditure. They represent what it is considered reasonable for each of these elements to cost. If you can spend less on one element or need to spend more on another, you have the flexibility to do so as long as you do not exceed the maximum recoverable amount for the expenses specified in the Charges Order. You can spend less (or more) than has been allocated above on poll cards and more (or less) for other functions (such as postal voting or the count) provided it is necessary for the efficient and effective conduct of the referendum. All the above figures tell you are what has been allowed for in the calculations making up the maximum recoverable amount for expenses.

11.8 You do, however, have to account for your spending. The following paragraphs explain how to do that for this function by completing form H.

Completing the form

11.9 Each of the payments to staff must be accounted for under head H1 (preparation). These can either be listed on the attachment to form H, or as a similar supporting schedule if one is available (to save copying them all out). Evidence for all payments must be provided, either by signed vouchers, or original P528 forms, or a signed wages book or other payroll information. Aggregated lists of payments – for instance lists of BACS payments - will also be acceptable, as long as they confirm that payments have been made to particular staff for particular duties and are certified as correct by the Counting Officer or a deputy. If claims are being made for more than one counting area, care must be taken to ensure that payments relating to each claim are kept separate. Please therefore indicate to which claim payments are attributable.

11.10 If staff are paid through a payroll system, you must ensure that special arrangements are made to exclude National Insurance contributions, which are not payable in respect of the referendum. The supporting payroll documentation should clearly identify staff and the duties performed, as well as provide evidence of payment to the person concerned.

11.11 Other costs must also be shown on the form under the appropriate heads – head H2 (equipment), head H3 (printing), and head H4 (postage / delivery). Any equipment costs should be listed and supported by appropriate

invoices (head H2). Similarly, printing costs should be recorded and those invoices also attached (head H3).

11.12 Delivery of poll cards can be by the Royal Mail, by another delivery contractor, or by hand, using staff employed by the Counting Officer. In the case of the Royal Mail (or another commercial delivery organisation), the cost should be recorded under head H4 and the invoice attached.

11.13 Delivery of poll cards by hand, using staff employed especially for that purpose, is still open to Counting Officers. In such cases, you must account for the payments under head H4, and observe the requirements for recording the payments mentioned at paragraphs 11.10 and 11.11.

11.14 Increases for inner and outer London constituencies only cover staff costs, since delivery and other costs are not significantly different in London. It will not be necessary to include these increases separately on the form or in the spreadsheet. Instead the actual amounts paid to staff in these areas should be listed on the accompanying form or as an accompanying list under the appropriate head.

11.15 You should also indicate under part 3 of form H where polls have been combined, the extent of the combination (whole or part of the counting area, how many polls have been taken together and where).

12 Count costs – Form I

12.1 The costs of the count are difficult to predict since there are a number of variables and the costs in different areas vary widely. The costs for the count have therefore been calculated using average costs for the various elements drawn from previous elections, and from input from electoral administrators. The assumptions are the same as those used for both the 2009 European Parliamentary and 2010 UK Parliamentary elections.

12.2 At the referendum, both Regional Counting Officers and Counting Officers will incur costs in relation to the count. Counting Officers will run their counting area count and convey the total to a central point for collation by the Regional Counting Officer. Similar principles apply to both, however, and what follows applies equally. Separate tables are provided below to identify the costs incurred by Regional and by Counting Officers

How the amounts have been calculated

Counting Officers:

12.3 The current calculations have been based on a planning assumption that the expected turnout across the UK will be 65%. We have set 65% as the minimum turnout figure but have used the actual figures where turnout exceeded 65% in local authority areas for the last European and UK Parliamentary elections. That turnout figure is then used to calculate the number of person-hours required to complete the count. This leaves it open to the Counting Officer to employ more or fewer staff to complete his count quickly or more slowly, bearing in mind the rest of his budget.

12.4 The costs of the count have been calculated using the following formulae:

Cost item	Basis of calculation
1. Staff costs - including verification, separating and sorting ballot papers and counting	Expected turnout ÷ number of ballot papers processed per hour, per individual of 200 x hourly rate of £12.50
2. Staff costs – supervisory staff	Calculated at 20% of 1
3. Travel and subsistence	Calculated at 5% of 1
4. Receiving training	Calculated at 10% of 1
5. Accommodation - rent, light, heat, setting up costs etc	Average cost per 10,000 electors of £200

6. Equipment costs	Average cost per 10,000 electors of £100
7. Transport	Average cost per 10,000 electors of £190
8. Security	Average cost per 10,000 electors of £140
9. Increase for inner London constituencies	Increase 1 – 5 and 7 – 8 by 25%
10. increase for outer London constituencies	Increase 1 – 5 and 7 – 8 by 20%

12.5 The staff costs at 1 and 2 are an attempt to quantify the time taken to verify, separate and count the number of ballot papers expected in a particular voting area. The expected turnout figure is divided by an estimated number of ballot papers processable every hour by a single counter. It is assumed that one member of staff should be able to carry out all the processes involved in verifying, separating and counting 200 ballot papers in an hour – that is just over three ballot papers a minute. Multiplying the product of this sum up by a reasonable hourly rate for counting staff gives a figure for the expected staffing cost of the count.

12.6 The hourly rate assumption of £12.50 per hour takes account of the level of difficulty of the task and the possibility that it may require working anti-social hours. It is roughly equivalent to the rate paid to a Presiding Officer in a polling station. This hourly rate is for standard counting staff – supervisory staff are catered for at 2 and the allocated amount for them is calculated as a percentage of the total at 1. In this context, the term ‘supervisory staff’ is intended to include supervisory, IT or other ancillary staff.

12.7 It should be noted that the verification costs included here take no account of combination of polls, where the cost will be shared. This therefore represents over-provision under this head.

12.8 The amounts allocated for travel and subsistence in relation to the count (at 3) and for receiving training for the count (at 4) are both calculated as a proportion of the amount at 1, since that is an indication of the number of hours the count should take and therefore the approximate number of staff needed for each area.

12.9 Accommodation costs at 5 and equipment costs at 6 have been based on average costs at previous elections. Accommodation costs are intended to cover rent for premises as well as such things as heating, lighting, caretaking, setting up and restoring costs. We are aware, however, of the wide variation in charges for suitable count accommodation throughout the country, as well as the difficulty of obtaining it. We will, of course, expect Counting Officers to make every effort to keep such costs as low as possible. It is hoped, too, that enough flexibility has been built into the system to allow savings elsewhere to

compensate for any unexpected extra accommodation costs. If that is the case, or you anticipate it being so, you should contact the ECU in the first instance with an explanation of the difficulty as soon as possible.

12.10 The amount allocated for equipment costs (at 6) is intended to cover both hardware (such as counting trays, tables, stationery items and similar special items necessary for this referendum in particular and not already held), as well as the costs of any special software or IT support necessary for the processing or calculation of the results. It does not include provision for items which you might reasonably be expected already to have available, or for items which can subsequently be used for other elections or other purposes. The Commission will not, for instance, pay for the purchase of brand new lap-top computers for this referendum only, since such items could normally be provided from other sources and it is not reasonable for the taxpayer to subsidise the provision of lap-tops to local authorities for purposes other than this referendum.

12.11 The Commission will, nevertheless, be prepared to pay its share of the cost of equipment used at the count for this referendum on the same basis as that for other equipment and described in detail in Chapter 9 - Polling Station Costs. The amount allocated here has been calculated in a similar way and takes account of the amount of use that both the Government and the local authority are likely to make of the equipment throughout its life.

12.12 Transport costs at 7 have been calculated by reference to costs at previous elections. They are intended to cover the costs of transporting the ballot boxes and other documentation from polling stations to the count, and from the count to their final destination. It is also intended to cover any costs of transport of other equipment to and from the count centre.

12.13 The amount allocated for security costs at 8 is intended to cover all the costs of security, including any costs for the police or other security personnel attending at the verification and count, as well as any costs associated with the storage of ballot boxes securely between the verification and the count, if that is necessary. This is another area where costs vary widely across the country and we would expect you only to seek to pay those costs that are necessary and reflect value for money. The average allowed here has been calculated by drawing on both averages at previous elections and input from electoral administrators. Once again, however, it is hoped that enough flexibility has been built into the system to allow savings elsewhere to compensate for any higher than usual security costs. But we will be prepared to consider exercising discretion if a Counting Officer is facing particular difficulties. If that is the case, or you anticipate it being so, you should contact the ECU with an explanation of the difficulty as soon as possible.

12.14 Increases for inner and outer London weighting are included here to cover staff, accommodation, transport and security costs, but not those for equipment, since these should be no different in London.

Regional Counting Officers

12.15 The following table contains, in a similar way, details of what has been allocated for the expenses of Regional Counting Officers:

Cost item	Basis of calculation
1. Staff costs – RCO’s staff	Number of counting areas in region x £50
2. Travel and subsistence	Calculated at 10% of 1
3. Accommodation – rent, light, heat, setting up costs etc	Average cost per counting area of £65
4. Equipment costs	Average cost per counting area of £50
5. Transport	Average cost per counting area of £40
6. Security	Average cost per counting area of £40

12.16 These costs are in addition to the standard rate expenses amount available to every Regional Counting Officer (see paragraph 8.6). They are intended to reflect the difference in costs that will be faced by those with a larger number of areas to administer at the count. Similar principles apply as to the Counting Officers’ costs. The principle difference is that most costs are calculated in relation to the number of counting areas.

12.17 As before, all these figures are allocated – or predicted – expenditure. They represent what it is considered reasonable for each of these elements to cost. If you can spend less on one element or need to spend more on another, you have the flexibility to do so as long as you do not exceed the maximum recoverable amount for the expenses specified in the Charges Order. You can spend less (or more) than has been allocated above on one element and more (or less) on others provided it is necessary for the efficient and effective conduct of the referendum. All the above figures tell you is what has been allowed for in the calculations making up the maximum recoverable amount for expenses.

12.18 You do, however, have to account for your spending. The following paragraphs explain how to do that for this function by completing form I.

Completing the form

12.19 As elsewhere, each of the payments to staff must be accounted for appropriately, in this case under heads I1 and I2 (wages), I3 (travel and subsistence) and I4 (training). These must either be listed as an attachment to form I, or as a similar supporting schedule if one is available (to save copying them all out). Evidence for all payments must be provided, either by signed

vouchers, or original P528 forms, or a signed wages book or other payroll information. Aggregated lists of payments – for instance lists of BACS payments - will also be acceptable, as long as they confirm that payments have been made to particular staff for particular duties and are certified as correct by the Counting Officer or a deputy.

12.20 If staff are paid through a payroll system, you must ensure that special arrangements are made to exclude National Insurance contributions, which are not payable in respect of the referendum. The supporting payroll documentation should clearly identify staff and the duties performed, as well as provide evidence of payment to the person concerned.

12.21 Other expenses – for accommodation (head I5), equipment (head I6), transport (head I7) and security (head I8) – should be recorded and the relevant supporting documentation supplied.

12.22 Claims for equipment should be made on the same basis as for polling station and other electoral equipment and detailed at paragraphs 9.34 to 9.45. The cost of equipment which is necessary for this referendum only (such as stationery, forms, etc) can be claimed in full. The cost of equipment which may be used for other elections or other purposes (such as counting trays) cannot be claimed in full, but claims for a proportion of their cost, related to their expected life and depreciation value, will be considered. Claims for a contribution to the costs of any necessary IT equipment to be used at the count will also be considered on the same basis.

12.23 It will not be necessary to include increases for inner and outer London voting areas separately on the form or in the spreadsheet. Instead the actual amounts paid to staff in these areas should be listed on the accompanying form or as an accompanying list under the appropriate head. Where polls have been combined and procedures at verification such as the separation of ballot papers are performed (the costs of which must be shared between the elections involved), that should be made clear and the appropriate adjustments made.

12.24 Wherever possible, we will expect Counting Officers to do their best to meet the costs of any recounts from within their overall budgets, taking advantage of savings made elsewhere. Where this is not possible, however - for instance in the case of multiple or lengthy recounts – we will consider extra funding, provided that all the accounting requirements are fulfilled.

12.25 Clearly it will not be practicable to inform us of a need for further funds for recounts at the time they occur, but you should make contact as soon as possible after the event to explain the circumstances.

13 Other costs – form J

13.1 There are a number of other miscellaneous costs which cannot be included elsewhere which will need to be allowed for and claimed by Counting Officers – this chapter deals with them. This includes the costs of providing (as opposed to receiving and attending) training.

How the amounts have been calculated

13.2 The costs allocated under this head have been calculated using the following formulae:

Counting Officers

Cost item	Basis of calculation
1. General clerical staffing costs	Cost per elector of £0.05
2. Travel and subsistence	Cost per electors of £0.0015
3. Providing training	Average cost per 10,000 electors of £135
4. Materials and services – stationery, printing, postage not covered elsewhere, telephone costs, bank charges, etc	Cost per elector of £0.002
5. Superannuation costs	No specific allowance
6. Cost of translations (Wales only)	Average cost per counting area of £1,000
7. Increase for inner London constituencies	Increase 1 – 3 by 25%
8. Increase for outer London constituencies	Increase 1 – 3 by 20%

13.3 The costs under item 1 (general clerical staff costs) are intended to cover all the general clerical costs associated with a UK referendum which are not already covered elsewhere in the accounts. These might include clerical costs in relation to issuing notices, responding to queries from electors, dealing with correspondence specific to the referendum, overtime and so on. If it is possible to attribute activities to other heads of expenditure (polling stations, postal voting, poll cards or the count), you should do so. Only costs which cannot easily be otherwise attributed should be included here, though it is recognised that it may be difficult to separate these costs from those

associated with the day-to-day business of electoral services, or from those associated with another poll if they are combined. The amount included has been calculated by drawing upon previous claims and from information provided by electoral administrators, and is proportionate to the number of electors in the voting area.

13.4 Counting Officers must be careful to ensure that fees paid under this head reflect actual and real costs. If, for example, claims are made in respect of staff overtime then they must reflect only the actual overtime costs incurred for carrying out work in respect of the referendum. Claims should not be made for extra payments for staff that are simply carrying out their day to day work.

13.5 Item 2 is intended to cover the costs incurred by Counting Officers and their staff in travel and subsistence in relation to the referendum which cannot be attributed to any other head of expenditure. Again, it is related to the size of the area administered.

13.6 The costs of providing training are included at item 3. This item is intended to cover the costs to the Counting Officer of providing any necessary training locally, as well as the costs of any training courses which it is necessary for staff to attend to equip them to carry out their duties in conducting the referendum.

13.7 It is clearly important that staff involved in delivering the poll are adequately trained, and training which is necessary for the efficient and effective conduct of the referendum. Examples of such work may include, for example, training for polling station procedures, for postal vote issue and receipt, and for count work. Training for tasks which are common to all elections (and which may therefore have been necessary anyway for local election duties, whether or not the polls are combined on this occasion) can only be funded in proportion to the extent that it applies to the referendum. In other words, we may pay part of the cost of such training. We may pay up to half the cost of such training where it relates to more than one election. Training of staff for general electoral work (for instance, electoral services work, answering general queries, etc) or training for work in relation to electoral registration cannot be funded.

13.8 Whether or not training is necessary will depend on individual circumstances – the nature of the training, its relevance, how much of it applies to the referendum, the individual needs of the staff involved and so on. For example, a new member of staff who has never undertaken such duties will clearly need training. And where new processes are being introduced, experienced staff will also need training in those. But it would not, for instance, be acceptable for us to pay for a training course for a member of staff who has recently attended training of a similar nature, or for a lengthy “top-up” training course when the training could have been delivered in a session of an hour or two.

13.9 When making a claim for reimbursement of training costs, Counting Officers must provide all the necessary invoices and receipts in the usual way.

In addition, you must confirm that the training claimed for was necessary for the efficient and effective conduct of the UK referendum, and indicate the proportion of the training which is attributable to the referendum. If the amount claimed substantially exceeds that allowed for, details of the reasoning for seeking reimbursement exceeding that amount must be given.

13.10 As with any use of public funds, training should be proportionate and give value for money. This is a matter of judgement, and it is not therefore possible to guarantee in advance and in all cases that a particular individual's attendance on a particular course will be funded. However, where such training is reasonable and necessary for the effective conduct of the UK referendum in relation to the circumstances of the individual receiving the training that will be funded. But, as before, it would not, for example, be reasonable for us to fund a week-long residential course when the relevant training could be delivered locally in a day.

13.11 The amount allocated for providing training is £135 for every 10,000 electors and it is intended to cover all members of staff employed on polling station duties (that is all Presiding Officers, Poll Clerks and Supervising Officers), all members of staff employed in postal vote processing, and all members of staff employed at the count, as well as any training for more senior staff. The figure was arrived at after taking into account information supplied by Returning Officers.

13.12 The amounts allocated at item 4 (materials and services) are intended to reflect the costs of materials and services which are a necessary expense but which cannot be accounted for under other heads of expenditure. These might include the costs of printing notices, of general stationery (outside of that for polling stations, postal voting and the count), of postage (but not the cost of sending postal votes or poll cards), telephone bills, bank charges and so on. Once again, these may be difficult to identify separately, but they have been calculated using previous figures and are proportionate to the size of the electorate.

13.13 The reference to telephone costs represents any telephone costs separately attributable to the referendum. This item is not intended to cover the provision of telephones to staff but rather simply any costs associated with using existing telephones. We recognise that there may be occasions when there may be a need to contact staff quickly and the best way to do so may be via the mobile telephone network. But it is not reasonable for us to pay for the purchase of brand new mobile phones for this referendum when they may be used for other elections and other purposes. This should not in any case be necessary in most cases. There are very few people who do not own or have access to a mobile phone and it should be possible for those who may not to be supplied with one on loan or via a hire arrangement. Expenditure on hiring mobile phones may be permissible as long as it is not extortionate, but no extra funds over and above the maximum recoverable amount will be granted to pay for it – it must be met from within your overall expenditure if you choose that route. It should be accounted for under the appropriate head – usually under polling station equipment costs.

13.14 There may be costs attributable to the use of call centres to handle enquiries in respect of the referendum. Where these are claimed they must be specific and relate either only to those costs incurred that are specific to enquiries concerning the referendum, or demonstrate a true apportionment where polls are combined and an enquiry relates to both or all. Costs should not be claimed in respect of enquiries that relate to the functions of an Electoral Registration Officer, for example concerning registration or applications for postal voting, as these are not costs attributable to the Counting Officer. It is important therefore that any claim relating to call centres can provide a detailed breakdown of the total and nature of calls received and how the claim relates to the apportionment.

13.15 It should not normally be necessary to incur any bank charges, but some allowance has been made in the calculations based on averages in previous elections. Counting Officers should of course make every effort to avoid incurring charges, or to negotiate a waiver or reduction.

13.16 Superannuation costs for any staff apart from the Counting Officer should be included at item 5 and any further relevant information – such as the percentage applicable and details of the pension provider – should also accompany the claim. Paragraphs 14.10 to 14.12 contain guidance about entitlements to reimbursement of superannuation payments.

13.17 Item 6 is intended to cover the costs of translations where these are necessary (in Wales only). Translations of electoral documents into other languages are already available free of charge from the Electoral Commission.

13.18 Increases for inner and outer London constituencies cover only staff costs.

Regional Counting Officers

13.19 Regional Counting Offices should claim their expenses in relation to their particular functions under the appropriate heads of expenditure, where possible. So their expenses in running their own count proceedings, for example, should be made under head I. But they will have other expenses which do not fit under those headings and these should be included under this head. These costs are only available to Regional Counting Officers.

13.20 The costs allocated under this head have been calculated using the following formulae:

Cost item	Basis of calculation
1. Staffing costs – deputies and general clerical	Number of counting areas x £270
2. Travel and subsistence	Amount at 1 x 10%
3. Providing training	Number of counting areas x £65

4. Materials and services – stationery, printing, postage not covered elsewhere, telephone costs, bank charges, etc	Number of counting areas x £15
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13.21 The costs at item 1 (staff costs – deputies and general clerical) are intended to cover the appointment and payment of staff – particularly deputies – to assist Regional Counting Officers in their duties. This will include any project management expertise they wish to employ, as well as the appointment of other specialists, or elections experts. It also covers the costs of any general clerical help needed by the Regional Counting Officer. The amount is calculated in proportion to the number of counting areas in the region.

13.22 Travel and subsistence costs at item 2 are intended to cover the costs incurred by both the Regional Counting Officer and any deputies (but not those of his Counting Officers which are to be claimed in their own right). These are also based on costs at previous elections, and reflect the size of the region.

13.23 Training costs at item 3 are intended to cover the costs to the Regional Counting Officer of providing any locally focussed training to the Counting Officers in his region, including the costs of providing locally focussed training for trainers. The amounts allocated here are intended to cover only the additional cost of providing training which the Electoral Commission is unable to supply. They are not intended to cover any costs payable to those attending the training, which should be claimed by them in their own accounts under the appropriate heads of expenditure.

13.24 Item 4 covers various miscellaneous costs which might fall to the Regional Counting Officer and it is similar to the same item in the Counting Officer’s table. Once again, the cost is linked to the number of counting areas in the region.

13.25 Any other miscellaneous costs which are not covered in paragraph ‘13.22’ should be claimed under head J wherever is most appropriate.

13.26 As before, all these figures are allocated – or predicted – expenditure. They represent what it is considered reasonable for each of these elements to cost. If you can spend less on one element or need to spend more on another, you have the flexibility to do so as long as you do not exceed the maximum recoverable amount for the expenses specified in the Charges Order. You can spend less (or more) than has been allocated above on one element and more (or less) on others provided it is necessary for the efficient and effective conduct of the referendum. All the above figures tell you is what has been allowed for in the calculations making up the maximum recoverable amount for expenses.

13.27 You do, however, have to account for your spending. The following paragraphs explain how to do that for these costs by completing form J.

Completing the form

13.28 As elsewhere, each of the payments to staff must be accounted for appropriately, in this case under heads J1 (wages) and J2 (travel and subsistence). These can either be listed in the attachment to form J, or as a similar supporting schedule if one is available (to save copying them all out). Evidence for all payments must be provided, either by signed vouchers, or original P528 forms, or a signed wages book or other payroll information. Aggregated lists of payments – for instance lists of BACS payments - will also be acceptable, as long as they confirm that payments have been made to particular staff for particular duties and are certified as correct by the Counting Officer or a deputy.

13.29 If staff are paid through a payroll system, you must ensure that special arrangements are made to exclude National Insurance contributions, which are not payable in respect of the referendum. The supporting payroll documentation should clearly identify staff and the duties performed, as well as provide evidence of payment to the person concerned.

13.30 Genuine overtime costs of staff may be claimed under this head (and under other staff cost heads), but only in cases where overtime has truly been worked and evidence for such working is supplied. Charges for staff time in the normal working day cannot be classed as overtime, though weekend and evening working might be. You should not assume that all staff working on referendum tasks can be charged at overtime rates whenever they perform their duties. Where overtime rates have been claimed, full details of the hours worked (for instance, precisely when and how many), the need for working out of normal hours, the rates paid and the justification for paying them must all be supplied.

13.31 Payments for the other items included here must be recorded and the appropriate supporting documentation supplied. The costs of providing training should be detailed under head J3 (though see paragraphs 13.8 and 13.9 for guidance on what supporting evidence will be required). Those of materials and services should be listed under head J4, superannuation costs of anyone other than the Returning Officer at head J5, and translation costs at head J6.

13.32 Any interest earned on money deposited in election bank accounts should also be accounted for under head J4. Please make it clear on the form and accompanying documentation that this is a positive figure which will reduce the total claimed on this form.

13.33 It will not be necessary to include increases for inner and outer London constituencies separately on the form or in the spreadsheet. Instead the actual amounts paid to staff in these areas should be listed on the accompanying form or as an accompanying list under the appropriate head.

14 Additional information relevant to the claim

14.1 This chapter deals with a range of other issues which may affect your claim and which you may need to know to complete your claim form. The information here draws on precedents set when dealing with claims at previous elections. Any additional queries that arise and which are not covered in this guidance will be addressed, and regularly updated, in a FAQ document that will be published on our website alongside this guidance at:

<http://www.electoralcommission.org.uk/guidance/resources-for-electoral-administrators/referendums>

Tax (VAT and income tax)

14.2 We are unable to reclaim Value Added Tax (VAT) on UK referendum expenses. You should, therefore, include VAT in all your expenses returns. All the assessments in the above chapters have been made on the basis that VAT is included, so allowance for inclusive VAT has already been made.

14.3 Different VAT regimes apply to local and central Government. Local authorities can recover VAT in respect of statutory services under s33 of the Value Added Tax Act 1994. Central Government departments fall within s41 of that Act and may only recover VAT where it is in relation to a business activity or where the VAT is incurred in respect of certain contracted-out services listed in the Treasury contracted-out services directive.

14.4 Local authorities may therefore wish to make claims for the return of VAT on elements of expenditure which are attributable to that local authority. This is, however, an issue for discussion between the local authority and Her Majesty's Revenue and Customs (HMRC) VAT authorities and not something on which we can advise.

14.5 All figures in your accounts relating to payments to staff should be shown gross, not net, of income tax. Guidance on the deduction of income tax was issued in Home Office RPA circular 357 in September 1991. This advice still applies. Any questions on income tax matters should be made to the local Inspector of Taxes who handles the PAYE for the relevant local authority.

14.6 Questions have previously been raised about interest payments levied by local tax authorities for late payment of income tax by Returning Officers for electoral staff. It seems that practice in relation to this varies from area to area. In some areas, demands for interest payments have been made after only a few weeks delay; in other areas agreements have been reached to delay payment until, for instance, the end of the tax year without any penalty.

14.7 Counting Officers are urged to make contact with their local tax authorities before the referendum to ensure that they are clear about what is acceptable in that area. Ideally, all due income tax should be paid to HMRC as soon as possible after the poll to avoid the risk of incurring any interest payments. Failing that, agreements should be reached with the relevant local tax office to ensure that realistic deadlines are set which also avoid that risk.

14.8 In any event, we will not pay any interest payments incurred because of late payment of due tax. Counting Officers must therefore ensure that they do not incur such costs by giving suitable priority to making tax payments on time.

National Insurance

14.9 National Insurance contributions are not payable in respect of employment at any UK referendum.

Superannuation

14.10 In accordance with paragraph 20(8) of Schedule 1 of the 2011 Act, a Counting Officer's charges at the UK referendum may include claims in respect of any increase in superannuation contributions that are required to be paid by a local authority as a result of any fee paid to a person employed on referendum duties. Claims may be made for both Counting Officers and for others carrying out referendum duties who fall within paragraph 20(8).

14.11 Before making a claim for the reimbursement of superannuation payments, Counting Officers, or any other person making a claim, must satisfy themselves that any superannuation payments to which they are entitled:

(a) would have been required to be increased by the local authority as a result of a fee paid, and

(b) that such a payment either has been made by the authority, or would have been made but for a claim being made under paragraph 20(8).

14.12 We cannot advise on a particular individual's entitlement to such payments, which will depend on their conditions of employment and the terms of their superannuation arrangements. If there is any doubt as to a person's entitlement to increased superannuation payments, written confirmation should be sought from the authority and a copy submitted with your claim.

Employment of staff - transparency

14.13 Auditing bodies are increasingly paying attention to election accounts and closely scrutinising payments made to staff. One issue that could raise concern is that of employment by the Counting Officer or his deputies of close

family and friends. While there is no bar on such employment, it is important that the nature of duties of any such staff are clearly itemised and accounted for, and that they are completely transparent. Not only will claims be queried by us where there is no clear explanation of duties performed in respect of receipt of a fee, but auditors may well identify such occurrences and seek to make further enquiries.

14.14 Counting Officers should also be aware that no fee for their duties is payable other than within the overall maximum amount available for their services. They should not therefore be in receipt of separate payment for other duties such as supervision of postal vote issue or opening as any such duty is deemed to be included in their overall payment for their services. Any claims in respect of other such duties will not be met.

Text books

14.15 In the past, the cost of one text book per council (for instance “Parker’s Law and Conduct of Parliamentary Elections”) has been judged to be an acceptable election expense, since it can be argued to be necessary to ensure the proper conduct of the election. But because any text book can be used to assist with other elections and for general electoral purposes, the Government has only been prepared to fund the initial purchase, and not any annual subscriptions.

14.16 Most authorities will already have such a copy and will be receiving regular updates, so any further edition should not be necessary. If a copy has been purchased at any of the last five national elections (2010, 2009, 2005, 2004 and 2001) by that Returning Officer or local authority, then updates should have kept it current and no claims for a further copy will be considered. Any claim which is made for this expense should be made under head J2, stating that no earlier claim has been made, explaining why this claim is necessary and attaching the appropriate documentation.

Election management software

14.17 As with the information technology associated with postal vote processing and postal vote identifier checking (such as licence and other annual fees and maintenance contracts), we recognise that election management software packages are an essential tool in the management of modern elections. But they are a necessary cost for all elections and it is not appropriate for us to pay all the costs associated with them. We will therefore be prepared to contribute to the initial capital cost of any election management software package on the same basis as any other electoral equipment. That is, we will contribute to the capital cost taking into account the expected life of the package and its depreciation value. The details of how to work out the annual depreciation value are at paragraphs 9.34 to 9.45.

14.18 Counting Officers may therefore claim the cost of the use of the package for the referendum. As with other electoral equipment, however,

claims cannot be made for packages which have already been bought with the aid of central Government grants, and the principles which apply to contributions to the cost of all equipment and are set out in Chapter 9 – Polling Station Equipment – will also apply to election management packages.

14.19 In addition, and again, as with postal voting IT, claims for up to half the cost of the election component of any annual licence fee for electoral administration software payable in the year of a UK referendum will be considered. This is on the basis that the licence fee is also payable for other elections (such as local casual vacancies) in that year.

14.20 Any claim for IT costs in a particular counting area must be consistent with the size of the area involved (that is, not for the whole local authority area if that is larger). Claims must also be confined to the costs of the election component of administration software packages. Elements associated with other functions – such as registration – must be separated out since their costs cannot be reimbursed as an expense of the referendum. **You should therefore include evidence of the components of your licence fee when submitting your claim so that we can easily identify the amount you are claiming. You should also ensure that the components reflect accurately the apportionment between elections and registration and are not weighted disproportionately.** Any costs must – as with all costs - be contained within the overall maximum recoverable amount specified for that voting area.

Managed ballot services and other outsourced services

14.21 It is common for Returning Officers to outsource elements of or all of the postal voting process. While this is perfectly acceptable any claim must only reflect what is necessary for the essential, efficient and effective running of the service and should not greatly exceed any cost of providing the same service internally. We will therefore not fund any costs for any special technological or computer aided services over and above that which we consider necessary. This includes services which promise additional or special levels of managed services. When claiming for any costs in respect of a managed ballot service you should ensure that detailed breakdowns are provided for all elements of the service, and ensure that your claim reflects only those essential costs.

14.22 As with managed ballot services, care should be taken when outsourcing any element of the election that the costs incurred are not greatly increased from those that would be incurred if the service were provided internally. While there is provision for spending to exceed assumed average costs and be spread between heads within the overall maximum amount, we will question any element of a claim which greatly exceeds the average, or which we consider is above that which is necessary for the efficient and effective running of the referendum. Throughout all expenditure you should be able to demonstrate that you are achieving value for money. Where elements

of a claim exceed that which is necessary for the efficient and effective running of the referendum then we may refuse to pay for all or part of those additional elements.

Participation activities

14.23 The Political Parties, Referendums and Elections Act 2000 (PPERA) imposes a restriction on central or local government and any other person whose expenses are defrayed out of public funds from publishing promotional material about a referendum within 28 days of the poll. An exception to this restriction is granted to the Electoral Commission or anybody acting on our behalf and we have therefore asked Counting Officers to take steps on our behalf to raise public awareness of the referendum taking place on 5 May 2011.

14.24 Paragraph 10 of Schedule 1 of the 2011 Act provides that if a Counting Officer is planning activity to encourage participation the Government may fund such activity if deemed appropriate. Because of the prohibition in section 125 of PPERA on Government funding being spent on promoting voting at a referendum, the government can not fund any such activity in the 28 day period before the poll on 5 May. Therefore because local and central government is restricted by PPERA from carrying out such activities within 28 days of the poll, we are prepared to meet the costs of any participation activities carried out during this period.

14.25 To make the process for claiming any participation costs as easy as possible for Counting Officers, we would ask that any participation claim is made through the same channel as your accounts and via ECU. **However, this claim has to be separate from the main body of your accounts as it is not recoverable through the normal fees and charges provision. Any claim for participation costs must therefore be submitted on a separate form headed "Participation Claim", clearly setting out the expenditure being reclaimed from us, the date of the expenditure, and providing any receipts in respect of such expenditure. This form is available on our website alongside this guidance and must be provided to ECU by Thursday 30 June 2011.** Any claims received after that time will not be reimbursed.

14.26 For the referendum and other polls on 5 May we have already produced a range of resources as part of our work on promoting public awareness, under paragraph 9 of Schedule 1 to the 2011 Act, and have requested that Counting Officers use these resources to promote public awareness on the Commission's behalf. The resources include templates for A3 and A4 posters, press adverts, press releases and email signatures. **We do not therefore anticipate that Counting Officers should incur substantial costs in utilising these resources.**

Election equipment – acceptable and unacceptable items

14.27 Although this system of assessing and accounting for election expenses is intended to give you greater flexibility and reduce the level of central control on your spending, that does not mean that you are free to spend completely without constraint. You are still required only to expend funds on running the UK referendum. You can only recover your charges if they were necessarily incurred for the efficient and effective conduct of the referendum.

14.28 That means that we are not required to reimburse you for charges which fall outside of that definition. Neither are we empowered to reimburse extra spending unless it was reasonable for the expenditure to be incurred and the amount was reasonable. Over the years, precedents have been set establishing what is and is not a necessary expense, examples of which are set out in paragraph 14.30 below. These precedents are still relevant and the ECU, as part of their scrutiny of your accounts, will examine them to see whether your spending is necessary, and may question items of expenditure which might be considered unnecessary.

14.29 You should bear in mind that your accounts will be subject to scrutiny by us, the ECU, and that they may well also be subject to scrutiny by others who are taking an increasing interest in this area. They may question payments which could be judged as unlawful. We must therefore ensure that we have legal authority to make payments and that no unlawful payments are authorised.

14.30 The following are examples of expenditure which has, in the past, not been considered as a necessary expense for the effective and efficient conduct of the election and has not therefore been reimbursed under the Charges Order. Reimbursement for such items will continue to be refused.

- purchase of mobile telephones (but see paragraphs 9.11 and 13.13)
- additional permanent lighting inside or outside polling places or count centres (though reasonable claims for temporary lighting may be considered)
- electric kettles for use in polling stations
- shoulder bags or luggage trolleys for polling station staff to carry equipment or papers
- special clothing for count or polling station staff e.g. T-shirts or sweat shirts
- first aid kits or employment of first aiders or St John's Ambulance staff
- coverings for count tables
- floor covering at count or verification centres
- floral / shrub or other decoration at count centres or for any stage of the polling process

- refreshments for the media, candidates, party agents, security personnel or police at the count or verification centres
- loss of revenue at venues, such as leisure centres, hired as count or verification centres, including bar or restaurant takings, car parking fees, membership subscriptions, payment of wages for centre staff
- payment for employment of health and safety officers to undertake checks of premises and equipment
- photographs or photographers for recording any part of the referendum process
- interpreters, such as in providing specialist translation services at polling stations or the count

Annex A – Cross boundary PVI checking (Scotland and Wales)

<u>Lead Local Authority (receivers)</u>	<u>Constituencies in receipt of allocated costs</u>	<u>Amount allocated to constituency</u>	<u>Net amount to be kept by lead Local Authority</u>	<u>Sending Local authorities</u>	<u>Amounts to be transferred to sending local authorities</u>
<u>Scotland</u>					
Aberdeen City	Aberdeen South and North Kincardine	£1,000	£500	Aberdeenshire	£500
Angus	Angus North and Mearns	£500	£500	Aberdeenshire *	£0
Aberdeenshire	Banffshire and Buchan Coast	£1,000	£500	Moray	£500
West Dunbartonshire **	Dumbarton	£1,000	£500	Argyll and Bute	£500
	Clydebank and Milngavie	£500	£0	East Dunbartonshire	£500
Clackmannanshire	Clackmannanshire and Dunblane	£1,000	£500	Stirling	£500
East Ayrshire	Carrick, Cumnock and Doon Valley	£1,000	£500	South Ayrshire	£500
Scottish Borders	Midlothian South, Tweeddale and Lauderdale	£1,000	£500	Midlothian	£500
Renfrewshire ***	Renfrewshire North and West	£1,000	£500	Inverclyde	£500
	Renfrewshire South	£500	£0	East Renfrewshire	£500
North Lanarkshire	Uddingston and Bellshill	£1,000	£500	South Lanarkshire	£500
<u>Wales</u>					
Cardiff	Cardiff South and Penarth	£1,000	£500	Vale of Glamorgan	£500
Pembrokeshire	Carmarthen W & S Pembrokeshire	£1,000	£500	Carmarthenshire	£500
Wrexham	Clwyd South	£1,000	£500	Denbighshire	£500
Conwy	Clwyd West	£500	£500	Denbighshire****	£0
Merthyr Tydfil	Merthyr Tydfil and Rhymney	£1,000	£500	Caerphilly	£500
Monmouthshire	Monmouth	£1,500	£1,000	Torfaen	£500
Newport	Newport East	£500	£500	Monmouthshire*****	£0
Bridgend	Ogmore	£1,000	£500	Rhondda Cynon Taff	£500

*No further payment for Aberdeenshire required as maximum amount of £500 for sending out PVI data has already received for sending similar data to Aberdeen City, the lead local authority within the Aberdeen South and North Kincardine Constituency.

** West Dunbartonshire will not receive any additional payment for receiving data in its role as lead authority for the Clydebank and Milngavie Constituency as it has already received the maximum of £500 for receiving PVI data through its other role as lead local authority for the Dumbarton Constituency.

*** Renfrewshire will not receive any additional payment for receiving data in its role as lead authority for the Renfrewshire South Constituency as it has already received the maximum of £500 for receiving PVI data through its other role as lead local authority for the Renfrewshire North and West Constituency.

**** No further payment required for Denbighshire as the maximum amount of £500 for sending out PVI data has already been received for sending similar data to Wrexham, the lead authority for the Clwyd West Constituency.

***** No further payment required for Monmouthshire as the local authorities amount for sending PVI data to Newport, the lead local authority for the Newport East Constituency has already been made to the local authority as part of the funds which have been allocated to it for receiving PVI data from Torfaen as part of its role as lead local authority for the Monmouth Constituency.