Overview

Spending for EU referendum campaigners

This document is for campaigners who want to know about the rules on spending at the referendum on the UK’s membership of the EU

Updated 28 April 2016

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Transitions and other formats

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Email: publications@electoralcommission.org.uk

Terms and expressions we use

We use ‘must’ when we refer to a specific legal or regulatory requirement. We use ‘should’ for items we consider to be minimum good practice, but which are not legal requirements.

You do not have to follow this guidance, but if you do, you will normally be doing enough to comply with the law.

Our approach to enforcement

The Commission regulates political funding and spending. We are committed to providing those we regulate with a clear understanding of their regulatory obligations through our guidance documents and advice service. If you are unsure of how any of the rules apply to you, please call us for advice. We are happy to help, so please get in touch.

We use advice and guidance proactively in order to secure compliance. And we take enforcement action, using our investigatory powers and sanctions, where it is necessary and proportionate to do so in order to meet our enforcement aims and objectives.

If you do not comply with legal or regulatory requirements you or your organisation may be subject to civil or criminal sanctions. You can find more information about the Commission’s approach to enforcement at www.electoralcommission.org.uk/party-finance/enforcement
Overview of spending for EU referendum campaigners

This document explains:

The rules on spending during the referendum on the United Kingdom’s membership of the European Union.

The document covers:

- an introduction to referendum spending
- what referendum spending is
- managing referendum spending
- working with other campaigners
- recording referendum spending
- reporting after the referendum

Related documents:

- Campaigning and registering for EU referendum campaigners
- Pre-poll reporting for EU referendum campaigners
- Timetable and reporting deadlines at the EU referendum
- Designation process for the EU referendum
- Donations for EU referendum campaigners
- Loans for EU referendum campaigners

Expert papers

- Splitting spending
Summary

Referendum campaign spending is regulated under the Political, Parties Elections and Referendums Act 2000 (PPERA) as amended by the European Union Referendum Act 2015.

This overview will give you an understanding of the principles of referendum spending and the rules you need to comply with.
Introduction

Under PPERA as amended by the European Union Referendum Act 2015 (“the Act”) we have certain statutory responsibilities in relation to the referendum on the UK’s membership of the EU.

Our objectives for the referendum are:

- it should be well-run and produce results that are accepted
- there should be integrity in and transparency of campaign funding and spending

Before a referendum is held, there is a formal campaigning period called the ‘referendum period’. During this period, certain rules on campaigning and spending apply.

The referendum period starts on 15 April 2016 and ends on 23 June 2016. The spending limits apply during this period.

If you want to spend more than £10,000 during the referendum period you must register with us.
What is referendum spending?

Referendum spending is expenditure on certain campaigning activities (listed on page 6) that are intended to, or are otherwise in connection with, promoting or bringing about a particular outcome in the referendum.

It includes spending on:

- items or services used during the referendum period including those bought before the period begins
- items or services used during the referendum but paid for after it
- items or services given to you free of charge or at a non-commercial discount of more than 10% (see ‘Notional spending’ on page 11 and 12)
What activities count towards campaign spending?

Spending on the following activities will be referendum spending if they are intended to, or are otherwise in connection with, promoting or bringing about a particular outcome in the referendum.

- campaign broadcasts
- advertising of any kind. For example, street banners, websites or YouTube videos
- unsolicited material sent to voters. For example, letters or leaflets you send that aren’t in response to specific queries
- other material about the referendum, such as setting out your campaign’s arguments, setting out your expectations as to what would happen in the event of a particular outcome, or encouraging people to vote
- market research or other methods of finding out how people intend to vote
- press conferences or other dealings with the media
- rallies and events, including the cost of people’s attendance, and any goods, services or facilities provided
- transport in connection with publicising your campaign

Important

You must include material sent to your members or supporters.
You must include all the costs associated with each activity (unless the costs don’t count as spending – see the next section on page 7). For example, if you are producing leaflets or advertising, you must include the design and distribution costs, including any research you undertook for the purposes of your campaign.

You must also include overheads or administrative costs which are associated with each activity. For example, this could include increased telephone and utility bills for your office. You should make an honest assessment of the amount you have spent based on the facts.

You only need to include overhead or administrative costs for the activities whose costs count as referendum spending. For example, overhead or administrative costs associated with people’s travel or accommodation (provided you don’t reimburse them or directly pay for them) don’t need to be reported. If you do reimburse or pay directly for people’s travel or accommodation costs, including hotel rooms, this will count as referendum spending. See below for more details on what activities don’t count as referendum spending.

**Splitting spending**
You may need to split your spending in some cases. For example, between activities which count as referendum spending and activities that don’t. You can find out more on page 13.

**Downloadable material**
If you put material on your website for people to print off for their personal use, such as window posters or petition forms, the design and website costs count as campaign spending. You would not need to count people’s print costs against your spending limit, unless people are printing documents on your behalf.

**Designated lead campaign groups’ broadcast costs**
If you are a designated lead campaign group, you must include the costs of producing your referendum campaign broadcasts. You do not need to include the value of the airtime.
What spending does not count towards your spending limit?

- volunteer time
- permanent, fixed term or temporary staff costs where the staff member has a direct employment contract with the campaigner
- people’s travel, food and accommodation costs while they campaign, unless you reimburse them or pay for them directly
- costs incurred in providing security at a public rally or public event
- expenses (except adverts) in respect of publication in a newspaper, periodical, and certain broadcasts
- designated lead campaigners’ use of public rooms or free mailing

Volunteer time

Volunteer time does not count towards your spending limit. However, spending money on any resources that you provide for your volunteers to carry out referendum campaigning will count towards your spending limit. For example, if a mini bus is hired to transport volunteers to carry out canvassing, the cost of the hire will count towards the spending limit.

Sometimes you may not be sure if someone is a volunteer or if their time should be treated as notional spending. For example, they may offer similar services professionally to the ones they are performing for you such as web design or event planning.

They are likely to be a volunteer if, for example, the time they spend on your campaign is not paid by their employer (unless it is their usual annual leave).

If they use specialist equipment or materials, you should consider whether their use is notional spending, using the principles in the section on page 11 and 12.
Designated lead campaign groups’ use of public rooms and free mailing
If you are a designated lead campaign group, you are entitled to use certain public rooms free of charge and a free mailing to UK and Gibraltar addresses. You do not need to include a value for hire of the room or the costs associated with producing material for the mailing. However, in the case of the use of free rooms you must include any charges made for heating, lighting or insurance.

Events that do not promote an outcome
If you hold an event where you invite speakers to represent both sides of the outcome and allow all those attending an equal opportunity to participate, so that the event is not intended to promote or otherwise bring about a particular outcome, then your spending on the event is unlikely to be referendum spending.

Working together with other campaigners
Campaigners can work together on a joint campaign. Any spending on a joint campaign will count towards the limits for each campaigner involved.

Where the spending on a joint campaign is with a designated lead campaigner, all spending will count towards the spending limit of the designated lead campaigner only.

Campaigners need to be very careful that they understand the rules on working together. If campaigners don’t follow the rules they may be in breach of their spending limits. For further information, see the document Working together for EU referendum campaigners.
Spending limits

There are limits on how much you may spend on your campaigning. The limits are set out in legislation. These limits vary for different types of campaigner.

The spending limits apply for the referendum period which starts on 15 April and ends on 23 June 2016.

Unregistered referendum campaigners

If you do not register with us, you can spend up to £10,000. You must register with us as a referendum campaigner if you intend to spend more than £10,000.

Registered referendum campaigners

If you are a registered campaigner (and are not a registered political party that contested the UK Parliamentary general election) your spending limit is £700,000.

Political parties who are registered campaigners

If you are a political party on the Great Britain or Northern Ireland political party register and you are a registered referendum campaigner, your spending limit will depend on your share of the vote at the 2015 UK Parliamentary general election. The limits are below.

<table>
<thead>
<tr>
<th>Political parties with:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Greater than 30% share of the vote</td>
<td>£7,000,000</td>
</tr>
<tr>
<td>Between 20-30% share of the vote</td>
<td>£5,500,000</td>
</tr>
<tr>
<td>Between 10-20% share of the vote</td>
<td>£4,000,000</td>
</tr>
<tr>
<td>Between 5-10% share of the vote</td>
<td>£3,000,000</td>
</tr>
<tr>
<td>Less than 5% share of the vote</td>
<td>£700,000</td>
</tr>
</tbody>
</table>

For more information see:
- Campaigning and registering for EU referendum campaigners
Designated lead campaign groups

If you are designated as a lead campaign group, your spending limit is £7,000,000.

Notional spending

Notional spending is the difference in value between the commercial rate for an item or service and the price you actually pay for it.

During your referendum campaign, you may find that you pay for items or activities at a lower cost than their commercial value. For example, if the supplier supports your campaign.

You must record the full commercial value of these items or activities if:

- you receive the item free of charge or at a discount of more than 10%, and
- the difference in value between the commercial value and what you pay is over £200

If you receive a discount of 10% or less, or the difference in value is £200 or less, you only need to record the amount you paid.
Valuing notional spending

If the supplier is a commercial provider, you should use the rates they charge other customers. If this information isn’t available, you should find out what similar providers charge for the same goods or services and use this as the commercial value.

You should keep a record of how you reached your valuation and keep copies of any quotes you receive.

The value you declare must be a fair and honest assessment of the commercial value.

Valuing seconded staff

If an employer seconds a member of staff to your campaign, you must record their gross salary and any additional allowances as the notional value.

You do not need to include the employer’s national insurance or pension contributions.
Managing referendum spending

Splitting spending

You may need to split your costs between items which count as referendum spending and those that don’t. You may also need to split your costs between items used before the referendum period began, and those used during it.

In all cases, you should make an honest assessment, based on facts, of the proportion of expenditure that can be fairly attributed to your referendum campaign spending.

You can find more information in our expert paper: Splitting spending.

Overlapping regulated periods

There is an overlap between the regulated period for certain elections taking place on 5 May and the referendum period. The relevant May elections are the Scottish Parliament, National Assembly for Wales and Police and Crime Commissioner elections in Wales, and the Northern Ireland Assembly. The regulated period for these elections started on 5 January and ends on 5 May 2016. The overlap with the EU referendum period and the regulated period is between 15 April and 5 May 2016.

Spending by campaigners at the EU referendum and for the May 2016 elections is regulated under separate rules. During the regulated period overlap certain rules will apply on campaigning and spending for both the referendum and the May elections. In some cases you may need to split spending between your limit in the referendum and your spending limit in the May elections.

You can find more information in our guidance: EU referendum and May 2016 elections.
Authorising and paying referendum spending

Only the ‘responsible person’ registered with us and people authorised in writing by the responsible person can incur costs relating to referendum spending.

Authorisations can relate to spending on particular items, or up to a particular amount. These rules are in place to make sure that spending can be controlled and accurately recorded and reported.

You should make sure that your volunteers and campaigners are aware of who can and cannot incur costs.

Time limits for receiving and paying invoices

Receiving invoices from suppliers
You must obtain all your invoices from suppliers by 25 July 2016.

If you do not get an invoice within 30 days, you must not pay it after that time without getting a court order to do so. You should make your suppliers aware of this.

Paying invoices from suppliers
You must pay all your invoices from suppliers by 22 August 2016.

If you do not pay an invoice within 60 days, you must get a court order to be able to do so.

By ‘incur’ we mean make a legal commitment to spend money, such as confirming an order.
Recording referendum spending

You must record all your referendum spending. You will need to send us this information in your spending return after the referendum.

You must also keep invoices or receipts for any spending over £200.

What you need to record

For each item of spending, you must record the following information to put into your spending return:

- the name and address of the supplier
- the amount or value
- the date the spending is incurred

Items given free of charge
If you receive items free of charge, as notional expenditure, you must record the full market value of the item (the notional spending).

Items given at a non-commercial discount
If you receive items at a discount of more than 10% and it is valued at more than £200, as notional expenditure, you must include the full market value of the item (the notional spending).
Reporting after the referendum

Campaign spending of £10,000 or less

If you have registered as a referendum campaigner and you spend £10,000 or less during the referendum period then you do not complete a referendum campaign expenditure return. This includes registered campaigners who did not incur any referendum spending at all. Instead of completing the return, you must make a declaration to us that your total spending was less than £10,000.

You can do this online or by completing EUR3A – declaration of spending less than £10,000.

Campaign spending of more than £10,000

If you spend more than £10,000 campaigning during the referendum period you must report your campaign spending to us in your campaign spending return.

Your spending return must include the following:

- records of your spending
- invoices and receipts for any payment over £200
- a declaration from the ‘responsible person’ to say that the return is complete and correct

You must also report donations and loans in your campaign spending return. For further information see our guidance on Donations for EU referendum campaigners and Loans for EU referendum campaigners.
Campaign spending incurred while working together
If you have worked together with another campaigner you must include the following:

- records of your spending
- invoice and receipts for any payment you made over £200
- the name of the other campaigner
- the total amount incurred by the other campaigner in the campaign

You can do your return online or by completing and returning form EUR3B - referendum campaign spending return.

If you have spent over £250,000 on your referendum campaign spending, you will also need to include a qualified auditor’s report.

Campaign reporting deadlines
The date by which you must report to us depends on how much you spent on your campaign. The deadlines are shown below.

<table>
<thead>
<tr>
<th>Is your campaign expenditure £250k or below?</th>
<th>Is your campaign expenditure over £250k?</th>
</tr>
</thead>
<tbody>
<tr>
<td>23 September 2016</td>
<td>23 December 2016</td>
</tr>
</tbody>
</table>
How we can help

You can find more information in the guidance documents we have suggested in this document, or you can view our full range of guidance and up-to-date resources on our website.

If it’s easier, you can also contact us on one of the phone numbers or email addresses below. We are here to help, so please get in touch.

Call us on:

England: 0333 103 1928
pef@electoralcommission.org.uk

Scotland: 0333 103 1928
infoscotland@electoralcommission.org.uk

Wales: 0333 103 1929
infowales@electoralcommission.org.uk

Northern Ireland: 0333 103 1928
infonorthernireland@electoralcommission.org.uk

Visit us at www.electoralcommission.org.uk

We welcome feedback on our guidance – just email us at: pef@electoralcommission.org.uk