Overview of party campaign spending

This document is for party officers and campaigners who want to know about the rules on spending in the run-up to elections

Contents:
- The types of election spending
- The regulated period
- What campaign spending is
- Managing campaign spending
- Splitting campaign spending
- Recording and reporting spending
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

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 party campaign spending

Who this document is for:
Party officers and campaigners who want to know about the rules on spending in the run-up to elections.

The document covers:
• The types of election spending
• The regulated period
• What campaign spending is
• Managing campaign spending
• Splitting and allocating campaign spending
• Recording and reporting spending

Related documents:
• Introduction to being a party treasurer

Forms and explanations:
• **RP11(GB): Campaign spending return for parties in Great Britain**
• **RP11(NI): Campaign spending return for parties in Northern Ireland**

Expert papers:
• Splitting spending
Summary

Party campaign spending at elections is regulated under the Political Parties, Elections and Referendums Act 2000 (PPERA).

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

There are spending limits and other rules about how parties spend money campaigning in the run-up to certain elections.

You need to keep track of the party’s spending because:

- you must not spend more than the limit
- you have to report what you have spent to us so that we can publish it

About our guidance

Different elections have different spending limits, and these limits can apply for different periods.

This guidance sets out:

- the general principles of the rules on party campaign spending
- how you should manage, record and report party campaign spending

Every year, we also publish specific guidance for elections happening that year.

That guidance sets out:

- the particular spending limits that apply
- the period that the limits apply for
- the reporting deadlines for those elections

You should make sure you have read both guidance documents when preparing for an election.
The types of election spending

There are two types of spending by or on behalf of parties at elections. These are:

- **Party campaign spending** on campaigning to promote the party and its policies generally.
  
  For example, national newspaper adverts for the party, or leaflets explaining party policy.
  
  It also includes spending on promoting candidates at elections where the party nominates a list of candidates for a region, instead of individual candidates for local areas.

- **Candidate spending** on campaigning to promote a particular candidate or candidates in their local area.
  
  For example, leaflets or websites that focus on one or more candidates and their views.

Different rules apply to the two types of spending.

This guidance covers party campaign spending only.

**Allocating spending between the party and the candidate**

If you are not immediately sure whether something is promoting the party or the candidate, you must make a fair and honest assessment of the facts.

This will help you decide how to allocate the item’s costs against the right spending limit.

Spending will usually fall into one category or the other. You should only divide the costs of an item between different spending limits if you are sure that it is reasonable to do so.

You should not split costs if an item is produced mainly to promote a candidate, and uses the party’s name or refers to the party’s policies purely in support of that aim.

For example, if a leaflet focuses on a candidate but includes some of the party’s key policy pledges as a way of telling voters what the candidate stands for.

If you are still not sure how you should allocate an item of spending, please call or email us for advice.

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**Overview of party campaign spending**
Who is responsible for party campaign spending?

A party’s registered treasurer is usually responsible for making sure that the party follows the rules on campaign spending. However, if a party has registered a campaigns officer, this person is responsible for campaign spending instead.

In this guidance, we use ‘you’ to refer to the person who is responsible for campaign spending – the campaigns officer if one has been appointed, or the registered treasurer if not.

You can appoint deputies to help with some of your responsibilities. You can do this using Form RP5.

The regulated period

What is the ‘regulated period’?

In the run-up to some elections, there is a set ‘regulated period’. During this period, campaign spending limits and rules apply.

Regulated periods apply at elections to:

- the European Parliament
- the UK Parliament
- the Scottish Parliament
- the National Assembly for Wales; and
- the Northern Ireland Assembly

UK general elections usually have a regulated period of 365 days, ending on the day of the election.

All the other elections have a regulated period of four months.
What is campaign spending?

Campaign spending is what the party spends on certain activities to promote itself, or criticise other parties, during the regulated period.

It also includes:

- Items or services bought before the regulated period begins, but used during it.
- Items or services given to the party free of charge or at a non-commercial discount of more than 10% (see ‘Notional spending’ on page 9).

What activities count as spending?

Activities included in campaign spending are:

- 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.
- The manifesto and other documents setting out your party’s policies.
- 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 do not need to count:

- Material sent only to your members
- Party conferences
- Local newsletters about elected representatives or prospective candidates
Which costs are included?

You must include all the costs associated with each activity. For example, if you are producing leaflets or advertising, you must include the design and distribution costs.

You must also include overheads or administrative costs which are associated with each activity. For example, this could include increased telephone bills for your office.

You must make an honest assessment on the facts of the amount you need to record.

**Important**

All costs should include VAT, even if you can recover VAT payments.

**Downloadable material**

If you put material on a 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 do not need to count people’s print costs against your spending limit, as the costs will be very low.

If the material could be printed and distributed to voters – for instance a leaflet – you will need to make it clear how you expect people to use it. If you authorise wider use of the material, the production costs may count as campaign spending whoever does the printing.

**Party election broadcasts**

If you are entitled to party election broadcasts, you must include the production costs as campaign spending. You do not need to include the value of the airtime.

**Splitting expenses**

You may need to split your spending in some cases. For example, between activities that count as campaign spending and those that don’t, or between the party’s spending and an individual candidate’s campaign. You can find out more on page 11.

At some elections, you may need to split spending between different parts of Great Britain. You can find out more on page 12.
What doesn't count as spending?

- Permanent, fixed term or temporary staff costs where the staff member has a direct employment contract with the party
- Volunteer time
- Office running costs, except costs that are higher than usual because of campaigning, such as telephone bills
- People’s travel, food and accommodation costs while they campaign, unless you reimburse them
- Expenses met out of public funds. For example, security costs for VIP visits
- Anything which a candidate declares on their spending return

Volunteer time

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.

They will be a volunteer if:

- Their employer is not paying them for the time they spend on your campaign, or
- They are using their annual leave, or
- Where they are self-employed, you won’t benefit from any professional insurances they hold

If they use specialist equipment or materials, you should consider whether their use is notional spending, using the principles in the next section.
Notional spending

Notional spending is the difference in value between the commercial rate for an item or service and the price you pay. You may find that you pay for items or activities at a lower cost than their commercial value. For example, because the supplier supports your campaign. However, you must record the full commercial value of these items or activities if:

- You receive the item free of charge or at a non-commercial discount of more than 10%, and
- The difference in value between the commercial rate 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.

If you are not sure how to value something, please call or email us for advice.

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 campaign spending

Authorising and paying campaign spending

Only the ‘responsible person’ registered with us and people authorised in writing by the responsible person can incur campaign spending.

For example, someone may be authorised to spend money 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 know 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 within 30 days of the election.

If you do not get an invoice within 30 days, you must not pay it 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 within 60 days of the election.

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

Why you may need to split spending

You may need to split your costs between activities and materials that count as campaign spending and those that don’t.

Here are two common examples of where you need to split spending:

- If you use your office as a base for telephone canvassing, you will need to split the phone bill between canvassing calls, and calls made for non-campaign purposes.

- If you use design work for campaigning before the regulated period begins, and continue to use it after it has begun, you will need to split the design costs between the two periods.

You may also need to split your costs between the party and a candidate in a particular area.

For example, you might hire a car for a staff member who spends some of their time working on the party’s regional campaign, and the rest working for a candidate in a particular constituency.

The honest assessment principle

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

Sometimes, it may be difficult to make an exact split. For example, your telephone bill may only provide a breakdown of the cost of calls over a certain value.

In these cases, you should consider the best way of making an honest assessment on the information you have. For example, you could compare the bill with one that does not cover a regulated period.

If you are still not sure, call or email us for advice.
Allocating spending across Great Britain

At some elections, there are different spending limits for different parts of the UK (England, Scotland and Wales and Northern Ireland).

This means that you must allocate spending between the parts, to make sure that you stay within the limit for each part.

If your party is registered in Northern Ireland, all your spending must be allocated to Northern Ireland.

If your party is registered in Great Britain, you must allocate your spending between England, Scotland and Wales.

Items used in each part of Great Britain must be counted towards the spending limit for that part.

For example:

If you distributed 10,000 leaflets in England and 10,000 leaflets in Wales, you would need to allocate half the cost to campaign spending in England and half to Wales.

Minor overlaps

In some cases your spending in one part of Great Britain may have a minor effect in another part.

You should allocate spending to the part of Great Britain that your spending was aimed at.

For example:

If you advertised in a Welsh newspaper it may also be distributed to part of a bordering county in England. In this case you would allocate all spending to Wales.
Spending that relates equally to parts of Great Britain

Some types of spending may relate equally to different parts of Great Britain. Examples include websites, or advertising in a newspaper distributed across Great Britain.

In these cases, you must divide the cost between the parts of Great Britain, in proportion to the number of UK Parliamentary seats in each.

The total number of UK Parliamentary seats in Great Britain is 632, They are distributed as follows:

England: 533  
Scotland: 59  
Wales: 40

So you need to make this calculation:

(Number of seats in part of Great Britain ÷ 632) x cost

For example:

Your party sets up a website for its UK-wide campaign. It costs £12,500.

You need to make these calculations:

**England**

\[
\frac{533}{632} \times 12,500 = 10,541.93
\]

**Scotland**

\[
\frac{59}{632} \times 12,500 = 1,166.93
\]

**Wales**

\[
\frac{40}{632} \times 12,500 = 791.14
\]

**Total**

\[
12,500.00
\]
Recording campaign spending

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

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

What you need to record

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

- What the spending was for – for example, leaflets or advertising
- The name and address of the supplier
- The amount or value
- The date that you spent the money

Items given free of charge

If you receive items free of charge you must record the full market value of the item (the notional spending).

You can find out how to do this on page 9.

Items given at a non-commercial discount

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

Important

All costs must include VAT, even if you can recover VAT payments.

If an item has a value of more than £500, and it is given free of charge or at a non-commercial discount, it may also be a donation.

For more information see this document:

- Overview of donations to political parties
Reporting after the election

You must report your campaign spending to us after the election.

Your spending return must include the following:

- Details 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.

We produce forms you can use for this – Form RP11(Great Britain) or Form RP11(Northern Ireland).

They cover all the information you must include.

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.

If your campaign expenditure is over £250k you’ll also need to include an independent auditor’s certificate.

For more information see this document:

- Auditor’s report template

You may be liable for a penalty if you don’t submit your return on time.

It is a criminal offence to make a false declaration knowingly or recklessly.
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**: 020 7271 0616
  pef@electoralcommission.org.uk
- **Scotland**: 0131 225 0200
  infoscotland@electoralcommission.org.uk
- **Wales**: 029 2034 6800
  infowales@electoralcommission.org.uk
- **Northern Ireland**: 028 9089 4020
  infonorthernireland@electoralcommission.org.uk

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