

# Candidate spending limit review

2015 UK Parliamentary general elections and local  
government elections in England and Wales

Final recommendations

March 2014

## Our role

1.1 The Electoral Commission is an independent body which reports directly to the UK Parliament. We regulate political party and election finance and set standards for well-run elections. We also have a statutory responsibility to keep the electoral system under review and report to the Government on any changes we feel may be necessary.

1.2 We are committed to the UK's strong tradition of free elections and we work to protect and promote democracy. We put voters first by working to support a healthy democracy, where elections and referendums are run on the basis of our principles of:

- **Trust:** people should be able to **trust** the way our elections and our political finance system work.
- **Participation:** it should be straightforward for people to participate in our elections and our political finance system, whether voting or campaigning and people should be confident that their vote counts.
- **No undue influence:** there should be no undue influence in the way our elections and political finance system work.

# Contents

<b>Purpose of this document .....</b>	<b>1</b>
<b>Overview of the consultation .....</b>	<b>2</b>
<b>Summary of consultation submissions.....</b>	<b>3</b>
<b>Our final recommendations to the UK Government .....</b>	<b>6</b>

# Purpose of this document

1.3 The Secretary of State has the power to amend the spending limits for candidates at UK Parliamentary general elections (UKPGEs)<sup>1</sup> and local government elections in England and Wales (LGEWs) either to take into account changes in the value of money, or to give effect to a recommendation from us, The Electoral Commission<sup>2</sup>.

1.4 The last time changes were made to the candidate spending limits for UKPGEs and LGEWs was 2005. These changes were made in response to a recommendation from us.

1.5 In September and early October 2013 we informed the Westminster Parliamentary Parties Panel and the Panels for Northern Ireland, Scotland and Wales<sup>3</sup> that we were undertaking a review of the candidate spending limits in advance of the next UKPGE and LGEWs in 2015, and that they would be consulted on any draft recommendations for change over the coming months. Political parties, independent candidates and those with an interest in these draft recommendations were then invited respond to these draft recommendations by Wednesday 18 December 2013.

1.6 This report provides an overview of the consultation, a summary of the submissions we received and our responses to them, and our final recommendations to the UK Government. We understand that the UK Government has sufficient time to consider these recommendations and bring forward any legislation in response to them in good time for the 2015 UKPGE and LGEWs.

1.7 Note this document does not consider the spending limit for political parties or non-party campaigners. The spending limits for political parties were subject to discussion in the Committee on Standards in Public Life's (CSPL's) 2011 review of party funding. We anticipate political party spending limits will be considered as part of any further debate between parties as to the future of the current system of controls.

1.8 The spending limits for non-party campaigners have recently been debated by Parliament during the passage of the Transparency of Lobbying, Non-Party Campaigning and Trade Union Administration Act. This Act has reduced the spending limits for general non-party campaigning regulated by the Political Parties and Referendums Act 2000 (PPERA). It has also increased the spending limit for local non-party campaigns at UKPGEs – campaigns for or against individual candidates that are regulated by the Representation of the People Act 1983 (RPA 1983) – by 40% from £500 to £700.

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<sup>1</sup> This power also extends to UK Parliamentary by-elections

<sup>2</sup> Section 76A, Representation of the People Act 1983 (RPA 1983)

<sup>3</sup> These panels provide us with information about matters affecting political parties. More information on them can be found on our website at the following location

<http://www.electoralcommission.org.uk/our-work/who-we-are/governance-and-decision-making>

# Overview of the consultation

1.9 In our consultation, we proposed increases to the candidate spending limits at UKPGEs and LGEWs. These recommendations took into account the significant rise in the cost of postage since 2005<sup>4</sup>, the lengthening of the election timetable at UKPGEs from 17 to 25 working days, historical data on candidate spending and other legislative changes that will reduce the amount people can spend before they become a candidate at UKPGEs.

1.10 The effect of these recommendations would be equal to around a 4% rise in the total amount candidates can spend at UKPGEs and a 6% increase in the limits at LGEWs. More details on the current limits and our analysis can be found in our [consultation document](#)<sup>5</sup>.

1.11 Our final recommendations to the UK Government can be found on page 6 of this document.

## **Candidates' personal expenses at local government elections**

1.12 During the process of our consultation, the Transparency of Lobbying, Non-Party Campaigning and Trade Union Administration Act was passed. The Act will stop candidates' personal expenses from counting against their spending limits at LGEWs. Personal expenses include a candidate's own reasonable travel and accommodation costs. We understand from the UK Government that this change will be commenced for the 2015 LGEWs.

1.13 Candidates' personal expenses do not count against the limit at UKGPEs and most other elections. In our recent review of the rules for party and election finance we recommended that they should no longer count against the limit at local government elections<sup>6</sup>. This legislative change only applies to reasonable levels of expenditure on items that are personal to candidates at LGEWs. Generally, personal expenses should not constitute a significant amount of money at these elections, so this legislative change does not affect the conclusions of our review.

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<sup>4</sup> As of November 2013

<sup>5</sup> The Electoral Commission, *Candidate spending limit review: 2015 UK Parliamentary general election and local government elections in England and Wales, Draft recommendations for consultation* (November, 2013)

[http://www.electoralcommission.org.uk/\\_data/assets/pdf\\_file/0009/163485/2013-Candidate-spending-limit-review-UKPGE-and-LGEW-Report.pdf](http://www.electoralcommission.org.uk/_data/assets/pdf_file/0009/163485/2013-Candidate-spending-limit-review-UKPGE-and-LGEW-Report.pdf)

<sup>6</sup> The Electoral Commission, *A regulatory review of the UK's party and election finance laws: Recommendations for change* (June, 2013) Recommendation 38 pp.70-71

[http://www.electoralcommission.org.uk/\\_data/assets/pdf\\_file/0008/157499/PEF-Regulatory-Review-2013.pdf](http://www.electoralcommission.org.uk/_data/assets/pdf_file/0008/157499/PEF-Regulatory-Review-2013.pdf)

# Summary of consultation submissions

1.14 As of 19 March we have received a total of 9 responses to our consultation. The respondents to the consultation are listed below.

- Alliance Party
- Conservative Party
- Democratic Unionist Party (D.U.P)
- Labour Party
- Liberal Democrats
- Plaid Cymru
- Social Democratic and Labour Party (SDLP)
- Scottish Green Party
- Ulster Unionist Party (U.U.P)

1.15 None of the respondents opposed our proposals to increase the spending limits for either UKPGEs or LGEWs.

1.16 The Alliance Party, D.U.P, Labour Party, Liberal Democrats, SDLP, Scottish Green Party, Plaid Cymru and U.U.P all accepted our proposals to increase the UKPGE spending limits. The SDLP also noted that election spending should not be allowed to become “excessive”.

1.17 The Conservative Party observed that, in their view, new developments in campaigning technology are not making politics cheaper for candidates. It proposed a net increase to the candidate spending limits at UKPGEs – across both the long and short campaigns – in excess of the levels we are recommending.

1.18 As outlined in our consultation document<sup>7</sup>, the spending limit for candidates at UKPGEs is made up of a set **base amount**, plus an additional multiplier-based top-up (the “**variable top-up**”) that takes into account the number of registered electors in the relevant electoral area. The Conservative Party’s proposals uprated the base amount and variable top-ups using past and expected changes to the cost of living between 2005 and 2015. To do this they used a general measure of inflation (CPI).

1.19 They recommended that the long campaign **base amount** should be increase from £25,000 to £28,780, and the **variable top-ups** should be increased from

- 5p to 6p per Parliamentary voter in a borough/burgh constituency, and
- 7p to 8p per Parliamentary voter in a county constituency

For the short campaign, they recommended that the **base amount** should be increased from £7,150 to £9,422, and the **variable top-ups** should be increased from

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<sup>7</sup> The Electoral Commission, *Candidate spending limit review: Draft recommendations for consultation* (November, 2013) pp.5-6

- 5p to 7p per Parliamentary voter in a borough/burgh constituency, and
- 7p to 9p per Parliamentary voter in a county constituency

1.20 Respondents in England and Wales were either supportive of our recommendations to increase the spending limits for LGEWs or did not comment on our proposals.

## Our final recommendations

1.21 As set out in our consultation document<sup>8</sup>, we think that the level of the candidate spending limits should:

- allow candidates to communicate with voters, so the electorate is engaged and able to **participate** meaningfully in the process;
- deter excessive spending, to prevent the perception of **undue influence** over the outcome of the election; and
- not be set so low as to detrimentally constrain reasonable levels of expenditure, which could impact on **trust** in the system.

1.22 We are pleased to see there is broad consensus on our draft recommendations, which reflect these principles. We have carefully considered the alternative proposal for making greater increases to the candidate spending limit at UKPGEs. However, we do not think the case has been made for increasing these spending limits beyond our draft recommendations. Our recommendations are evidenced by an analysis of what candidates actually spend at UKPGEs and LGEWs, and price changes for these items since 2005. This is a more specific measure of changes to the cost of campaigning than a general measure of inflation, such as CPI.

1.23 Overall, we think our recommendations for UKPGEs strike the right balance between the three principles above. We have proposed a pro rata increase to the short campaign spending limit to take into account the longer election timetable introduced by the Electoral Registration and Administration Act 2013. We have also proposed increases that will take into account the rise in to the cost of postage since 2005. These changes will help ensure candidates are able to communicate effectively with voters, so the electorate is engaged and able to participate meaningfully in the process.

1.24 The combination of the longer short campaign and having a fixed polling day under the Fixed Term Parliaments Act 2011 will mean that the long campaign spending limit is likely to be reduced by 10% at the 2015 UKPGE. Our analysis of past spending shows that only a few candidates spend near the current long campaign spending limit. Therefore, we think that this decrease will not detrimentally constrain reasonable levels of expenditure during the long campaign or affect trust in the system.

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<sup>8</sup> The Electoral Commission, *Candidate spending limit review: Draft recommendations for consultation* (November, 2013) p.9

1.25 As a package, our recommendations imply a 4% average net increase to the combined candidate spending limits at UKPGEs. This increase should help ensure that candidates can continue to undertake the same level of campaigning as at previous UKPGEs.

1.26 Considering this, we have not made any changes to the draft recommendations outlined in our consultation paper. Therefore, we recommend to the Secretary of State that the candidate spending limits for UKPGEs and LGEWs be amended to give effect to the recommendations on page 6.

# Our final recommendations to the UK Government

## Recommendation 1

To take into account the lengthening of the election timetable from 17 to 25 working days and the increased cost of postage, the UK Government should make the following changes to the UK Parliamentary general election spending limits for the period between the dissolution of Parliament and polling day (the 'short' campaign):

**We recommend changes that would imply a 4% average net increase to the combined candidate spending limits at UKPGEs.**

The current **base amount** of £7,150 for the short campaign spending limit should be increased by 47%. Rounding this figure up to the nearest £50 would provide a new base amount of £10,550.

The **variable top-ups** for the short campaign spending limit should be increased by 24% (rounded to the nearest pence) from:

- 5p per voter to 6p per voter in Borough/Burgh constituencies
- 7p per voter to 9p per voter in County constituencies

Changes to the election timetable caused by the introduction of fixed term Parliaments will reduce the pre-candidacy ('long' campaign) spending limit by 10%<sup>9</sup>. Taking into account the low level of spending during this period in 2010, we think this reduction is appropriate and will not restrict candidate's ability to communicate with voters.

Our proposed changes would increase the average short campaign spending limit from £11,550 to £16,050<sup>10</sup>. With the amended election timetable and the resulting reduction in the long spending limit by 10%, the average long campaign spending limit will reduce from an average of £29,350 to £26,450. This means the average net increase to the combined spending limits at UKPGEs will be £1,600 or a 4% increase.

## Recommendation 2

As with the **variable top-up** for UKPGEs, the UK Government should increase the variable top-up for local government elections in England and Wales (LGEWs) by 24% to take into account the increase in the cost of postage. Rounding this increase to the nearest pence would change the variable top-up from 5p to 6p.

We do not recommend any increase to the **base amount** for LGEWs.

The change to the variable top-up would increase the average spending limit from £850 to £900 – a 6% increase<sup>11</sup>

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<sup>9</sup> These limits are tapered depending on when the dissolution of Parliament takes place and the short campaign begins.

<sup>10</sup> Figures are based on the December 2012 UK Parliamentary electorates: ONS website, *Electoral statistics for UK – 2012*, <http://www.ons.gov.uk/ons/rel/pop-estimate/electoral-statistics-for-uk/2012/stb---2012-electoral-statistics.html>

<sup>11</sup> This is based on summer 2013 ward-level local government electorates collected by us as part of our confirmation dry run for the introduction of individual electoral registration in England, Scotland and Wales