

Expert Paper

# Splitting campaign spending

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This document is for political parties, non-party campaigners and referendum campaigners who are familiar with the rules on campaign spending, and want to know more details on how to split costs.

## Translations and other formats

For information on obtaining this publication in another language or in a large-print or Braille version please contact the Electoral Commission:

Tel: 020 7271 0500

Email: [publications@electoralcommission.org.uk](mailto: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

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

<http://www.electoralcommission.org.uk/party-finance/enforcement>

# Splitting campaign spending

## Who this document is for:

Political parties, non-party campaigners, and referendum campaigners who want to know how to split campaign spending in the run-up to elections and referendums. This document does **not** cover candidate spending at an election.

## The document covers:

- The basics of splitting spending
- The guiding principle
- The principle in practice

## Related documents:

[Campaign spending guidance](#)

[Referendum guidance](#)

# Summary

This document is for parties, non-party campaigners and referendum campaigners who must comply with the rules on spending.

Under the Political Parties, Elections and Referendums Act 2000 (PPERA) campaign spending in the run-up to some elections and referendums is controlled and regulated by us, the Electoral Commission.

## Introduction

Under the PPERA there are spending limits and other rules about how parties, non-party campaigners and referendum campaigners spend money campaigning in the run-up to certain elections and referendums

You may need to split the costs of some items of spending, so that you can record and report the value spent on your campaign correctly.

### How to use this guidance

You should have a good understanding of the principles of campaign spending before reading this guidance. You can read our guidance on campaign spending on [our website](#).

This guidance document will take you through the guiding principle of splitting spending, and give you some examples of how to apply it.

**If you are unsure about a particular situation that you are involved in, please call us for advice.**

# The basics and the guiding principle

The following pages will take you through the basic rules and the guiding principle you must follow.

## What is campaign spending?

Campaign spending is what you spend on certain activities to promote your candidacy, party or referendum outcome, or criticise others, during the regulated period at certain elections.

Campaign spending also includes:

- items or services bought before the regulated period begins, but used during it
- items or services given free of charge or at a non-commercial discount of more than 10%

When campaign spending is regulated, it must be correctly recorded and reported to us, the Electoral Commission.

You can find more on what counts as campaign spending in our guidance at [www.electoralcommission.org.uk/guidance](http://www.electoralcommission.org.uk/guidance)

Most elections have a regulated period of four months. For further information see our [overview of party campaign spending guidance](#)

## What is the “regulated period”?

In the run-up to certain elections and referendums, there is a “regulated period” or “referendum period” during which campaign spending limits and rules apply.

For example, UK Parliamentary general elections usually have a regulated period of 365 days, ending on the day of the election. All the other elections at which campaign spending rules apply usually have a regulated period of four months. For more information on combined regulated periods please see our guidance [here](#).

# When do you need to split spending?

You may need to split the cost of items and services:

- between items used before the regulated or referendum period begins, and items used during the period
- between different types of elections
- between activities which count as campaign spending and those that don't
- between the party's campaign and the campaigns of the party candidates
- between the different parts of Great Britain

If you are also campaigning at a referendum as well as at elections you may need to split spending between your referendum campaign and your election campaign.

You can find more on what counts as referendum spending in our guidance at [www.electoralcommission.org.uk/guidance](http://www.electoralcommission.org.uk/guidance)

You may need to report campaign spending at other elections such as the Police and Crime Commissioner elections if the spending overlaps with the regulated period of an election which has national party controls.



## The guiding principle

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

You should apply the guiding principle to all situations where you need to split campaign spending.

This will be straightforward for many items. However, for some it will be more complicated. The examples in the next section should help you understand how you should approach your assessment.

On your spending return, you must make a declaration that the return is complete and correct to the best of your knowledge and belief.

It is an offence to make a false declaration knowingly or recklessly.

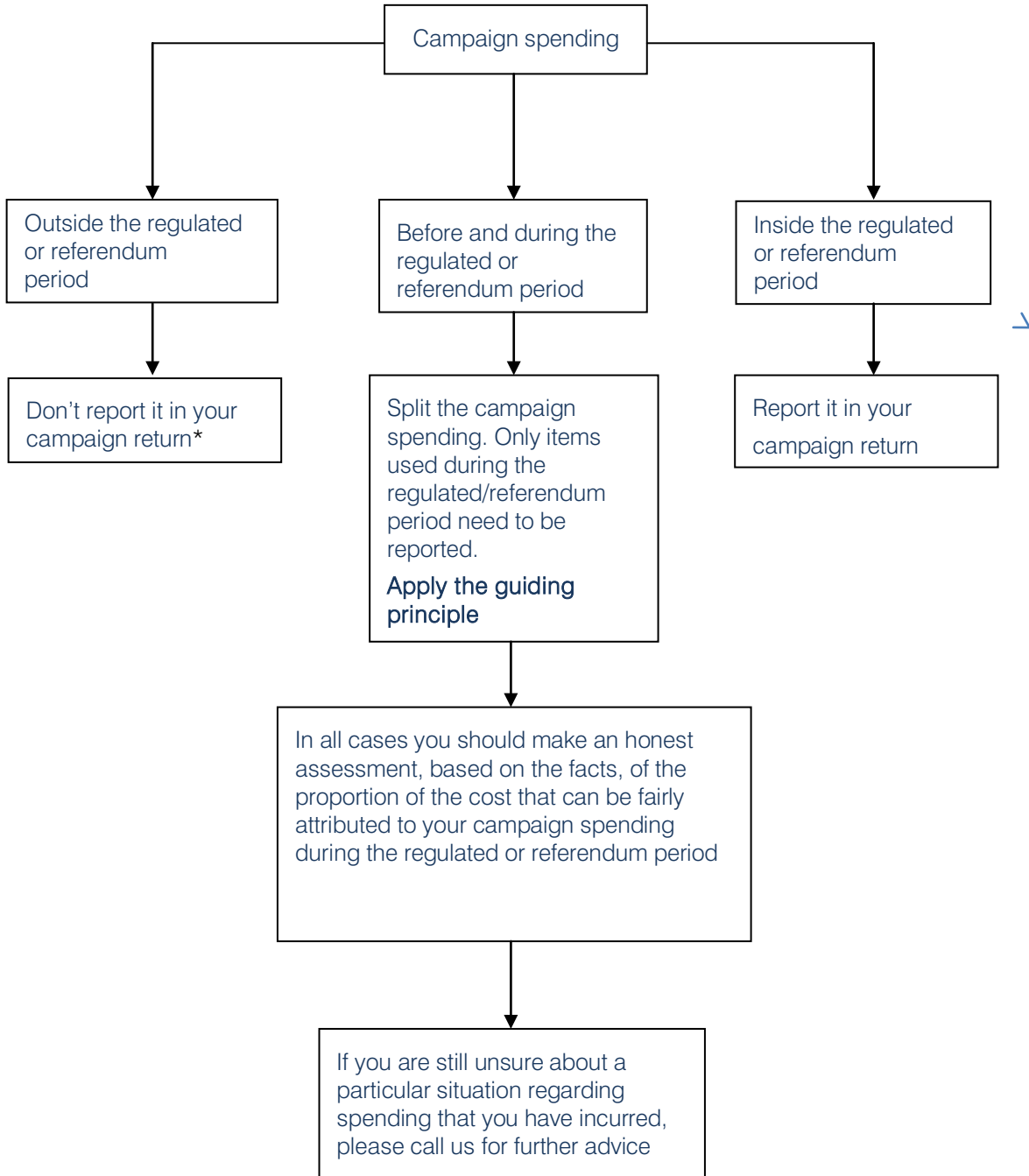
## Recording and reporting

You must record all your campaign spending. You may need to send us this information in your spending return after the election and you can find guidance about particular elections [here](#).

There are different reporting deadlines depending on the amount you have spent and the election or referendum you have campaigned in. For further guidance see <http://www.electoralcommission.org.uk/guidance/resources-for-those-we-regulate>

# Splitting spending in practice

The following pages will take you through the guiding principle in practice, using common types of spending as examples.



\*Donations and loans **must** be reported to us in the usual way

## Applying the guiding principle

The examples below set out how the guiding principle applies in certain circumstances.

They are intended to help you consider how you can apply the principle to your own spending. They are not exhaustive. In each case, you must consider the particular facts in order to reach an honest assessment of how to split the spending fairly.

If you're not sure how to split certain costs, you can call or email us for advice. We are happy to talk through how you propose to assess the costs in particular cases.

You should also keep a record of how you made your assessment, in case of any later queries.

## Items used before and during the regulated or referendum period

Only items used during the regulated or referendum period count towards your spending limit.

This means that you may need to split the cost of items that are used both before and during the regulated period. Please see the annex at the end of this document for the regulated periods for all relevant elections.

### Example 1: leaflets

You print some leaflets. Half of them (50%) are delivered to households before the regulated period begins, and the other half (50%) are delivered during the regulated period.

Only the leaflets delivered within the regulated period are counted as party campaign spending.

So, to find out the cost you need to record, you should split the total cost of the leaflets 50/50.

You must report any unused leaflets that are subsequently used at future elections as campaign expenditure at that future election.

## Example 2: design work

You commission design work, for a campaign logo for your party that you decide to use continuously from before the start of the regulated period until polling day. You use it on your website, other social media and on all your campaign material.

You should split the cost of the design equally across the entire time that you use it in this way.

If the design work cost £15,000, and you use it over a 5 month period, the cost per month is 5 months / £15,000 = £3,000 a month.

If the regulated period covers the final 4 months, then:

Regulated period (months) x cost/month = cost for regulated period

4 x £3,000 = £12,000 to record as party campaign spending

## Allocating campaign spending

Below are some examples of how to allocate campaign spending. You may find these useful if you campaign on several issues or at different elections at the same time. Or, if the party and its candidates both campaign in the run-up to elections.

### Allocating campaign spending across the UK

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

This means that you must split spending between the parts, and make sure that you stay within the spending limit for each part of the UK.

If your party is registered in Northern Ireland only, this – example is not applicable.

## Example 1: expenditure incurred at Scottish and Welsh elections

The Imaginary Party is a party registered in GB contesting local and national elections in Scotland and Wales. In a particular year it will be fielding candidates at the Scottish and Welsh local government elections, and at elections to the Scottish Parliament and National Assembly for Wales.

During the four month regulated period for the Scottish and Welsh elections the party incurs expenditure running the following campaigns:

Campaigning activity	Cost £
A campaign across the whole of Britain promoting the party's national policies costing	450,000
A campaign in Scotland for the Scottish Parliamentary elections focusing specifically on the party's Scottish policies	700,000
A campaign in Wales for the Welsh Assembly elections focusing specifically on the party's Welsh policies	250,000
Several local level campaigns in Scotland and Wales to promote the party at the Scottish and Welsh local elections	75,000 in Scotland and 45,000 in Wales

### What does the Imaginary Party need to report?

The party must report campaign expenditure for the Scottish and Welsh local elections because these elections overlap with the regulated period for the Scottish Parliamentary and National Assembly for Wales elections. The Imaginary Party should submit separate Scottish and Welsh campaign expenditure returns.

## How do you split spending between Scotland and Wales?

### Spending in Scotland

The Scottish return must include spending on the proportion of the GB-wide campaign that related to Scotland, the Scottish Parliamentary elections, and the Scottish local elections.

The total amount to be reported by the Imaginary Party is:

Campaigning activity	Cost £
Share of the GB-wide campaign	42,009
Scottish Parliamentary campaign	700,000
Scottish local government campaign	75,000
<b>Total</b>	<b>817,009</b>

The amount is calculated as follows:

### Share of the GB-wide campaign

The party must split the cost by using a calculation based on the proportion of the cost of the British wide campaign. This is determined by using the ratio of the number of UK Parliamentary seats in Scotland to the total number of seats in the UK Parliament. Here is how the party must calculate the ratio:

The UK Parliament seats are currently distributed as follows:

England:	533
Scotland:	59
Wales:	40
<b>Total:</b>	<b>632</b>

Northern Ireland has 18 Parliamentary seats so you will need to divide your total spend by 650 rather than 632 if your spending covers the whole of the UK

For the Scottish local elections the party candidates must submit their expenses returns separately after the election

The party should make this calculation:

Campaigning activity	Cost £
Scotland (59 / 632) x £450,000	42,009
Scottish Parliamentary campaign	700,000
Scottish local government campaign	75,000
<b>Total</b>	<b>817,009</b>

## Spending in Wales

The Welsh return must include spending on the proportion of the GB-wide campaign that related to Wales, the Welsh National Assembly elections, and the Welsh local elections.

The total amount to be reported by the Imaginary Party is:

Campaigning activity	Cost £
Share of the GB-wide campaign	28,481
Welsh National Assembly campaign	250,000
Welsh local government campaign	45,000
<b>Total</b>	<b>323,481</b>

The amount is calculated as follows:

### Share of the GB-wide campaign

As with Scotland above, the Imaginary Party should make a calculation based on the proportion of the cost of the British wide campaign. This is determined by using the ratio of the number of Parliamentary seats in Wales relative to the total UK Parliamentary seats. (See page 13 for the total number of UK Parliamentary seats in Great Britain).



The party should make this calculation:

Campaigning activity	Cost £
Wales (40 / 632) x £450,000	28,481
Welsh National Assembly campaign	250,000
Welsh local government campaign	45,000
<b>Total</b>	<b>323,481</b>

## Example 2: splitting spending between the party and the candidate

The Imaginary Party produces a printed leaflet that includes information on the party and the candidate. The party must determine how much of the cost of the leaflet should be attributed to the party, rather than the candidate. The invoices for producing material need to be included in both the candidate's and the party's returns.

For guidance on candidate spending, see our guidance page for [candidates and agents](#)

Spending will usually fall into one category or the other. The party should only split the cost of an item between the party and the candidate if it is reasonable to do so. The party 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.

The Imaginary Party is funding candidates at elections held at the same time - the UK Parliamentary general election and a regional list candidate at the Welsh Assembly election. In this case the party must split the cost of promoting the candidates between the election types. The party must also make an honest assessment as to the expenses attributed to each candidate if they all share the same leaflet.

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

### For example:

The party hires office space to co-ordinate the party campaign for both elections. The party pays £1,200 for a three-month lease on the property. The local party candidate who does not have a campaign HQ also uses the office for the purposes of his campaign.

The party uses the office for the whole three-month period whilst the candidate only uses the office for one month. Therefore, the proportion of expenditure allocated to the party's campaign spending should be split and £1,000 should be allocated to the party spend and £200 to the candidate spend (based on £400 pcm rent).

The party and the candidate will need to split the total cost of the office space as follows:

Office space for 3 months @ £1,200/3 = £400pcm

Party	Cost £
Month 1	400
Month 2	400
Month 3	400/2 =200
<b>Total expenditure</b>	<b>1,000</b>

Candidate	Cost £
Month 1	0
Month 2	0
Month 3	400/2 =200
<b>Total expenditure</b>	<b>200</b>

Parties and candidates may use shared facilities during the course of an election campaign. Where this is the case, both the party and the candidate will need to include in their expenditure returns an accurate proportion of the expenditure incurred on these facilities.

The Imaginary Party also produces a 6 page leaflet. One page is dedicated to promoting the party's UK Parliamentary election candidate, two pages dedicated to promoting the party's regional list candidate for Wales and three pages to promoting the party's key policy pledges as a way of telling voters what the party stands for. The leaflet costs £8,000 to produce and distribute.

The party will need to split the total cost of the leaflet as follows

#### UK Parliamentary candidate

(1 page of 6)	x	£8,000	=	£1,333.33
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#### Regional list candidate for Wales

(2 pages of 6)	x	£8,000	=	£2,666.67
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#### Party

(3 pages of 6)	x	£8,000	=	£4,000
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<b>Total</b>				<b>£8,000</b>
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The party's campaign spending is separate to the spending for promoting a particular candidate in their constituency and must be reported separately.

### Example 3: Overlapping regulated periods

The Imaginary Party is campaigning in England at both the European Parliamentary elections on 5 June 2014 and the UK Parliamentary general election on 7 May 2015. The regulated periods for both elections overlaps.

The result of this is an extension of the regulated period for the UK Parliamentary general election. In this situation the regulated period for the general election will begin on 6 February 2014 and it will not end until the date of the general election on 5 May 2015.

The regulated period for the European Parliamentary election is four months prior to the date of the poll and the regulated period for a UK Parliamentary general election is 365 days prior to the date of the poll.

From 16 February 2014 to 3 May 2015, the party spends a total of £2,400,000 campaigning in England for the European Parliamentary and UK Parliamentary general elections.

The party spends £500,000 on an England wide campaign promoting their candidates at the European Parliamentary election and £1,900,000 promoting their candidates at the UK Parliamentary general election.

In the European Parliamentary election, parties can spend up to £45,000 multiplied by the number of MEPs to be returned in a region.

In the UK Parliamentary general election parties can spend up to £30,000 per constituency or, if greater, a fixed amount of £810,000 in England. (See page 13 for the total number of UK Parliamentary seats in Great Britain).

The party will need to make the following calculations to find out the spending limits for each election and their total combined spending limit:

### European Parliamentary election

England (9 regions) = 59 MEPs x £45,000 = £2,655,000  
(maximum spending limit)

### UK Parliamentary general election

England (533 constituencies) x £30,000 = £15,990,000  
(maximum spending limit)

### Combined spending limit

£2,655,000 + £15,990,000 = £18,645,000

The party spent a total of £2,400,000 campaigning at the European Parliamentary and UK Parliamentary general elections. The combined spending limit for both elections is £18,645,000.

The party should submit the following campaign expenditure returns after each election:

We have further detailed information about combined regulated periods and spending limits for elections in 2014 and 2015 here:

<http://www.electoralcommission.org.uk/guidance/resources-for-those-we-regulate>

The combined limit is the sum of the separate election limits for the European Parliamentary and UK Parliamentary general elections.

Parties registered in Great Britain should use form [RP11GB](#) to report expenditure during the European Parliamentary election and form [RP11CGB](#) to report the combined expenditure after the UK Parliamentary general election.

### European Parliamentary election

A campaign expenditure return totalling their spending of £500,000.

### UK Parliamentary general election

A campaign expenditure return totalling their spending of £1,900,000.

The campaign expenditure return for the UK Parliamentary general election should also provide a summary of what was previously reported for the European Parliamentary election (£500,000) because the party must stay within the combined expenditure limit for the two elections (£18,645,000).

## Referendum spending and other activities

Below are some examples of where you will need to split costs between referendum spending and other activities.

You may find these useful if you campaign on several issues and not just on the referendum question. Or, if you are a political party, you may cover election issues as well, or referendum material may form part of a general mailing to members.

### Material covering the referendum and other matters

If you produce material (such as a printed leaflet) that includes information on other issues as well as the referendum, you will need to split the cost of the material.

#### For example:

If the item is a leaflet, you should base your assessment on the proportion of the leaflet which covers the referendum.

You must include all related costs, such as design, printing and distribution.

Mailings to members of a political party are not counted as election campaign spending. However, mailings to members that promote a referendum outcome do count towards referendum spending

## Activities relating to the referendum and other matters

If your referendum campaign is run alongside other activities, you will need to split relevant costs between them.

This could include:

- Telephone bills
- Website maintenance and promotion
- Staff time (where you do not directly employ the member of staff)

Staff who are directly employed by you do not count as campaign spending.

### Example 1: telephone bills

You use your existing telephone lines to run your voter identification operation for the referendum campaign. You will need to calculate how much of the bill should count towards your party campaign spending.

First, you should identify which calls you need to count. To do this, you should obtain an itemised bill from your provider – you may need to ask for this in advance if you do not usually receive one.

Next, you should apportion some of the line rental costs to count as referendum spending. You should work out the proportion of the total calls made that relate to referendum spending. You should then apply the same proportion to the line rental.

#### So, for example:

Your bill for calls is £300. You work out that £200 of this relates to voter identification work.

Your line rental for the same period is £30.

£200 is two-thirds of the total bill for calls of £300. So you should count two-thirds of your line rental cost towards referendum spending. This will be £20.

You record a total of £220 as referendum spending.

## Example 2: staff costs

A member of staff is seconded to work for you by their employer. They spend part of their time writing referendum leaflets, and part of their time on non-campaign related work.

To find the amount you should record as referendum spending, you will need to multiply the time spent on writing the material by their hourly rate.

To find this rate, you will need their employer to confirm their gross annual salary, (i.e. before pension, tax and National Insurance contributions are deducted).

The following calculation will then give you an hourly rate:

Annual salary / 52 = weekly salary

Weekly salary / contractual hours per week = hourly rate

To help you plan your spending, you and the staff member should agree a reasonable estimate of the time they are likely to spend on the referendum work, and that they will update you if they spend a significantly longer time engaged in campaign work.

You should also keep regular records – for example, weekly or fortnightly – of the time actually spent by the staff member on campaign work. This will help you reach an accurate total at the end of the referendum period.

## 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](mailto:pef@electoralcommission.org.uk)
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