

GRANTS TO DESIGNATED LEAD CAMPAIGN GROUPS AT REFERENDUMS

Introduction

1. This document summarises the proposed key terms of the grants to be made available by the Electoral Commission (the Commission) to the designated lead campaign groups (if appointed) at the National Assembly for Wales (NAW) referendum to be held on 3 March 2011, and the proposed referendum on the Parliamentary voting system (PVS) to be held on 5 May 2011.
2. The Commission will publish the formal terms and conditions for the grants by the start of the application period for designation at each referendum. The terms and conditions will take precedence over this document and may vary from the terms described in it; if they do, we will advise prospective campaigners of the changes immediately.

Value of grant

3. As previously announced, the grant for each designated lead campaign group at the NAW referendum will be £70,000. The grant for each lead campaign group at the PVS referendum will be finalised on the basis of the length of the referendum period, which will begin when the Parliamentary Voting System and Constituencies Bill receives Royal Assent. The grant will be calculated as the total of a basic amount of £70,000, plus £28,000 for every week of the referendum period, up to a statutory maximum of £600,000.

Eligible spending

4. As previously announced, the grants are intended to help the designated lead campaign groups cover the costs of their campaign infrastructure, and not to pay for campaign materials. Costs may be claimed from the grant if they:
 - are incurred for the purpose of promoting the outcome in the referendum for which the campaigner is designated, and
 - relate to the costs of establishing, or operating and staffing, campaign offices.
5. Items in respect of which costs may be claimed from the grant include:
 - renting property
 - renting or purchasing office equipment
 - purchasing general office IT software, but not the cost of purchasing specialist campaign software
 - renting or purchasing IT hardware
 - internet connections
 - a telephone service and calls, but not the cost of unsolicited calls to voters
 - utilities, if not included in the rental cost of property

- purchasing general office supplies, but not the cost of purchasing supplies used to communicate with voters in relation to matters listed under Schedule 13 Part 1 of PPERA
 - spending incurred in employing staff, up to an overall cap of £17,000 in the case of the NAW referendum, and an overall cap for the PVS referendum calculated on the basis of £3,000 for each week of the referendum period.
6. Costs relating to the items listed in paragraph 5 above may be claimed from the grant as follows:
- where an item is purchased, the purchase cost may be claimed from the grant provided that:
 - the item was purchased for the purpose of the referendum campaign, and
 - items costing more than £200 will be offered free of charge to the Commission after the poll
 - where an item is rented, the amount that may be claimed from the grant will be the proportion of the total reasonable costs of the rental, (including start-up and/or termination costs where appropriate) that is attributable to the referendum period
 - the claimable costs of staff and utilities will be those costs that relate to the referendum period.
7. Eligible costs may be claimed on this basis whether they are incurred before or after the start of the referendum period.

Payment of the grant

8. We will pay 30% of the total value of the grant to each designated campaign group as soon as reasonably practicable after designation. For the NAW referendum this will be £21,000.
9. When a campaign group wishes to claim further amounts from the grant, it will need to submit a claim in a form the Commission will specify, with evidence that it has committed to eligible spending equalling the further amount being claimed. It will also need to explain how it plans to spend the 30% of the grant that will already have been paid to it.
10. For the PVS referendum, the campaign group's first claim for a further amount of grant will also need to include evidence that the campaign group has committed to eligible spending equalling at least that part of the 30% payment that exceeds £50,000. This is so that we will have evidence that a proportion of the initial payment has already been used before paying further claims. When the grant level for the PVS referendum is confirmed we will advise prospective lead campaign groups of the total amount of spending that will need to be evidenced in the first claim.

11. For the NAW referendum, the initial 30% payment is less than £50,000 and therefore the first claim, and subsequent claims, will only need to show a commitment to spend the amount being claimed.

Final claim and return of unspent monies

12. After the poll, each designated campaign group will need to:
 - return to the Commission any of the grant that has been provided to it and that has not been spent on eligible spending
 - submit a final claim with evidence that it has committed to eligible spending in respect of:
 - any further costs it wishes to claim from the grant, and
 - any grant it has received for which evidence of eligible spending has not already been provided
 - provide the Commission with a list of all items costing more than £200 of which the purchase cost has been claimed from the grant. The Commission will then notify the campaign group of the items that must be passed to the Commission, and the campaign group will have to arrange the legal and physical transfer of those items.

Audit

13. The Commission will audit the use of the grant after the poll, using its supervisory powers in respect of permitted participants. The Commission's supervisory powers are described at section 5 of the Commission's Enforcement Policy, which will be available on the Commission's website from 1 December 2010 at <http://www.electoralcommission.org.uk/>

Recovery

14. Where a designated campaign group:
 - uses grant funds to pay for things that are not eligible spending;
 - retains grant funds beyond a specified date after the poll, or
 - retains an item costing more than £200 of which the purchase cost has been paid from the grant, and that is required to be passed to the Commission

the Commission will have the right to recover the relevant money, including interest and legal costs.