

Expert Paper

Splitting spending at GLA elections

This document is for candidates and agents who are familiar with the rules on spending, and want to know more detail 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:

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Email: <u>publications@electoralcommission.org.uk</u>

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.

What happens if you don't follow the rules?

If you do not comply with the legal or regulatory requirements you may be subject to criminal sanctions. If you win the election and someone succeeds in an election petition against your campaign activities or reporting, you could be barred from holding office.

If you take donations that you can't legally accept, we may apply to the courts for them to be forfeited.

You can find more information about the Commission's regulatory role at:

http://www.electoralcommission.org.uk/our-work/roles-and-responsibilities/our-role-as-regulator-of-political-party-finances

Splitting spending

Who this document is for:

Candidates and agents at the Greater London Authority elections.

The document covers:

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

Related documents:

Spending and donations guidance for GLA elections

Summary

Candidates and agents must comply with rules on spending. This document explains the principles you should use if you need to split spending between one or more candidates, or between election spending and other activities.

Before reading this expert paper, you should have a firm understanding of the key rules.

If you don't, you should read our spending and donations guidance before reading this document.

Introduction

There are limits on how much candidates can spend on campaigning at elections to the Greater London Authority.

In order to make sure that you record and report the correct spending for each candidate, you may need to split the costs of some items of spending.

For example, a leaflet might promote both a constituency candidate and a mayoral candidate, or you may share an office with your local party.

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

You may need to split spending between the list as a whole and your party's candidates for Mayor of London, or for candidates for particular constituencies.

You do not usually need to split spending between the candidates on a party list. This is because spending on promoting the list candidates counts towards a single limit of £330,000 and is reported in a single return.

You should have a firm understanding of the principles of candidate spending at GLA elections before reading this guidance. If you haven't already done so, you should read our _ Spending and donations guidance first.

If you are unsure about a particular situation regarding spending that you are involved in, please call or email us for advice.

The basics and the guiding principle

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

What is candidate spending?

Candidate spending is money spent on certain campaign activities during regulated period.

It also includes:

- Items or services bought before the regulated period begins, but used during it.
- Items or services given to you free of charge or at a noncommercial discount.

Candidate spending must be correctly recorded and reported to the relevant returning officer.

You can find more on what counts as candidate spending in our **Spending and donations guidance**.

When do you need to split spending?

You may need to split spending:

- between items used before the regulated period begins, and items used during the period
- between activities that count as candidate spending and those that don't
- between candidates standing for different roles in the GLA such as mayoral candidates, constituency candidates and list candidates.

The guiding principle

The guiding principle is that, 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 a particular candidate's spending.

You should apply this principle to all situations where you need to split spending.

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

If you need further help, you should call or email us.

The principle in practice

The following pages will take you through how to apply the guiding principle, using common types of spending.

Applying the guiding principle

The examples below set out how you should follow the guiding principle in certain circumstances.

There are examples for splitting spending between:

- items used before and during the regulated period
- candidate spending and other activities
- different types of candidate at the GLA election

About these examples

The examples are intended to help you to consider how you can apply the principle to particular cases. They are not exhaustive. In each case, you must consider the relevant 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 should 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 period

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

So, you may need to split the cost of items that are used both before and during the regulated period.

Example: leaflets

You print some leaflets. A quarter of them (25%) are delivered before the regulated period begins, and the other three-quarters (75%) are delivered during the regulated period.

Only the leaflets delivered within the period are counted as candidate spending.

So, to find out the cost you need to record, you should split the total cost of the leaflets 25/75.

Example: design work

You commission design work, such as a campaign logo, that you decide to use continuously from before the regulated period begins right through 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 work cost £12,000, and you use it over a 12 week period, the cost per week is £1000.

If the regulated period covers the final 6 weeks, then:

6 weeks x £1000 = £6000 to record as candidate spending

Candidate spending and other activities

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

Activities relating to the election and other matters

If your election campaign is run alongside other activities that don't count as election spending, you will need to split relevant costs between them.

This could include:

- Telephone bills
- Staff time
- Website maintenance and promotion

Example: telephone bills

You use existing telephone lines at the party's office to run your voter identification operation for the election. You will need to calculate how much of the bill should count towards candidate 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 candidate spending. You should work out the proportion of the total calls made that relate to candidate 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 candidate spending. This will be £20.

You record a total of £220 as candidate spending.

Example: staff costs

A member of party staff spends part of their time writing election leaflets, and part of their time working for the local borough council group.

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

To find this rate, you will need to confirm their annual salary, 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 = 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 election work, and that they will update you if they spend significantly longer.

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

Different candidates at the GLA election

If your party is standing candidates for more than one role on the GLA, you are likely to produce materials and hold events that promote more than one candidate. If so, you will need to split spending between the different contests.

You should do so by following the guiding principle by making an honest assessment, based on the facts, of the proportion of the cost that can be fairly attributed to each candidate's spending.

If you are not acting as the agent for all the candidates, you should agree the split with any other agents concerned.

Remember – you don't need to split spending between the candidates on a party list.

Example: leaflets

You print some double-sided leaflets. The first side is taken up with photos and information about the mayoral candidate. Half of the second side promotes a constituency candidate with the other half explaining the party's policies and referring to the party list.

So, you should split the total cost of the leaflets as follows:

- 50% towards the mayoral candidate's limit
- 25% towards the constituency candidate's limit
- 25% towards the party list limit

Example: public meeting

Your party holds a public meeting, which lasts for an hour. The mayoral candidate is the key speaker and talks for about 20 minutes. Two constituency candidates for the surrounding area make a shorter speech of about five minutes each. There is then a question and answer session for 30 minutes, in which all three candidates take part in turn.

There is no speaker on behalf of the list candidates, and the list is only mentioned briefly as a general plea for people to vote for the party.

You should split the costs as follows:

- Half the time was spent on the question and answer session, so half of the cost can be split equally between the three candidates who spoke.
- The other half of the cost should be split between the candidates based on the time that they spoke. So, twothirds of the cost should count towards the mayoral candidate's spending, and the rest should be split between the two constituency candidates.

In some circumstances, you may be able to count some of the costs towards the party list limit. For example, if the constituency candidates focus on party policy much more than the local areas, and references to the list are an integral part of the speeches and the event generally.

The way you split the costs should be based on a reasonable estimate of the timings. You do not need to time events exactly.

Example: posters

Poster 1

You produce a poster with a large photo of your mayoral candidate, their name, the party slogan and the party name and logo. No other candidates are mentioned specifically.

Although this may have the additional effect of raising the profile of the party and of other candidates, you should usually count all the spending towards the limit for the mayoral candidate.

The exception is if the poster uses the party slogan, name and/or logo in such a way that it would not be reasonable to assume that the main effect on passers-by is to promote the mayoral candidate, rather than the party's other candidates.

In that case, spending should be allocated based on an honest assessment of the effect the poster has.

Poster 2

You produce a poster similar to Poster 1, but with the addition of a specific encouragement for people to vote for the party's other GLA candidates.

You may split the costs between the mayoral candidate and the party list and/or constituency candidates as appropriate.

The split should recognise that most of the poster is promoting the mayoral candidate, and so the proportion attributed to other candidates should be based on how prominently the poster actually refers to those others.

For instance if the reference to other candidates takes up about 10% of the overall area of the poster, it would be appropriate to attribute that percentage of the costs of the poster to the relevant candidates. If your poster uses relates specifically to an opponent of one of your candidates, you should count the cost towards the spending limit of your candidate.

How we can help

You can view our full range of guidance and up-to-date resources on our website.

You can contact us on the phone number below or via email on the addresses below. We are here to help, so please get in touch.

Call us on 0333 103 1928

Or email us at: pef@electoralcommission.org.uk

Visit us at http://www.electoralcommission.org.uk

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