

Local council elections in
Scotland May 2017

Guidance for candidates and agents

Part 3 of 6 – Spending

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

Terms and expressions we use

You will normally be doing enough to comply with the law if you follow this guidance, however the Electoral Commission does not regulate compliance with the rules on candidate spending at these elections.

We use '**must**' when we refer to a specific requirement. We use '**should**' for items we consider to be minimum good practice, but which are not legal or regulatory requirements.

The Electoral Commission and the Scottish local council elections

The Electoral Commission has a statutory role in connection with the administration of the Scottish local council elections on 4 May 2017, but does not regulate spending by candidates at these elections.

Any decision to undertake a prosecution will be taken by the Crown Office and Procurator Fiscal Service. Although the Procurator Fiscal may have regard to the Commission's guidance, decisions regarding prosecution are for the Procurator Fiscal alone.

The Commission has produced this guidance at the request of the Scottish Government to assist candidates and agents by explaining the rules on spending.

Spending

This document explains:

The rules on spending for candidates and agents in the run-up to local council elections in Scotland on 4 May 2017.

The document covers:

- the regulated period
- how much you can spend
- the activities covered by the rules
- what information needs to be recorded and reported

Forms:

- [Return of candidate spending: Explanatory notes](#)
- [Candidate spending return](#)
- [Candidate's declaration](#)
- [Agent's declaration](#)

Introduction

Candidates and their agents at local council elections must follow certain rules about how much they can spend and what they must report after the election.

This document explains the rules for the 2017 Scottish local council elections.

The election agent has the main responsibility for complying with these rules, even if they appoint a sub-agent to help you with your expenses.

However, after the election, both the candidate and the agent must sign declarations to say that their spending return is complete and correct to the best of their knowledge. This means that candidates also need to be fully aware of the rules, and ensure that their agent is following them.

You must submit a return and declaration even if you did not spend any money.

We use 'you' to cover both the agent and the candidate.

Access to Elected Office Fund Scotland

The Scottish Government's Access to Elected Office Fund Scotland provides financial assistance to disabled candidates standing for election to help with the extra costs they may incur as a result of their disability.

For more information about applying for a grant from the Access to Elected Office Fund Scotland, see the Inclusion Scotland's website for more information:

<http://inclusionScotland.org/information/employability-and-civic-participation/access-to-politics/aeofs/>

This document is part of our suite of guidance for candidates and agents.

You can find out more about other aspects of standing for election on our guidance page for [candidates and agents](#)

For the Scottish local council elections in 2017 there is no legal requirement to report the donations you have received for your candidate campaign in your spending return.

If you are a member of a registered political party or you already hold some relevant elected office, you need to follow rules about donations and loans received over £500. For more information please see our [guidance for regulated individuals](#)

3

An overview of the rules

The rules on spending apply to spending on activities to promote your candidacy or to criticise other candidates during a particular period in the run-up to the election.

This period is called the regulated period. When we use the term 'regulated period' we mean the time when spending limits and rules apply.

Candidate spending includes any expenses incurred, whether on goods, services, property or facilities, for the purposes of the candidate's election during the regulated period.

This 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 non-commercial discount of more than 10 %

There are rules covering:

- who can authorise spending and pay for items and services
- how much you can spend
- which activities count towards your spending limit
- deadlines for receiving and paying invoices
- what records you must keep
- how and when you report your spending

It is **your** responsibility to fully and accurately report candidate spending. You should ensure you understand the rules and that all spending is properly authorised, recorded and reported.

By 'incur' we mean make a legal commitment to spend money, such as confirming an order.

Candidate spending is often known as 'expenses'. Sometimes, people think this means that spending can be reclaimed from the local council, or from us. This is not the case. You are not entitled to recover any spending from public funds.

When do the candidate spending rules apply?

We call the time when the spending rules apply the regulated period.

The regulated period

The regulated period for the 2017 local elections in Scotland begins the day **after the date** you officially become a candidate and ends on polling day, 4 May 2017.

The earliest date you can officially become a candidate is the last date for publication of the notice of election, which will be Wednesday 22 March 2017.

You will become a candidate on this date if you or others have already announced your intention to stand. For example, your party may have issued a press release when you were selected, or you might have mentioned your intention at a residents' meeting.

If your intention to stand has not been announced by 22 March, you will officially become a candidate on the earlier of:

- the date your intention to stand is announced
- the date when you are nominated

This must be prior to the close of nominations, which is 4pm on 29 March 2017.

For information on becoming a candidate see our guidance page for [candidates and agents](#)

5

How much can I spend

The spending limit for the regulated period is £740, plus 6p per local council elector registered to vote in the ward in which you are standing as at the last day for publication of the notice of election, 22 March 2017.

For example

If there are 7,500 electors in a ward, the spending limit is:

$$£740 + (7,500 \times 0.06) = £1,190$$

Your local Electoral Registration Officer will be able to give you the number of electors in the ward.

Spending limits for joint candidates

You are a joint candidate if you stand in the same ward and:

- have the same election agent
- publish joint material
- use the same campaign rooms

Joint candidates have lower spending limits, as they are sharing some of the costs. You should calculate your spending limit as explained above, and then reduce it by:

Number of joint candidates	Reduction of spending limit
Two	25% - a quarter
Three or more	33% - a third

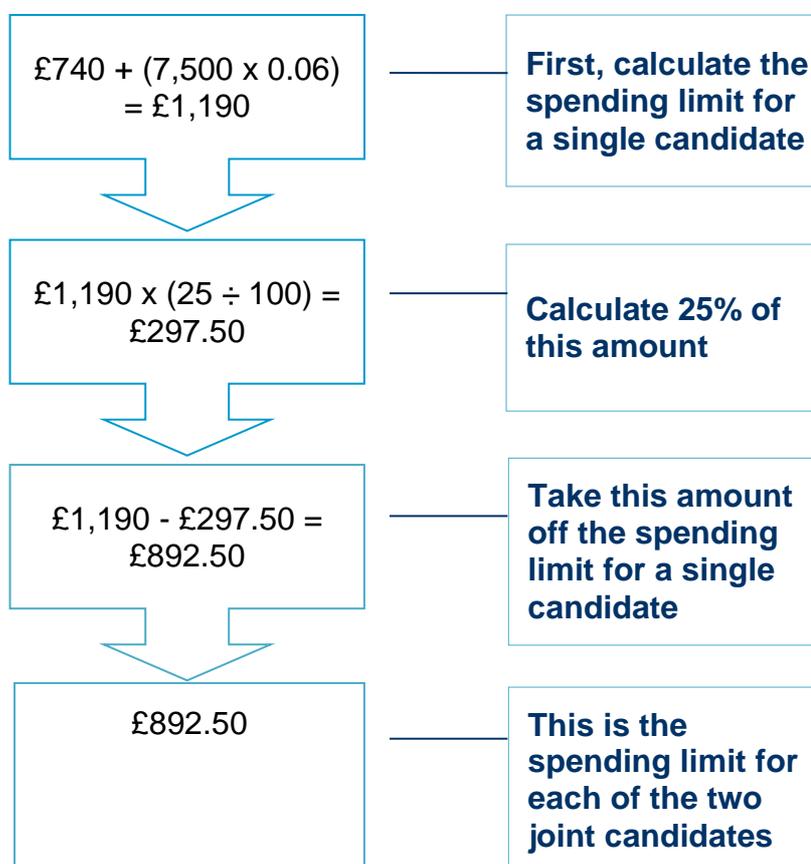
If you are not sure if you are a joint candidate, please contact [US](#).

You can find the contact details for your local Electoral Registration Officer on www.aboutmyvote.co.uk

For example:

Two candidates standing in the same ward decide to issue joint campaign material. This makes them joint candidates and both their spending limits are now reduced.

There are 7,500 electors in the ward in which they are standing. To calculate each joint candidates spending limit:



7

What is candidate spending?

Candidate spending includes the costs of:

- use of property. For example use of your campaign office and the costs of running it such as telephone bills.
- use of other facilities. For example, hiring a room to launch your campaign or hold a meeting, photocopying facilities
- goods or services. For example unsolicited material to electors, newspaper adverts, website design and maintenance, use of databases, stationery and staff costs (although you do not need to include time spent by volunteers on your campaign)

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

What doesn't count as candidate spending?

- time spent on your campaign by volunteers, in their own time and free of charge
- the use of certain public rooms which as a candidate you are allowed to use free of charge. For example the use of school rooms for public meetings. (However any associated expense will count towards your spending limit, for example cleaning costs)
- the publication of anything, other than an advert, in a newspaper or periodical, a broadcast by the BBC, or a programme included in any service by a licensed independent radio or television operator

Personal expenses

Personal expenses include the reasonable travel and living expenses (such as hotel costs) of the candidate. Personal expenses do **not** count towards the spending limit but you **must** report them on your spending return.

Personal expenses may include car hire for the candidate if the candidate does not already own a car, or if their car is not suitable for campaigning. For example if you are standing in a rural constituency, it may be reasonable to hire a four-wheel drive vehicle to access remote areas.

Candidates must provide a written statement of their personal expenses to the agent within 21 days of the result being declared.

Disability expenses

Election expenses reasonably attributable to a candidate having a disability do **not** count towards the spending limit but you **must** report them on your spending return.

For the purposes of local elections in Scotland a disability is a physical or mental impairment that has a substantial and long-term adverse effect on the candidate's ability to carry out normal day-to-

9

day activities. These expenses should be reported in the disability expenses section of your spending return.

The Scottish Government has set up an Access for Elected Office Fund for the 2017 elections, and candidates with disabilities are able to apply for funding. For more information please see Inclusion Scotland's website: <http://inclusionScotland.org/access-to-elected-office-fund-scotland-criteria/>

Public meetings

You do not need to include:

- events that are for party members only
- events held mainly for purposes other than your campaign, where your attendance is incidental – for example, an annual social event at which you say a few words

You should make an honest assessment on the facts of whether the meeting is genuinely being held for other purposes.

You may also be invited to attend hustings events run by local organisations or community groups. We have published separate [hustings](#) guidance which explains when the spending rules may apply to these events.

Volunteer time

You need to be sure if someone working for your campaign is a volunteer or if you should count their time towards your spending limit. 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, it is likely this will be notional spending.

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 candidate spending. You do not need to count people's print costs against your spending limit, unless people are printing documents on your behalf.

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 candidate spending whoever does the printing.

Local campaigning

Organisations or individuals, who are not standing as candidates at the elections, but are campaigning for or against a candidate in a ward are known as 'local non-party campaigners'. Local non-party campaigners can spend up to £50 + 0.5p per elector during the regulated period on campaigning for or against a candidate in the ward.

A local non-party campaigner cannot spend more than £50 + 0.5p per elector without your authorisation in writing to **incur** the additional spending.



Important

Any spending authorised by you and incurred by local campaigners must be reported by the local non-party campaigner to the Returning Officer within 21 days of the result being declared.

The authorised expenses must be included in your candidate spending return. Money that is incurred by campaigners in local campaigns that has been authorised by you is candidate spending and counts towards the spending limit.

Items received free of charge or at a discount

You may find that you pay for items or activities at a lower cost than their commercial value.

For example:

- a supplier who supports your campaign gives you a reduced rate for goods or services
- your party lets you use an office or other facilities, or pays for leaflets on your behalf

You must record the full commercial value of these items or activities as candidate spending if:

- you receive the item free of charge or at a non-commercial discount of more than 10%, and

Commercial discounts are those available to other similar customers, such as discounts for bulk orders or seasonal reductions.

Non-commercial discounts are special discounts that you are given by suppliers. This includes any special rate which is not available on the open market.

- the difference in value between the commercial rate and what you pay is over £50

If you receive a discount of 10% or less, or the difference in value is £50 or less, you only need to record the amount you paid.

The difference in value between the commercial rate and the price you pay is called 'notional spending'.

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.

You should keep a record of how you reached your valuation and keep copies of any quotes you receive.

After the election, the agent must make a declaration of the value of each item of notional spending. 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 secondes a member of staff to your campaign, you must record their gross salary and any additional allowances as notional spending.

You do not need to include the employer's national insurance or pension contributions. You will need to include the value of any expenses, such as travel or food, that you or the employer refunds.

13

Splitting spending

Sometimes, you may need to split your costs between activities that count as candidate spending and those that don't.

For example, between:

- items used both before and during the regulated period
- your campaign and other activities such as an office that you share with your local party

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 candidate spending.

For example, if you are sharing a party office, the 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.

It is your responsibility to fully and accurately report your candidate spending. You should ensure you understand the rules and that all spending is properly authorised, recorded and reported.

After the election, candidates and agents have to sign a declaration that the return is complete and correct to the best of their knowledge and belief.

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

If you are still not sure, call or [email us](#) for advice.

For more information on splitting party campaign spending, see:

- [Expert paper: splitting spending](#)



Important

Who is responsible for candidate spending?

There are rules to make sure that spending can be controlled and accurately recorded and reported. It is **your** responsibility to fully and accurately report your candidate spending. You should ensure you understand the rules and that all spending is properly authorised, recorded and reported.



During the regulated period, only the following people are allowed to **incur** election spending:

- the agent
- the candidate, and
- anyone authorised by the candidate or agent

By '**incur**' we mean making a legal commitment to spend the money. The agent rather than the candidate must make **payments** for most candidate spending during the regulated period. There are three exceptions:

- the candidate can pay for items before the agent is appointed
- the candidate can pay for personal expenses
- the agent can authorise in writing someone to pay for minor expenses such as stationery or postage. The authorisation must include the amount of the payment.

Candidates can also act as their own election agents. Once appointed, the agent must keep invoices or receipts for any payments made of £20 and above.

You should make sure that your volunteers and campaigners are aware of these rules and know who can and cannot incur or pay costs.

If you authorise someone to incur candidate spending, you must do so in writing and be clear how much they can spend and on what.

Separate guidance on the appointment of election agents is available on our [website](#).

The records you must keep

You must record all your candidate spending. You will need to include this information in your spending return after the election.

Once appointed, the agent is responsible for all payments and must keep invoices or receipts for any payments of £20 or over.

What you need to record

For each item of candidate 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

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

Remember that you must include the full commercial value of items or services given free of charge or at a non-commercial discount of more than 10 % where the value of the item is more than £50.

You must also record information about the amount and the name and address of any local campaigner that has been authorised by the elections agent.

See page 11-12 for more information.

After the election

This section explains how to report your campaign finances after the election.

After the election, the **agent** must make sure that

- all invoices are received no later than 21 days after the election result is declared
- all invoices are paid no later than 28 days after the election result is declared
- details of the candidates spending are reported to the Returning Officer together with a declaration confirming the return is complete and correct no later than 35 days after the election result is declared

You must still submit a return even if you haven't spent any money. This is called a 'nil return'.

Date result is declared	Last date to		
	Receive your invoices	Pay your invoices	Submit your return and agent declaration
4 May 2017	25 May 2017	1 June 2017	8 June 2017
5 May 2017	26 May 2017	2 June 2017	9 June 2017

The **candidate** must also send the Returning Officer a declaration confirming that the return is complete and correct.

This must be done within seven working days of the return being submitted.

If the candidate is outside the United Kingdom when the declaration is due, the deadline is extended to 14 days after they come back.

You can find a copy of the spending return and the declarations you need to complete [here](#).

Invoices received or paid outside of the deadlines

We call claims (invoices for your candidate spending) that are received by the election agent later than the deadline of 21 days, **unpaid claims**.

Unpaid claims cannot legally be paid unless a court order is gained granting leave to pay the claim.

We call claims (invoices) that were submitted within the deadline of 21 days but remain unpaid later than the deadline of 28 days, **disputed claims**.

Disputed claims cannot legally be paid without a court order first being gained granting leave to pay the claim.

Any claim paid:

- after the 21 day deadline for receipt; or
- after the 28-day deadline for payments,

following a **successful** application to the court and **after** the deadline for submission of election spending returns, **must** be reported in writing to the Returning Officer within seven days of payment and be accompanied by a copy of the court order. You should also forward a copy of the Order to the Electoral Commission.

It can be an offence to pay an unpaid claim without a court order.

Completing your return

The spending report is known as a 'return'. The agent must complete the return, which must include the following for each item of spending:

- what the spending was for – for example, leaflets or advertising
- the name and address of the supplier
- the amount or value
- details of any notional spending, and a declaration of its value
- invoices and receipts for any payment of £20 or over

The return should also include details about:

- personal expenses
- disability expenses
- spending authorised to be incurred by local campaigners

The candidate and agent must sign a declaration that the return is complete and correct to the best of their knowledge and belief. It is your responsibility to fully and accurately report spending.



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

We produce forms and explanatory notes that you can use for your return and declarations. They cover all the information you must include.

- [Return of candidate spending: Explanatory notes](#)
- [Candidate spending return](#)
- [Candidate's declaration](#)
- [Agent's declaration](#)

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 call us using our phone numbers below or email us. We are here to help, so please get in touch.

Call us on 0333 103 1928

Email us at: infoscotland@electoralcommission.org.uk

Or you can visit us at: www.electoralcommission.org.uk

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