

OPEN CONSULTATION, DOCUMENT

Consultation on election campaign expenditure limits for political parties at Senedd elections

Covering registered political parties contesting one or more constituencies at a general election.

First published: 6 September 2024

Last updated: 14 October 2024

Contents

1	$^{\prime}e$	M	/1	A
w			v 1	vv

What is this consultation about?

What is this consultation not about?

The current position

What are we proposing?

Final comments

How to respond

Your rights

Further information and related documents

Overview

The Senedd Cymru (Members and Elections) Act 2024 ("SCME Act") changes the electoral system for Senedd elections from April 2026. This consultation sets out proposals for limits on election campaign expenditure for registered political parties in respect of Senedd elections at which the provisions of the SCME Act apply. The changes made by this legislation require new election expense limits to be set to reflect the move to multi-member constituencies, and the removal of electoral regions. The proposals seek to map the existing limits onto the new electoral system.

What is this consultation about?

The Senedd Cymru (Members and Elections) Act 2024 will change the electoral system under which Senedd elections are held for all elections from April 2026 (the next Senedd election is scheduled for 7 May 2026).

The previous electoral system ("the additional member system") provided for in the Government of Wales Act 2006 ("GoWA") uses the additional member system, which means each elector has 2 votes: one vote in one constituency election, held under the first-past-the-post electoral system, and one vote in one regional election, held under a closed list system which is a form of proportional representation. Parties may submit lists with a maximum of 12 candidates for each region they contest. There are 40 constituencies returning one member each and 5 regions returning 4 members each. Allocation of the regional seats takes into account the number of constituency seats each party has won across that region.

The SCME Act will change the Senedd electoral system to an entirely proportional one where all members are elected on the same basis via closed

lists ("the new system"). Parties may submit lists with a maximum of eight candidates in each constituency they contest. Each elector gets one vote in one constituency election. There will be 16 constituencies each returning 6.

Election expenses are expenses incurred in support of a registered political party or candidate during the regulated period immediately leading up to an election. Such expenses are governed by a range of rules, including in relation to who can incur such expenditure, on what it can be spent, detailed reporting rules and limits on how much can be spent during that period. The spending limits we are asking about in this consultation relate to the expenditure those parties or candidates have raised themselves and do not relate to public money.

Election expense limits under the additional member system differ between constituency and regional elections. Separate limits exist for candidates standing for a party in constituencies, parties standing candidates in constituencies, and parties standing lists in regions. The change in electoral system, where candidates only stand on a party list, means these separate limits will no longer make sense.

Section 21 of the SCME Act gives the Welsh Ministers a power to make regulations "to set the limits applying to campaign expenditure incurred by or on behalf of a registered party that contests one or more constituencies at a general election".

Party election expenses are regulated by the Political Parties Elections and Referendums Act 2000 ("PPERA"). The regulations the Welsh Ministers may make to set limits on campaign expenditure will amend that Act. The regulations can only be made with the consent of the Electoral Commission.

What is this consultation not about?

The National Assembly for Wales (Representation of the People) Order 2007, known as "the Conduct Order" regulates the conduct of Senedd elections.

The Welsh Government intends to revoke the existing Conduct Order and remake a new Conduct Order ahead of the planned 2026 Senedd elections. This will make the changes necessary for future elections to work under the new system, as well as allowing for a modern and fully bilingual Conduct Order.

The new Conduct Order will cover a number of policy areas related to election expenses and will be consulted on separately in Autumn 2024. These areas are currently under development, but the intention is to consult on the following related proposals at that time, along with the many other areas covered by the Conduct Order:

- Individual candidate election expense limits (an individual candidate means a candidate at a Senedd election who is not standing on a party list). The proposal is likely to be that individual candidate limits should be aligned with the limits for party expenses. However, there are other approaches that may be preferred by those responding to that consultation. Please note, that if a single set limit is available for standing a list in a constituency, however many candidates on that list, this would simply result in an individual candidate having that same limit – since that is also the limit for a list of one candidate.
- The regulated period of individual candidate election expenses. The
 proposal is likely to be to align that period with the regulated period for which
 the party limits apply and which is set in PPERA

In addition, the following rules will also be dealt with by the Conduct Order, but there is no proposal to change the treatment of party expenses (taking the regional rules under the additional member system as the model for the new

system). That would mean:

- The treatment of party list candidate expenses as party expenses (as with regional elections under the additional member system), which means there would be no separate party candidate spending and no need for party candidate expense limits.
- The treatment of spending under party constituency limits as national spending (as with regional elections under the additional member system).
 This means that a party would have one national limit only, which would be the aggregate of any 'constituency limits'. The level of that limit will be determined by the questions in this consultation.

What is the current position on election expense limits?

Under the additional member system there are 3 different limits. These are:

- The candidate constituency limits: each constituency candidate can incur election expenses of up to £8,700, plus an amount of either 6p (for a borough constituency) or 9p (for a county constituency) per elector in that constituency (for reference: the current Senedd constituencies include 6 borough constituencies (out of 40) and include approximately 17% of the electorate. The new Westminster constituencies reduce that to 4 (out of 32) and included approximately 12% of the electorate for Westminster elections). This limit applies to spending in that constituency for the purpose of that candidate's election.
- The party constituency limits: a registered political party may incur up to £10,000 for every constituency in which it is standing a candidate. This limit is applied nationally – i.e. the party does not have to spend the £10,000 in the constituency that it stood in to gain that limit.
- The party regional limits: a party may incur up to £40,000 for every region in

which it is standing a list. This limit is applied nationally – i.e. the party does not have to spend the £40,000 in the region it was generated by standing in.

This means that, under the additional member system, the party expense limits are generated by standing in different constituencies and regions, but those limits apply nationally – they are added together to give that party's national limit. This is separate from the candidate limits, which can only be used in that constituency and for that candidate.

This provides the following maximum limits (nearest £):

	Limit each	Number	Total
Per constituency	£8,700	40	£348,000
Per elector (borough)	£0.06	395,947	£23,757
Per elector (county)	£0.09	1,952,629	£175,737
Per elector (All Wales total)		2,348,576	£199,493
Total candidate constituency limit (40 constituencies – constituency limit)			£547,493
Total party constituency limit (40 constituencies – national limit)	£10,000	40	£400,000
Total party regional limit (5 regions – national limit)	£40,000	5	£200,000
Total national limit			£1,147,493

* Electorate size per constituency type uses 2021 figures on **StatsWales**

This means that the election expenses limit, based on the 2021 electorate figures, would provide a party with a total national limit – both party limits and party candidate limits combined – if that party stood in every constituency and every region in a Senedd election of £1,147,493.

For context, an individual regional candidate can incur expenses up to the limit of the sum of the limits on constituency candidates for all constituencies that region contains. That means £69,600 (8 x £8,700) plus 6p/9p per elector in each borough/county constituency.

The candidate limits are set in Article 47 of the Conduct Order. Party limits for Senedd elections are set in paragraph 6 of Schedule 9 to PPERA.

What are we proposing?

The underlying approach

The suggested approach is based on 2 underlying proposals. These are described and explained below, and you will be asked for your views on each in turn.

Adapting current maximum limits

The first proposal is that in determining the spending limits for parties under the new system this should be limited to adapting the current maximum total limits to the new system. That is, that it should be a transposition of the aggregated limits under the additional member electoral system to work with the new system.

This would mean that what is primarily being considered is how the aggregate limits should be mapped across from single-seat constituencies and multi-seat regions to the new system of 6-seat constituencies under a closed-list system. This would therefore not include a wholesale, from-scratch determination of spending limits.

There remain a small number of options in relation to which current total is most appropriate to use and this will be covered later in this document.

This approach is consistent with the explanation for the powers given by the Welsh Government during the passage of the SCME Act, including in the **Explanatory Memorandum** (paragraphs 198 – 201), which says:

" "...it is necessary to review and update the existing system of election campaign expenditure, which currently reflects a mixed-member system."

The summary of powers to make subordinate legislation (at table 5.1) in the Explanatory Memorandum states:

"To ensure party election campaign expenditure limits can be updated to reflect the new electoral system following consultation."

The assumptions made in the regulatory impact assessment in the same document (paragraph 467) state:

" "a power to update election campaign expenditure limits to reflect the change to 16 list-based Senedd constituencies returning 6 Members each, and related safeguards"

During Stage 2 proceedings, the member in charge (the then Counsel General)

also offered the following explanation:

"I think the amendments in this group are really there to ensure the system of campaign expenditure for Senedd elections just reflects the new electoral arrangements that are provided for by the Bill."

(Record of Proceedings, 6 March 2024, Committee of the Whole Senedd)

Question 1. What are your thoughts on the suitability of the proposed approach to adapt aggregate, maximum campaign limits to work with the new electoral system? How, if at all, would you change the proposed approach?

Consistent limits between constituencies

The second proposal is that the limit should be consistent between constituencies. That is, that there should not be a per-elector element to the limits, or any other reason why a party's national limit would be affected by standing a list in a particular constituency over another. This is also consistent with the party limits under the additional member system.

Both the Westminster constituencies that will be paired to make up the 2026 Senedd constituencies, and the future Senedd constituencies, will all be defined with a requirement that the number of electors cannot vary between constituencies by more than a given amount. For Senedd constituencies from 2030, the allowed variance is 10%.

Question 2. How, if at all, should expense limits vary between constituencies?

The maximum national party limit

Next, we consider options for the maximum possible national limit. The reason there is more than one option is because the electoral system is changing from one where members are elected on the basis of 2 different types of electoral systems – constituency elections under first-past-the-post and regional under closed lists with seat allocation on the D'Hondt method – whereas under the new system all members will be elected under the closed list system.

Three options are considered. These options differ in terms of which of the elements of the current limits identified above are mapped across. The 3 elements that make up the current limits are:

- candidate per-constituency limits ("CCL") maximum aggregate: £547,493
- party per-constituency limits ("PCL") maximum aggregate: £400,000, and
- party per-region limits ("PRL") maximum aggregate: £200,000.

The 3 approaches to a maximum national limit ("NL") are summarised as follows:

	CCL	PCL	PRL	Maximum limit
NL1: Party limits		£400,000	£200,000	£600,000
NL2: Constituency limits	£547,493	£400,000		£947,493

	CCL	PCL	PRL	Maximum limit
NL3: All limits		£400,000	£200,000	£1,147,493

NL1: The first recognises that the new system doesn't allow for candidate spending for party candidates, and therefore maintains the overall level of total party limits only.

NL2: The second recognises that there are only constituency limits under the new system, and so maintains total constituency (candidate plus party) limits only.

NL3: The third combines the limits for both types of expenses and both types of electoral system currently.

It's important to note that, because of rounding, the totals in this section may not exactly match the totals in the following section.

Question 3. What are your thoughts on the suitability of the 3 approaches outlined regarding maximum national party limits?

The impact of the number of candidates on a party list

There are also 2 ways to consider what impact the number of candidates on a constituency party list will have on the available expenses limit for that party: the limit can either increase as the number of candidates does, or it can be fixed, however many candidates on a party list. These 2 options will now be considered.

The first question concerns which of those options you would prefer, and then further details of each option are considered.

Option 1: that the expenses limit associated with standing in a constituency should be calculated only by reference to the number of constituencies that the party is contesting

The principal argument in favour of this option is that there is a need for a level playing field, and that that is best achieved by way of a single maximum limit for any party standing in a constituency, however many candidates on their list. (As outlined above, limits for individual candidates will be consulted on in autumn as part of the Conduct Order consultation. It is specifically the different limits available to parties standing different sized party lists which is the focus of this question.)

The concern that this option seeks to address is that smaller parties may be disadvantaged by having a lower spending limit if they do not wish to stand larger lists of candidates but are still competing in the same size constituency.

Applying this approach under the new system would mean that a party standing 2 candidates in a constituency would have the same expenses limit as a party standing 4 candidates in that constituency.

Option 2: that the expenses limit associated with standing in a constituency should be calculated based on the number of candidates the party is standing in that constituency

The arguments in favour of this option include that it allows the approach in the current additional member system to be better reflected. That is, the additional member system provides expenses limits made up of multiple parts – a 'fixed' element for standing in any region with a list of any size, and a 'per-candidate'

element for each candidate that stands in a constituency. A party therefore has a higher limit the more seats it contests, unless it only contests the 20 regional seats.

Applying this approach under the new system would mean that a party standing a list of 2 candidates would have a lower expenses limit than a party standing a list of 4. The argument for this is that they would be, effectively, contesting 2 seats rather than 4 seats in that constituency and would require fewer votes to win 2 seats than 4. This would reflect incremental costs associated with standing a longer list of candidates and competing for more seats.

Another reason for considering an increasing limit where more candidates are included on a party list is to reduce the impact of 'paper candidates'. A paper candidate in this context would be one stood in a constituency the party would not otherwise contest simply to gain the additional spending limit to support a candidate list elsewhere. Having a 'per-candidate' element to the limit would require a party to stand many more paper candidates in order to secure the maximum national limit, which offers a moderate additional hurdle to behaviour such as that.

Question 4. With reference to the 2 options provided, how do you think the number of candidates on a party list should be considered when calculating expense limits?

Details relating to Option 1: a limit based only on the number of constituencies a party stands in

The combination of having a single limit however many candidates are stood on a party constituency list and the proposals for maximum national limits in

question 3 provide the following per-constituency limits:

	National maximum limit	Constituency equivalent
NL1: Party limits	£600,000	£37,500
NL2: Constituency limits	£947,493	£59,218
NL3: All limits	£1,147,493	£71,718

These are the additional limits which would be available to a party for each additional constituency they stand a party list in.

They would form part of the party's national spending limit, and would not be limited to spending in the constituency. That is, the total national limit is built up from national limits provided by each constituency they stand in. This is in line with the regional limits under the additional member electoral system.

Details relating to Option 2: a limit based on the number of candidates stood in a constituency

Option 2 raises 3 more matters which must be considered to inform how the limit is calculated. A proposal in relation to each matter is explained below, and you are asked for your views on each in turn.

Maximum limit when contesting 6 seats in a constituency

The proposal is that the maximum party expense limit available in a constituency should be given for a list of 6 candidates (out of a maximum list of 8), reflecting that 6 is the number of seats in each constituency. In practice this would mean

the maximum limit for a list of 6 candidates would be the same as the maximum limit available for a list of 7 or 8 candidates.

This would be consistent with proposals in the Conduct Order for the maximum deposit to be due for a list of 6 candidates (on the basis that it is a maximum of 6 seats that can be won in a constituency).

Question 5. If the limit does increase with the number of candidates on a party list, do you think that this should reach its maximum for a list of 6, to match the number of seats available?

Fixed limit per constituency as well as the variable limit per candidate

The proposal is that the limits should take into account the potentially higher upfront costs of contesting a constituency for any size list by providing a limit for standing any size party list in a constituency as well as the per-candidate element discussed above.

That is, that there should be a fixed element of the additional limit from standing in a given constituency as well as the variable element for each candidate discussed above. That would mean that the limit for a list of one candidate is more than the additional limit for each subsequent person on the list (as it would be made up of the fixed element plus 1x the variable element).

In other words, a party standing a list of 2 candidates would get more than a party standing a list of one, but less than twice as much. This would reflect the fixed costs associated with contesting a constituency, however many candidates are on the list.

Question 6. In addition to a per-candidate element, how, if at all, should a 'fixed', per-constituency element be applied to a party's campaign expense limit?

The fixed element is higher than the variable element

The proposal is that the fixed element of the limit – that is, the limit from standing any size list in a constituency – is greater than the variable limit – the additional limit for each candidate.

The rationale is that the upfront, fixed costs of contesting a constituency are likely to be much higher than the additional costs associated with having each additional candidate on that list.

Question 7. Should the initial fixed 'per constituency' element be greater than the additional 'per candidate' element of the party's limit?

Constituency building-blocks of the national limit

We will now consider the ways these maximum limits are divided based on a 'per-candidate' element to calculating party limits and accepting the proposals under option 2 above. It may assist you to re-visit the three approaches to a maximum national limit set out before Question 3 above before considering the detail of this question.

The option 2 model proposes to build the party limits contributed by standing in a constituency based on:

- Adapting current maximum limits (all 3 options are illustrated)
- Limits which are higher when parties stand more candidates on a list
- Where the maximum limit is obtained for a list of 6 candidates (of 8)
- Additional limit being available both for each constituency a party stands in, and for each additional candidate on a party list (up to 6)
- Where the element associated with each additional constituency is greater than for each additional list candidate, and
- Where the same sized party list attracts the same available limit in every constituency.

Again, even if you do not support option 2 or all of these proposals, you are encouraged to offer a response to these questions.

The proposal is to make use of the 3 types of current limit to 'build' the available limits. This offers a clear logic and link with limits in the additional member system. It shows the maximum aggregate national limit, and constituency and seat equivalents.

Old AMS limit	National equivalent	New const. equivalent (/16)	New seat equivalent (/96)
Candidate constituency	£547,493		£5,703
Party constituency	£400,000	£25,000	£4,167
Party regional	£200,000	£12,500	

Combining these for each of the proposed national maximum limits (question 3), we have the following proposed fixed (per constituency) and variable (per candidate) building blocks for calculating overall party limits based on the number of constituencies they contest, and the number of candidates on the

party's lists. Totals are rounded to the nearest £100 for simplicity.

	Fixed (per constituency)	Variable (per candidate)
NL1: Party limits	£12,500	£4,200
NL2: Constituency limits	£25,000	£5,700
NL3: All limits	£37,500	£5,700

The allocation of each type of limit has followed the simple approach that the part of the limit most closely aligned to constituency candidates in the additional member system maps to the variable (per candidate) element of the new system. Though other approaches are possible, this provides a degree of consistency between systems.

We can then show what each means for different sized party lists as follows:

List size	NL1: Party	NL2: Constituency	NL3: All
1	£16,700	£30,700	£43,200
2	£20,900	£36,400	£48,900
3	£25,100	£42,100	£54,600
4	£29,300	£47,800	£60,300
5	£33,500	£53,500	£66,000

List size	NL1: Party	NL2: Constituency	NL3: All
6, 7 or 8	£37,700	£59,200	£71,700
National maximum	£603,200*	£947,200	£1,147,200
Fixed per list (regardless of list size)	£37,700	£59,200	£71,700

^{*} Note, that this varies slightly from the total in the previous sections due to rounding of the building blocks used.

The final line in the table (fixed per list) provides the equivalent option 1 constituency equivalents discussed earlier for comparison.

Question 8. What changes, if any, would you make to this approach to Option 2 with regard to per-constituency allocations, per-candidate allocations, and maximum limit totals?

Potential impact on the Welsh Language

Our initial assessment of the proposals and options discussed in this paper suggest that they are not likely to either impact negatively or positively opportunities for people to use the Welsh language, or in respect of treating the Welsh language no less favourably. However, we'd like your views on whether that assessment is correct, and any feedback you might have in relation to the potential impact on the Welsh language.

The reason we haven't identified any benefits or disbenefits is that the proposals

seek to map across the existing spending limits for parties, rather than to change them, suggesting there will not be a disbenefit. And, since the powers only allow the regulations to set the limits in relation to the new electoral system, and not additional considerations, and as the levels themselves have not been limiting factors in past elections, there are not thought to be any alternative formulations which would offer benefits to the language.

Question 9: What, in your opinion, would be the likely effects of the proposals on the Welsh language? We are particularly interested in any likely effects on opportunities to use the Welsh language and on not treating the Welsh language less favourably than English.

- Do you think that there are opportunities to promote any positive effects?
- Do you think that there are opportunities to mitigate any adverse effects?

Question 10: In your opinion, could the proposal be formulated or changed so as to:

- have positive effects or more positive effects on using the Welsh language and on not treating the Welsh language less favourably than English, or
- mitigate any negative effects on using the Welsh language and on not treating the Welsh language less favourably than English?

Final comments

Finally, please do provide any additional comments.

Question 11. Please provide any additional comments you have in relation to Senedd election expense limits for political parties.

How to respond

Submit your comments by 1 November 2024, in any of the following ways:

- complete our online form
- download, complete our response form and email SeneddReform@gov.wales
- download, complete our response form and post to:

Senedd Reform Division
Welsh Government
Cathays Park
Cardiff
CF10 3NQ

Your rights

Under the data protection legislation, you have the right:

- to be informed of the personal data held about you and to access it
- to require us to rectify inaccuracies in that data
- to (in certain circumstances) object to or restrict processing
- for (in certain circumstances) your data to be 'erased'
- to (in certain circumstances) data portability
- to lodge a complaint with the Information Commissioner's Office (ICO) who is our independent regulator for data protection

For further details about the information the Welsh Government holds and its use, or if you want to exercise your rights under the UK GDPR, please see contact details below:

Data Protection Officer

Welsh Government Cathays Park Cardiff CF10 3NQ

Email: data.protectionofficer@gov.wales

Rydym yn croesawu gohebiaeth yn Gymraeg / We welcome correspondence in Welsh.

Information Commissioner's Office

Wycliffe House Water Lane Wilmslow Cheshire SK9 5AF

Telephone: 01625 545 745 or 0303 123 1113

Website

UK General Data Protection Regulation (UK GDPR)

The Welsh Government will be data controller for Welsh Government consultations and for any personal data you provide as part of your response to the consultation.

Welsh Ministers have statutory powers they will rely on to process this personal data which will enable them to make informed decisions about how they exercise their public functions. The lawful basis for processing information in this data collection exercise is our public task; that is, exercising our official authority to undertake the core role and functions of the Welsh Government (Art 6(1)(e)).

Any response you send us will be seen in full by Welsh Government staff dealing with the issues which this consultation is about or planning future consultations. In the case of joint consultations this may also include other public authorities. Where the Welsh Government undertakes further analysis of consultation responses then this work may be commissioned to be carried out by an accredited third party (e.g. a research organisation or a consultancy company). Any such work will only be undertaken under contract. Welsh Government's standard terms and conditions for such contracts set out strict requirements for the processing and safekeeping of personal data.

In order to show that the consultation was carried out properly, the Welsh Government intends to publish a summary of the responses to this document. We may also publish responses in full. Normally, the name and address (or part of the address) of the person or organisation who sent the response are published with the response. If you do not want your name or address published, please tell us this in writing when you send your response. We will then redact them before publishing.

You should also be aware of our responsibilities under Freedom of Information legislation and that the Welsh Government may be under a legal obligation to disclose some information.

If your details are published as part of the consultation response then these published reports will be retained indefinitely. Any of your data held otherwise by Welsh Government will be kept for no more than 3 years.

Further information and related documents

Number: WG50324

You can view this document in alternative languages. If you need it in a different format, please contact us.

This document may not be fully accessible.

For more information refer to our accessibility statement.