

SCOTTISH INDEPENDENCE REFERENDUM BILL

EXPLANATORY NOTES

(AND OTHER ACCOMPANYING DOCUMENTS)

CONTENTS

As required under Rule 9.3 of the Parliament's Standing Orders, the following documents are published to accompany the Scottish Independence Referendum Bill introduced in the Scottish Parliament on 21 March 2013:

- Explanatory Notes;
- a Financial Memorandum;
- a Scottish Government Statement on legislative competence; and
- the Presiding Officer's Statement on legislative competence.

A Policy Memorandum is printed separately as SP Bill 25–PM.

EXPLANATORY NOTES

INTRODUCTION

1. These Explanatory Notes have been prepared by the Scottish Government in order to assist the reader of the Bill and to help inform debate on it. They do not form part of the Bill and have not been endorsed by the Parliament.
2. The Notes should be read in conjunction with the Bill. They are not, and are not meant to be, a comprehensive description of the Bill. So where a section or schedule, or a part of a section or schedule, does not seem to require any explanation or comment, none is given.

THE BILL

3. The Bill covers a range of issues, with much of the detail set out in schedules, as follows:
 - Provision for a referendum (section 1 and schedule 1)
 - Provision about voting etc. (sections 2-3 and schedule 2)
 - Rules concerning the conduct of the poll (sections 4-9 and schedule 3)
 - Campaign rules and enforcement (section 10-15 and schedules 4-6)
 - Referendum agents and observers (sections 16-20)
 - Other functions and funding of the Electoral Commission (sections 21-27)
 - Offences (sections 28-29 and schedule 7)
 - Power to make supplementary, incidental or consequential provision (section 30)
 - Legal proceedings (section 31)
 - Final provisions and interpretation (sections 32-34 and schedule 8)

BACKGROUND TO THE BILL

4. This Bill provides the legislative framework for the holding of a referendum on Scotland's independence. The Bill provides for a single-question referendum about whether Scotland should be an independent country.
5. The Bill covers the technical aspects of holding the referendum. It prescribes the rules for voting, and sets out the rules for how the poll should be conducted. The Bill also provides campaign rules to regulate the political campaign preceding the referendum. The rules are largely based on existing UK and Scottish legislation covering elections and referendums. They include the administration and limits of spending by and donations given to participants during the referendum campaign.

COMMENTARY

6. The Bill consists of 34 sections, with most of the detailed provisions set out in 8 schedules.

Referendum

7. Section 1 of the Bill provides for a referendum on a question about Scotland's independence. It sets out the question and the date of the referendum.

8. Section 1 also introduces schedule 1 to the Bill which sets out the design of the ballot paper to be used in the referendum.

9. The ballot paper asks voters whether Scotland should be an independent country and seeks a yes or no response.

10. The date of the referendum will be 18 September 2014. Subsections (5) to (7) give the Scottish Ministers power by order approved by the Scottish Parliament to modify the date of the referendum to a later date, but only where it would be impossible or impractical to hold the referendum on the original date, or if the referendum would not be conducted properly. The power includes making supplementary or consequential provision as a result. Any new date must be no later than 31 December 2014.

Franchise

11. Section 2 provides that details of who can vote in the referendum are as contained in the Scottish Independence Referendum (Franchise) Act 2013.

Voting etc.

12. Section 3 introduces schedule 2 which sets out provisions about the manner of voting, the register of electors, postal voting and the supply of documents used in this process. These rules broadly follow existing law and practice for local government elections in Scotland, though they are adapted to fit the circumstances of a referendum.

Schedule 2: Further provision about voting in the referendum

Part 1: Manner of voting

13. Paragraph 1 of schedule 2 sets out the various ways to vote in the referendum, giving voters an entitlement to vote in person at polling stations unless they have opted to vote by post, in which case they may do so. A voter may also vote by using a proxy. Offences related to voting are set out in schedule 7.

14. Sub-paragraph (5) allows someone who is working for a counting officer or is a police constable on duty on the day when polling is taking place to vote at any polling station in the same local council area as the polling station at which they would normally vote (provided they have a certificate as described under rule 15(6) of schedule 3).

15. Sub-paragraph (6) allows voters who have been detained in a mental or psychiatric hospital to vote in person at the polling station if they have permission to do so or to vote by post or proxy if they are entitled to do so. Sub-paragraph (6)(b) permits someone remanded in custody, and to whom section 7A of the Representation of the People Act 1983 applies, to vote only by post or proxy.

16. The Bill uses the term ‘absent voter’ to describe both postal voters and proxy voters. Paragraph 2 grants an absent vote in the referendum to postal and proxy voters already on the relevant lists for Scottish local government or Scottish Parliamentary elections at 5pm on the 11th working day before the referendum (‘the cut-off date’, which is defined in paragraph 18 of schedule 2). Such voters are referred to as ‘existing postal voters’ and ‘existing proxy voters’.

17. Paragraph 3 deals with new applications for postal votes and proxy votes for the referendum from applicants who are already on, or have applied to be on, the register of electors, including those with anonymous entries. The ‘register of electors’ for the purposes of the Bill means the register of local government electors and the register of young voters maintained under the Scottish Independence Referendum (Franchise) Act 2013. Applications must be accepted provided they are submitted before the cut-off date and meet the requirements set out in this paragraph and paragraph 7. Paragraph 3 also deals with applications from existing postal voters to vote by proxy and existing proxy voters who wish to vote by post.

18. Paragraph 4 places a requirement on electoral registration officers to keep absent voters lists that comprise a list of all those entitled to a postal vote in the referendum (the postal voters list) and all those entitled to a proxy vote (the list of proxies). Sub-paragraph (4) requires that where someone has an anonymous entry in the register of electors, any entry in the absent voter’s list should include only the person’s voter number. Sub-paragraph (5) requires electoral registration officers to notify anyone who is removed from either of these lists, where it is practicable to do so, with the reason for their removal.

19. Paragraph 5 sets out the requirements for someone who votes as proxy for another voter. The voter can have only one person appointed as proxy to vote for them. The proxy cannot be someone who would be below voting age on the date of the referendum, who would be subject to any other legal incapacity to vote, or who does not fulfil the citizenship qualifications for a local government election. No one can vote as proxy for more than two people who are not their spouse, civil partner or other close family relation. There is a duty on the registration officer to make the appointment of a proxy provided the applicant is entitled to an absent vote and makes an application in accordance with paragraph 3, the nominated proxy is willing and able to be a proxy and the application meets the requirements set out in paragraph 7. These include provision of details of the person the applicant wishes to be appointed as their proxy. Sub-paragraph (10) allows a person to cancel the appointment of a proxy by giving notice to the registration officer.

20. Paragraph 6 sets out the requirements for voting as a proxy. The proxy can vote by post if they opt to have a postal vote, or they may vote at a polling station. Where someone has a proxy and the proxy opts to vote by post, the person who has the proxy is not allowed to apply for a ballot paper to vote at a polling station (other than a tendered ballot paper as described in rule 24 of schedule 3). He or she must rely on the proxy’s postal vote. However, where

someone has a proxy and the proxy does not opt to vote by post, the person may vote at a polling station, provided they do so before a ballot paper has been issued to their proxy (see paragraph 1(4)). Sub-paragraph (6) requires that where someone applies to the registration officer to vote by post as a proxy for someone else, the application must be granted if they are an existing proxy voter for that person and the application meets the requirements of paragraph 7.

21. Sub-paragraph (7) places a requirement on electoral registration officers to keep a proxy postal voters list comprising existing proxies who opt to vote by post and those whose applications under sub-paragraph (6) have been granted. Sub-paragraph (9) requires that where a voter has an anonymous entry in the electoral register, any entry in the proxy postal voter's list should include only the person's voter number. The proxy may only vote by post if they are named on that list. Sub-paragraphs (10) and (11) require the registration officer to retain details (name, date of birth and signature) of those who have applied for proxy votes under this paragraph until one year after the date of the referendum.

22. Paragraph 7 sets out the requirements for applications:

- i. From voters to vote by post
- ii. From voters to vote by proxy
- iii. From existing postal voters for their ballot paper to be sent to a different address
- iv. From existing postal voters to vote by proxy in the referendum
- v. From existing proxy voters to vote by post
- vi. From voters wishing to appoint a proxy to vote for them
- vii. From voters wishing to vote by post as proxy for someone else.
- viii. From proxies who wish to vote by post for their ballot paper to be sent to a different address.

23. Such applications must be made in writing before the cut-off date (sub-paragraph (2)). They must also include certain information such as the person's name, date of birth and signature (unless a signature is not required due to a disability or inability to read or write), as set out in sub-paragraphs (3), (4) and (5). Sub-paragraph (6) sets out the requirements for the format of the applicant's date of birth and signature on the application. Sub-paragraph (7) sets out the required details in relation to the person to be appointed as a voter's proxy.

24. Sub-paragraphs (8) and (9) allow for emergency proxy applications, where someone becomes unable to vote in person at the polling station due to a disability that occurs after the cut-off date and that person wishes to appoint someone as their proxy. Such applications must be submitted before 5pm on the day of the referendum.

25. Paragraph 8 places an obligation on electoral registration officers to notify applicants for a postal or proxy vote whether the application has been accepted or not, and to give a reason if the application is refused.

26. Paragraph 9 requires the registration officer to supply as many forms as necessary to anyone wishing to use them in connection with registering to vote, or to applying for an absent vote, at the referendum. The forms must be free of charge. Paragraph 44 provides that the style of the form is as prescribed by the Chief Counting Officer.

27. Paragraph 10 requires registration officers to keep a record of the dates of birth and signatures of voters who have applied for a postal or proxy vote. This information must be made available to the relevant counting officer as soon as possible after the cut-off date. This information is used by counting officers to verify postal voting statements returned along with postal votes.

28. Paragraph 11 states that any entry relating to a voter or proxy who has opted to vote by post should be marked with the letter 'A' on any list of voters provided for use at a polling station. This highlights the fact that the voter is an absent voter and is not entitled to vote in person.

29. Paragraph 12 deals with registration appeals made under existing legislation about registering on the electoral register (i.e. under section 56 of the 1983 Act, including as that provision is applied in relation to the register of young voters). Sub-paragraph (1) states that until the appeal has been decided, any activity related to the referendum proceeds on the basis that there is no appeal. For example, if an individual is appealing against the registration officer refusing to register him or her, he or she is not entitled to a vote in the referendum.

30. Under sub-paragraph (2), if, when an appeal is decided it results in an alteration of the register of electors (which is usually carried out by means of a notice rather than by publication of a completely new register), any referendum-related activity should take place in light of the decision as represented by the notice. In other words, once the notice is issued the appeal decision should be acted upon, but until that point the appeal should be ignored.

Part 2: Registration

31. Part 2 of schedule 2 sets out the consequences of being registered to vote and the functions of registration officers.

32. Paragraph 13 prevents anyone who is registered in the electoral register (or who is on the list of proxies) from not being allowed to vote in the referendum on the grounds that they are ineligible to vote. However, if they are found later to be ineligible to vote, their vote can be rejected and they may be subject to pay a penalty for a voting offence. The effect of this is that the person's entry in the electoral register or on the list of proxies is to be taken as *prima facie* evidence of his or her entitlement to vote.

33. Paragraph 14 prevents any minor error, such as a spelling error, in the electoral register or any of the other relevant documents used in relation to voting in the referendum from hindering the use of that document.

34. Paragraph 15 requires registration officers to carry out their functions in accordance with directions given by the Chief Counting Officer, which must in turn be in accordance with this

Bill and all other legislation which currently applies to registration officers (mostly they are regulated under the Representation of the People Act 1983, particularly as amended by the Representation of the People Act 2000). It also allows a deputy registration officer to carry out a registration officer's duties and in that event the provisions of the Bill apply to deputy registration officers. The paragraph also requires councils to provide staff to a registration officer to enable him or her to fulfil their functions under the Bill.

35. Under the provisions of paragraph 16, any alteration that is to be made to the electoral register within 5 days of the date of the referendum will have no effect in the referendum. Sub-paragraph (3) applies section 13B(2) to (6) of the Representation of the People Act 1983 to the referendum, the effect of which is that where an alteration is to take effect at least 5 days before the referendum but under the normal rules about alterations the notification would not be issued by that date, the registration officer must issue a notice of the alteration which takes effect on the day on which it is issued. This allows alterations to be made quickly so that counting officers are aware of every person who is entitled to vote.

36. Sub-paragraph (4) applies section 13BB of the Representation of the People Act 1983 to the referendum if the referendum is to be held during a canvass period. Section 13BB requires registration officers to publish notice of changes to the electoral register resulting from applications made during the canvass period.

37. Paragraph 17 requires electoral registration officers to create a list known as the 'polling list', merging the register of local government electors in their area with the register of young voters in their area. Once the registers are merged, it must not be possible to distinguish between young voters and other voters. The entries should display all of the information contained on the separate registers, except dates of birth. Under sub-paragraphs (5) to (7), electoral registration officers and their staff are prohibited from sharing the polling list with anyone who does not require a copy of the list for the purpose of registration functions in connection with the referendum or otherwise in accordance with the Bill, e.g. counting officers and the designated campaign organisations. The list must be securely destroyed one year after the poll, unless the Court of Session or a sheriff principal otherwise direct.

38. Paragraph 18 sets out the days that are not to be counted in working out the cut-off date of 11 days before the referendum by which certain things must be done for a voter to vote. These include weekends, Christmas Eve and Christmas Day, and bank holidays in Scotland.

Part 3: Postal voting: issue and receipt of ballot papers

39. Part 3 of Schedule 2 sets out the rules for the handling of postal ballot papers.

40. Paragraph 19 specifies that only the counting officer and their staff may be present at the issuing of postal ballot papers, though it protects the right of representatives of the Electoral Commission and accredited observers to attend. At the receipt of the postal ballot papers, counting officers and their staff may be present, along with these representatives and observers. However, referendum agents and their nominated attendees ('postal ballot agents') may also attend at the receipt stage (the maximum number of attendees will be determined by the counting officer and will be the same for each referendum agent). Notice of the appointment of a postal

ballot agent must be given to the counting officer in advance of the postal voters box being opened.

41. Paragraph 20 requires the counting officer to ensure that anyone attending the issue or receipt of ballot papers has been provided with a copy of the requirement of secrecy contained in paragraph 7 of schedule 7.

42. Paragraph 21 states that postal ballots may be issued at any time after 5pm on the cut-off date (11 days before the referendum, as defined in paragraph 18). In certain cases where the application for a postal vote is approved after the cut-off date, the counting officer has a duty to issue the ballot as soon as possible.

43. Paragraph 22 provides the rules for the issuing of postal ballot papers to the addresses shown on the postal voters or proxy postal voters lists. The voter number (as specified in the polling list) must be marked on the corresponding number list beside the unique identifying number of the ballot paper issued to that voter. A mark must also be made on the postal voters list or proxy postal voters list to denote that a ballot paper has been sent to that voter.

44. Under paragraph 23 a counting officer must issue only one ballot paper to a voter with more than one entry in the postal voters list or proxy postal voters list.

45. Under paragraph 24 a counting officer must issue two envelopes to postal voters; an envelope marked 'A' in which to put the completed ballot paper ('the ballot paper envelope'); and an envelope marked 'B' in which to return envelope A along with the postal voting statement.

46. Paragraph 25 requires the counting officer to seal the corresponding number lists in a packet after the issue of each batch of ballot papers, and to maintain the security of the marked postal voters list and proxy postal voters lists up until that point.

47. Paragraph 26 provides that all postage costs for postal ballot papers must be pre-paid, except return postage for postal voters whose ballot pack is sent to an address outside of the UK.

48. Paragraph 27 makes provision for a postal voter who accidentally spoils their ballot paper or postal voting statement to return them, along with the envelopes supplied, to the counting officer and to receive a replacement postal ballot pack. To receive a replacement ballot paper after 5pm on the day before the poll, the ballot pack must be returned in person.

49. The counting officer must, under sub-paragraphs (6) and (7), immediately cancel any returned postal ballot packs and put them into a sealed packet. Under sub-paragraph (9), the counting officer must keep a 'list of spoilt ballot papers' detailing the name and number of the voter and the ballot paper number, and, where the postal voter is a proxy, their name and address.

50. Paragraph 28 allows a postal voter who has lost or has not received their postal ballot paper, postal voting statement or return envelopes by the fourth day before the poll, to apply to the counting officer for a replacement in the same way as described in paragraph 27.

51. Paragraph 29 requires the counting officer to give at least 48 hours' notice in writing to referendum agents of the opening of any postal ballot box and its contents. They must include details of the time and place and the number of postal ballot agents permitted.

52. Paragraph 30 requires the counting officer to provide separate boxes to collect covering envelopes and postal ballot papers, marked with their purpose and the name of the local government area. The box must be shown to any postal ballot agents to prove that it is empty before being locked and sealed by the counting officer (and any postal ballot agent who wishes to attach their own seal).

53. Sub-paragraph (5) requires the counting officer to provide separate containers for rejected votes, postal voting statements, ballot paper envelopes, rejected ballot paper envelopes, votes rejected during the verification procedure, and postal voting statements rejected during the verification procedure.

54. Sub-paragraph (6) requires the counting officer to ensure the safety and security of all of the boxes described in this paragraph.

55. Paragraph 31 requires the counting officer to place any returned postal vote covering envelopes (and any other envelopes which contain a ballot paper, ballot paper envelope or postal voting statement) immediately into a postal voters box.

56. Sub-paragraphs (3) and (4) allow the counting officer to collect, or arrange to have collected, any postal ballot papers which have been delivered to polling stations. These should be contained in packets, sealed by the presiding officer and any polling agent who wishes to attach their own seal.

57. Paragraph 32 states that each postal voters box must be opened by the counting officer in front of any postal ballot agents in attendance. As long as one box remains sealed to received covering envelopes until the close of poll, the counting officer may open the other boxes. The last postal voters box and the postal ballot box must be opened along with the counting of the rest of the votes under the conduct rules.

58. Paragraph 33 requires the counting officer to count and record the number of covering envelopes in each opened box, and to set aside at least 20% of each box for verification of the personal identifiers (signature and date of birth). The counting officer must then open each of the remaining covering envelopes, keeping the ballot papers face downwards. The counting officer must not be allowed to view the corresponding number list used at the issuing of the postal ballot papers.

59. Where the envelope is missing either a postal voting statement or ballot paper envelope (or, where there is no ballot paper envelope, is missing a ballot paper), the counting officer should mark the covering envelope 'provisionally rejected' and place it, with its contents attached, into the container for rejected votes.

60. Under sub-paragraph (9), where the envelope does contain a postal voting statement, the counting officer should mark the marked copy of the postal voters list or proxy postal voters list with a separate, clear mark, to highlight that the voter has returned their postal vote.
61. Sub-paragraph (11) requires the counting officer, once the last covering envelope has been opened, to make a sealed packet containing the marked postal voters list and proxy postal voters list.
62. Paragraph 34 allows anyone on the postal voters list or proxy postal voters list to request confirmation from the counting officer that their postal voting statement has been received at any time between the issuing of the postal ballots and the close of the poll.
63. Paragraph 35 requires the counting officer to check all postal voting statements which have not been set aside for verification and judge whether they have been properly completed. If the statement has not been properly completed, the counting officer should mark the statement 'rejected', attach it to the ballot paper envelope or ballot paper, show it to the postal ballot agents who may object to the counting officer's decision (in which case the envelope should be marked 'rejection objected to') and add it to the container for rejected votes.
64. The counting officer must then compare the numbers on the postal voting statements with those on the ballot paper envelopes. If the numbers match, the postal voting statements and ballot paper envelopes should be placed in their respective containers. Where they do not match, or where there is a valid postal voting statement but no ballot paper envelope, the counting officer should mark the documents 'provisionally rejected' and put them in the container for rejected votes.
65. Paragraph 36 applies to envelopes which have been set aside for verification under paragraph 34. The counting officer must open the envelope and judge whether it has been properly completed, including comparing the signature and date of birth on the postal voting statement with those contained in the record of personal identifiers. Votes rejected under this paragraph should be placed in the rejected votes (verification procedure) container. The postal ballot agents must be shown the postal voting statement, permitted to view the personal identifiers record and may object to the decision, in which case the statement will be marked to show that the rejection was objected to.
66. Paragraph 37 allows the counting officer to check at any time the personal identifiers on a postal voting statement which has been placed in the postal voting statements container. If the counting officer is not satisfied that the signatures or dates of birth match, the statement should be marked 'rejected', shown to the postal ballot agents (who are permitted to object) and placed in the container for rejected votes (verification procedure), along with the corresponding ballot paper which should be retrieved from the postal ballot paper box. The counting officer must keep the ballot papers face downwards when retrieving them and re-seal the box in the presence of ballot paper agents.
67. Paragraph 38 requires the counting officer to open the ballot paper envelopes and place the ballot papers in the postal ballot box, except where the ballot paper envelope is empty, or where the number on the ballot paper does not match the number on the ballot paper envelope (in

which case they should be marked ‘provisionally rejected’ and placed in the containers for rejected ballot paper envelopes or the container for rejected ballot papers respectively).

68. Paragraph 39 allows the counting officer to retrieve any cancelled ballot paper which has been placed in a postal voters box, postal ballot box or the container for ballot paper envelopes.

69. Paragraph 40 requires the counting officer to keep a list of the ballot paper numbers of any postal ballot paper which was received without a corresponding postal voting statement; and a separate list of the ballot paper numbers of any postal ballot papers which were not received with the corresponding postal voting statement.

70. Paragraph 41 provides that where a postal voting statement is received with no attached ballot paper, or vice versa, the counting officer should check to see whether the corresponding papers are included on either of the lists described above. If the papers can be matched, the counting officer must act as though the papers had not been marked ‘provisionally rejected’ and must treat the papers accordingly.

71. Paragraph 42 requires the counting officer, as soon as possible after the matching of papers under paragraph 41 above, to make up separate sealed packets containing the contents of the containers of rejected votes, postal voting statements, rejected ballot paper envelopes, rejected votes (verification procedure), postal voting statements (verification procedure), and the lists of spoilt and lost ballot papers.

72. Under paragraph 43, the counting officer is required to send all of the sealed packets to the proper officer of the local authority along with the other documents to be sent as part of the conduct rules in Schedule 3 and a statement of the contents and date. A copy of this statement should be provided to the Electoral Commission. Where any papers are received too late to be included in the packs the counting officer should package and send these separately.

73. Paragraph 44 allows the Chief Counting Officer to prescribe forms to be used under paragraphs 9 and 43. Where the forms are prescribed by the Chief Counting Officer, they may be used with such variations as circumstances require.

Part 4: Supply of polling lists etc.

74. Part 4 of Schedule 2 deals with the supply of polling lists and related documentation.

75. Paragraph 46 requires registration officers, at the request of the relevant counting officer, to supply to the counting officer the polling list, any notices of alterations to the register of electors, and any record of anonymous entries. Counting officers may request as many copies as they reasonably require for the purposes of the referendum, and the copies must be provided free of charge. Counting officers should also be provided with as many free copies of the postal voters list, list of proxies and proxy postal voters list as they may reasonably require. This includes a duty to supply one copy in data form. Where additional copies of any of the lists mentioned above are requested, printed copies should be issued. Anyone who receives a copy of a list under this paragraph is prohibited from supplying a copy, disclosing or making use of any

of the information contained in it which is not also available in the edited copy of the local government register.

76. Paragraph 47 requires registration officers to supply free copies of the polling list and any alterations, the postal voters list, the list of proxies, and the proxy postal voters list to the Electoral Commission (in data form unless a paper copy is requested). The Electoral Commission and their staff are subject to similar restrictions around disclosing the information as registration officers under paragraph 45. The Commission may, however, use the information contained in the register to fulfil their duties in relation to the permissibility of donors, and they may also publish anonymised voter information.

77. Paragraph 48 allows registration officers to supply one copy of edited versions of the lists (with voter numbers and anonymous entries removed) to the designated campaign organisations on their making a request in writing. Unless specified by the designated organisation, the copy will be provided in data form. These copies are to be used only for the purposes of campaigning and complying with the controls on donations and regulated transactions in schedule 4.

78. Paragraph 49 requires registration officers to supply to permitted participants in the campaign, on request, one copy of the full version of the local government register and any alterations, the postal voters list, the list of proxies, and the proxy postal voters list. Permitted participants are subject to similar restrictions as designated organisations, as above, on the purposes for which the lists may be used.

79. Paragraph 50 confirms that the duty on a registration officer under this schedule is a duty only to supply the data in the form in which the registration officer holds it.

80. Paragraph 51 is an additional general restriction on the use of registration documents by those other than those for whom they are intended (for the purposes of this paragraph, “registration documents” means the polling list, notices altering that list, record of anonymous entries, postal voters list, list of proxies, or proxy postal voters list, or the edited equivalents of these items as provided for by paragraph 48), stating that any person who receives a copy of such a document must not supply any copies of that document, or disclose or make use of the information contained in it.

81. Paragraph 52 deals with offences in relation to disclosures of registration documents. A person is guilty of an offence if they breach any of the disclosure restrictions under this Part of the schedule, unless they were under direction of a supervisor with whose instructions they complied, or unless they took all reasonable steps to prevent the breach. An offence under this paragraph carries a penalty, on conviction, of a fine.

82. Under paragraph 53, any person who holds a copy of a registration document under this schedule must securely destroy the document no later than one year after the referendum, unless the Court of Session or a sheriff principal orders otherwise. A person who fails to do so is guilty of an offence, with a penalty of a fine if convicted.

Part 5: Supply of marked polling lists etc.

83. Part 5 of schedule 2 deals with the supply of marked polling lists (ie. the polling lists which were annotated on the day of the poll to show which voters were provided with a ballot paper). Paragraph 54 allows designated organisations to request the counting officer to supply them with a copy of the marked versions of the polling list, any notices setting out alterations to the polling list, the postal voters list, list of proxies, and proxy postal voters list. The request must be made for purposes in connection with the campaign in respect of the referendum, or of complying with the schedule 4 controls on donations and regulated transactions, and if these purposes are satisfied the counting officer has a duty to supply the requested copies. The copies under this paragraph are subject to the same conditions as unmarked copies.

84. Paragraph 55 sets out the fees to be paid in relation to the supply of copies under paragraph 54.

Conduct

85. Section 4 of the Bill provides for the appointment of the Chief Counting Officer (CCO). The CCO will be the person who, at the time the Bill comes into force, is convener of the Electoral Management Board unless there is no-one in post at the time or the person in post is unwilling or unable to act as the CCO. This section also provides for appointment of a replacement CCO if he or she dies, resigns or is removed from the post by the Scottish Ministers who have a limited power to remove the CCO on health grounds. The CCO has the power to appoint a deputy. Any appointees under this section (including the CCO) must be, or have been, a returning officer.

86. Under the provisions of section 5, the CCO must appoint a counting officer for each local government area and notify the Scottish Ministers. This section also provides for the appointment of replacement counting officers if one should die, resign or be removed from post by the CCO (who has power to remove a counting officer who cannot perform his or her functions, or who does not follow the CCO's directions). Counting officers also have the power to appoint deputies.

87. Section 6 deals with the functions of the CCO and counting officers. The CCO is responsible for the proper and effective conduct of the referendum, including the conduct of the poll and the count of the votes. Each counting officer is responsible for conducting the poll and the count of votes in their local government area. The CCO must certify the total number of ballot papers in the referendum and the total number of votes cast in favour of each answer to the referendum question (section 6(4)), while the counting officers do the same for each local government area (section 6(2)) under the direction of the Chief Counting Officer. The CCO can give directions to counting officers with which they must comply. Local authorities are responsible for providing the CCO and counting officers with the property, staff and services they need to conduct the referendum (section 6(8) and (9)).

88. Section 7 gives the counting officers, including the CCO, a power to remedy, or correct, any act or omission which would constitute a procedural error by a relevant person (the persons listed in subsection (3)) and which is not in accordance with the requirements of the legislation.

This power does not extend to a re-count of the votes after a declaration of the result has taken place.

89. Section 8 deals with the expenses incurred by counting officers and the CCO. Counting officers, including the CCO, can recover their costs from the Scottish Ministers, up to a maximum amount to be set out in an Order made by the Scottish Ministers. The Scottish Ministers may provide monies in advance to the CCO and counting officers if they consider it appropriate to do so.

Schedule 3: Conduct rules

90. Schedule 3 to the Bill, introduced by section 9, sets out the conduct rules for the referendum.

91. To make voters aware of the arrangements for the referendum, rule 1 of schedule 3 requires each counting officer to publish notice of the referendum not later than the 25th working day before the date of the referendum. The notice must state the date of the referendum, details of who is entitled to vote, the hours of polling (7am – 10pm under the provisions of rule 2), the location of polling stations and the dates by which applications to register to vote and to vote by post and proxy (and other applications and notices about postal or proxy voting) must reach the registration officer. The counting officer must provide a copy of this notice to the referendum agents appointed for their area.

92. Under the provisions of rules 3, 4, 5, and 6, each voter will receive one ballot paper with a unique identifying number and a secret official mark. Counting officers must keep a ‘corresponding number list’ which records the unique identifying number of every ballot paper. The printing of the ballot papers should be arranged locally by counting officers unless the CCO takes over the printing arrangements.

93. Rule 7 gives counting officers a right to use rooms for the poll or for counting the votes, free of charge, in schools maintained by education authorities and other public meeting rooms maintained at a cost to the Scottish Ministers or most public authorities in Scotland. The counting officer must cover any associated expenses such as the lighting, heating or cleaning of the room.

94. Rule 8 places a duty on counting officers to issue postal voters with ballot papers and other associated documentation, including information about how to obtain directions or guidance for voters translated into other languages and Braille or in picture, audible or other formats.

95. Rule 9 places a duty on counting officers to provide enough polling stations and polling booths for the referendum and to allocate voters to polling stations appropriately. It is possible for more than one polling station to be in the same room.

96. Under Rule 10, counting officers must appoint and pay a presiding officer and clerks (as needed) for each polling station. People who have been involved in campaigning for an outcome in the referendum are excluded from undertaking these roles. A counting officer may act as a

presiding officer at a polling station and the rules applying to presiding officers also then apply to a counting officer who does that. The presiding officer can authorise a clerk to do anything the presiding officer can do under these rules, except remove and exclude persons from the polling station.

97. Rule 11 places a duty on counting officers to issue the following to voters as necessary, and to the appropriate address:

- A poll card
- A postal poll card
- A poll card to a proxy
- A postal poll card to a proxy.

98. Poll cards include the voter's name, address and electoral register number (unless they have an anonymous entry on the electoral register) and inform the voter of the date of the poll, the hours of polling and the polling station at which they should vote (where applicable). Where the voter has appointed a proxy, the poll card should confirm this.

99. Rule 12 places a duty on local authorities to lend ballot boxes and other relevant equipment to counting officers on terms and conditions which they agree.

100. The counting officer has a duty to provide presiding officers at polling stations with enough ballot boxes (designed to ensure that no ballot papers can be removed from the box without opening it) and ballot papers as necessary for the referendum, and materials for voters to mark their ballot papers, under the provisions of rule 13. Counting officers are to provide each polling station with the documentation needed to run the poll, including the polling list of voters for that area, a list of the postal and proxy voters for the area, the relevant part of the corresponding number list and any notices, declarations or other documents needed for the poll.

Procedures to be followed at polling stations

101. Rule 13 further provides that information to help voters with the voting process is to be displayed inside and outside the polling station and in every polling booth. To help voters who have a visual impairment, an enlarged sample copy of the ballot papers is to be made available, along with a device for enabling voters who are blind or partially sighted to vote without any assistance. The counting officer also has a power to display an enlarged copy of the ballot papers, marked as a specimen copy, translated into other languages as they deem appropriate for that area.

102. Rule 14 allows referendum agents to appoint polling agents or counting agents to attend the poll or the count. Referendum agents must give the counting officer notice of the appointments by the 5th day before the referendum. The number of counting agents allowed to attend the count may be limited by the counting officer, provided that each referendum agent is permitted an equal number, and that number is not less than the number of clerks employed divided by the number of referendum agents. A referendum agent may also undertake the duties of a counting or polling agent under this section. If an agent appointed under this section fails to

attend to witness the proceedings, this does not invalidate the process so long as it is otherwise conducted properly.

103. Rule 15 lists the people who are allowed to be admitted to a polling station. The presiding officer of the polling station has overall control on how many voters and any children they may have with them may be admitted to the polling station at any one time. Each permitted participant in the referendum cannot have more than one polling agent representing them in the polling station at any time.

104. The counting officer's staff and police constables on duty at a polling station are allowed to vote at a polling station other than the one they were allotted provided they have a certificate to do so.

105. Under the provisions of rule 16, counting officers must ensure that everyone at a polling station, other than voters and those accompanying them, and police constables, has been given a copy of the information in sub-paragraphs (1), (3), (5), (7), (8) and (9) of paragraph 7 of schedule 7 to the Bill. These sub-paragraphs all relate to the need to ensure that each person's vote in the referendum remains secret. Before the poll closes, they are not to discuss or reveal the name or electoral registration number of anyone who has or has not requested a ballot paper. The official mark on every ballot paper (under the provisions of schedule 3, rule 6) must not be discussed either (sub-paragraph (3) of paragraph 7 of schedule 7). Nor should they (under sub-paragraph (5)):

- make any attempt to interfere with a voter when recording their vote
- make any attempt in the polling station to find out how the voter intends to vote or has voted
- discuss with anyone how a voter intends to vote or has voted
- discuss the ballot paper number on the back of a voter's ballot paper
- cause a voter to display a marked ballot paper which might reveal how they have voted or intend to vote in the referendum.

106. If they are required to help a voter with disabilities to vote in the referendum, they should not reveal to anyone how the person has voted or intends to vote, or the unique identifying number on the back of the ballot paper (sub-paragraph (7)).

107. The final piece of information, contained in sub-paragraphs (8) and (9), that counting officers are required to give to everyone at the polling station, is that if they fail to adhere to these requirements they commit an offence. The penalty for the offence is a maximum of 12 months imprisonment or a fine up to level 5 on the standard scale.

108. Rule 17 imposes a duty on the presiding officer to keep order at the polling station and a power to remove anyone who does anything to stop the polling station from operating effectively; such a person can be removed either by the presiding officer or a police constable and may not enter the polling station again that day, other than to vote. If they are charged with

an offence they may be taken into custody without a warrant. The presiding officer cannot remove someone if it would prevent a voter from voting.

109. Rule 18 sets out the procedures for dealing with the ballot boxes during the poll. Before the poll opens, the presiding officer must demonstrate to anyone present that the ballot boxes are empty and then they must place the presiding officer's seal on the box in such a way that if the box is opened, the seal would be broken. This verifies to everyone that the box has remained closed and not been tampered with by anyone during the poll. The box must be visible to the presiding officer at all times during the poll for the same reason and it must remain sealed until after the poll closes and it is delivered to the counting officer for the count of the votes.

110. Rule 19 provides the questions that must be put to voters by the presiding officer when they arrive at the polling station to vote, if a referendum agent or polling agent requires it or the presiding officer considers it appropriate to do so. There are different questions for voters applying to vote in person and those applying to vote as proxy. Only the questions set out in this paragraph of schedule 3 may be asked about a voter's eligibility to vote. The person's answers to the questions help the presiding officer to determine whether the voter is eligible to vote and whether they should be given a ballot paper to vote in the referendum.

111. Rule 20 makes provision for circumstances where someone declares that the voter is not who they claim to be or the voter is arrested on suspicion of committing or being about to commit an offence of personation. These situations are not to be treated as reasons to prevent the voter from voting.

112. Under the provisions of rule 21, provided an eligible voter has answered the questions put to them under rule 19 satisfactorily, the voter must be given a ballot paper. Before handing a ballot paper to a voter, the staff at the polling station should declare the voter's name and number as it appears in the polling list and then write the voter's number against the number of the ballot paper contained in the corresponding number list. This ensures that there is a record of that ballot paper being given to that voter. In the copy of the polling list, the voter's name should be marked to show that they have received a ballot paper and if the voter is voting as proxy, a mark should be put against their name in the list of proxies. If the voter has an anonymous entry in the electoral register, only their number should be called out.

113. Having received a ballot paper the voter is required to go immediately to a polling booth to vote, cast their vote, show the ballot paper number on their ballot paper to the presiding officer and then, in the presence of the presiding officer, put their ballot paper in the ballot box provided. They must then leave the polling station. Where a voter arrives at the polling station before 10pm, but is still in waiting to vote at 10pm, the presiding officer must allow them to vote after the normal 10pm deadline. The polling station must be closed immediately after the last such voter has voted.

114. If a voter asks for help to cast their vote because of an inability to read or because of a disability such as blindness, rule 22 places a duty on the presiding officer, in the presence of any polling agents, to ensure that their vote is cast as they wish to vote and their ballot paper is placed in the ballot box. The voter's name and number from the polling list is to be marked in a 'marked votes list' along with the reason for the entry in that list.

115. Rule 23 covers other circumstances under which a voter who is unable to read, is blind or has a physical disability may vote. If the voter asks the presiding officer to vote with the help of a companion, the presiding officer will ask them to explain the reason for needing assistance. The companion must complete a form, prescribed by the CCO, stating that they are the parent, grandparent, brother, sister, spouse, civil partner, child or grandchild of the voter, aged 16 or over, and eligible to vote in the referendum. The presiding officer cannot charge a fee for the declaration, and must sign and keep it.

116. If the presiding officer is satisfied that the voter needs assistance and that the companion is eligible to fulfil the role, the request must be granted. If an application has been granted, the voter's name and number from the polling list and the companion's name and address must be marked in an 'assisted voters list'. If someone is voting by proxy in this way, the number to be entered is the voter's number. If the voter being assisted by the companion has an anonymous entry in the electoral register, only the voter's number is to be entered in the assisted voters list.

117. Rule 24 sets out four situations which may occur where there is doubt that the person is eligible to vote in the referendum. These situations, set out in paragraphs (2) to (5) are where:

- someone claiming to be a voter (but not named on the postal voter or proxy voter lists) or claiming to be a proxy voter (but not a postal proxy voter) asks for a ballot paper after someone has already voted as that person either in person or as a proxy voter
- someone asking for a ballot paper claims to be a voter on the polling list, is named in the postal voters list and claims that either they have not applied to vote by post in the referendum or that they are not an existing postal voter (under schedule 2, paragraph 2(2))
- someone asking for a ballot paper claims to be a proxy voter in the list of proxies, is named in the proxy postal voters list and claims that either they have not applied to vote by post as proxy in the referendum or that they are not an existing postal proxy voter in local government or Scottish Parliament elections (under schedule 2, paragraph 6(4))
- someone claims after the last time for replacement postal ballot papers, but before the close of the poll, that they have lost or never received a postal ballot paper and they claim that they are named on the polling list and the postal voters list or that they are a proxy voter in the list of proxies and named in the postal proxy voters list.

118. In all four of the situations described above the person would be allowed to complete what is known as a tendered ballot paper, provided they answered the questions set out in rule 19 to the satisfaction of the presiding officer.

119. In these circumstances, the person will receive a ballot paper of a colour prescribed by the CCO that is different to the colour of the normal ballot paper used in the referendum. Once they have marked their vote, the 'tendered ballot paper' is given to the presiding officer who will write the voter's name and voter number on the ballot paper. The ballot paper is not placed in the ballot box, but is instead placed in a separate packet and kept to one side. Such votes are not counted towards the declared result of the referendum. The voter's name and voter number is then entered on a list known as the 'tendered votes list' (paragraph (8)). If someone is voting as

proxy for a voter in these circumstances, the voter's number is entered on the tendered votes list (paragraph (9)). Where someone has an anonymous entry in the electoral register, the same procedure is to be followed, except that only the voter's number would be entered in the tendered votes list (paragraph (10)).

120. Rule 25 deals with ballot papers that have been inadvertently spoiled. If the voter makes an error or the ballot paper cannot be used for some other reason, the original ballot paper must be returned to the presiding officer of the polling station and immediately cancelled and a new ballot paper issued.

121. Under Rule 26, the presiding officer must keep a list, known as the 'polling day alterations list', of people who receive ballot papers because they have had their entry in the electoral register altered on the day of the poll itself (done by issuing a late notice of alteration under the Representation of the People Act 1983, including that Act as applied by the Scottish Independence Referendum (Franchise) Act 2013 in relation to the register of young voters) and are then eligible to vote at the referendum.

122. Rule 27 provides a procedure which the presiding officer is to follow if proceedings at the polling station are interrupted by riot or open violence. The presiding officer will close the polling station until the next day and let the counting officer know immediately what has happened. The poll will be adjourned and the polling station will observe the same opening hours the following day.

123. Under the provisions of Rule 28, as soon as possible after the poll closes, the presiding officer must seal each ballot box using the presiding officer's own seal, so that no more votes can be cast. Separate packets are to be sealed containing:

- unused and spoilt ballot papers
- tendered ballot papers
- marked copies of the polling list, marked copy notices and the list of proxies (all in one packet)
- certificates from police constables or the counting officer's staff who voted at a polling station instead of the one they were allotted
- the completed corresponding number list. This is to be in a different packet from the one containing the marked copies of the polling list (as is the list of certificates from police constables and counting officer staff)
- the tendered votes list and other specified lists
- any postal ballot papers or postal voting statements returned to the polling station.

124. The presiding officer must include a statement with the packets, known as the 'ballot paper account' which provides a count of the ballot papers the presiding officer was given, the number issued and not otherwise accounted for, unused ballot papers, spoilt ballot papers and the tendered ballot papers.

125. The sealed ballot boxes and the packets are then to be delivered to the counting officer. If the presiding officer does not deliver the ballot papers in person, the counting officer must approve any alternative delivery arrangements.

126. Rule 29 places a duty on counting officers to make arrangements for the count of votes as soon as possible after the close of the poll and to publish a notice stating where and when the count will take place. There is also a duty on the counting officer to ensure that the ballot boxes and packets are kept secure from the time he or she assumes responsibility for them until the count gets underway.

127. Paragraph (5) sets out the categories of people who are allowed to attend the count. As with polling and counting agents, counting officers may limit the number of permitted participants' agents ('counting agents') at the polling stations or the count of votes, but they cannot favour one permitted participant over another – they would have to ensure that each permitted participant could have the same number of counting agents present.

128. Before the count of votes for each referendum outcome can start, the counting officer must check the number of votes to be counted from each ballot box against the number of ballot papers delivered and recorded on the ballot paper account by the presiding officer of each polling station. Rule 30 sets out the procedure for this. Each ballot box must be opened with any counting agents present, and the ballot papers it contains counted and recorded (paragraph (1)). The number of ballot papers is to be checked against the ballot paper account supplied by the presiding officer for that box. The ballot paper account is then verified, again with counting agents present, by comparing its totals with the number of ballot papers recorded, the unused and spoiled ballot papers and the tendered votes list. The packets containing the unused and spoiled ballot papers and the tendered votes list are then resealed. The counting officer must then prepare a statement, known as the 'verification statement' that records the totals of these counts against the ballot paper accounts provided by presiding officers of the polling stations (paragraph (2)).

129. The number of postal ballot papers is also counted and recorded. Postal ballot papers cannot be included in the count unless they have been delivered by hand to a polling station in the right local authority area or posted to the counting officer before the close of the poll. A postal voting statement that is signed (unless no signature is needed due to a disability or inability to read or write) and includes the voter or proxy's date of birth must be included with the postal ballot paper (paragraph (4) of rule 30).

130. Under paragraph (5), before the count of votes can start, postal ballot papers must be mixed with the ballot papers from at least one ballot box. Ballot papers in a ballot box must be mixed with the ballot papers of at least one other box. (This prevents anyone from being able to tell from observing the count how voters in a particular locality have voted in the referendum.) Only then can the count of votes for each outcome in the referendum get underway.

131. No tendered ballot paper is to be counted. No postal vote can be included in the count if the counting officer, having verified the personal identifiers (the voter or proxy's signature and date of birth), is not satisfied that the postal voting statement has been completed correctly.

132. The counting officer must make every effort to ensure that no one can identify the voter that cast a particular vote in the referendum.

133. Rule 29(1) provides that the counting officer must arrange to count the votes as soon as practicable after the close of the poll, which should usually mean that counting begins before midnight on polling day. The counting officer is responsible for the security of the ballot papers during the period between close of the poll and the start of the count. The count should normally proceed to a conclusion, but rule 30(9) allows the counting officer to exclude counting between 7pm on any day after the day of the poll and 9am the following morning.

134. Rule 31 deals with ballot papers that are rejected from the count because they do not bear the official mark, they provide a vote both for and against the referendum question, they include anything that identifies the voter (other than the printed number on the back of the ballot paper) or they are unmarked or the person's voting intention is unclear. The counting officer must mark these papers rejected (and, if any counting agent objects to the counting officer's decision, mark them 'rejection objected to'), and prepare a statement that records the numbers of ballot papers rejected in these ways.

135. Paragraph (3) gives the counting officer the power to decide whether a vote can be counted if the voter's cross is not where it should be on the ballot paper, they marked the paper without using a cross or if they marked the paper more than once. So long as the voter's intention is clear, the counting officer may decide to include the ballot paper in the count of votes. However the vote cannot be counted if it is possible to identify the voter from the ballot paper.

136. Rule 32 gives the counting officer a duty to count the votes for and against the referendum question.

137. Rule 33 gives the counting officer final authority to decide any question that arises in respect of a ballot paper.

138. Rule 34 gives both the counting officer and the CCO the power to have votes re-counted and re-counted again if they consider it appropriate to do so.

139. Once the count of votes in their area has been concluded to the counting officer's satisfaction, under rule 35, the counting officer has a duty to immediately provide the CCO with the total number of votes counted, the number of votes cast for and against the referendum question, the details of the verification statements that relate to the ballot paper account and the details of the rejected ballot papers statement. Once authorised by the CCO, the counting officer must then announce the local result.

140. Once the CCO has received the local information for every area and is satisfied that no re-counts are required, he or she must declare the result of the referendum for the whole of Scotland which includes the number of votes counted, and the number of votes cast for and against the referendum question and the number of rejected ballot papers.

141. Once the CCO has confirmed that no recount is required, each counting officer is required as soon as possible under rule 36 to seal separate packets containing counted ballot papers and rejected ballot papers. Counting officers are not to open the packets containing tendered ballot papers, the corresponding number lists, the certificates presented by police constables and those working at polling stations and the marked copies of the polling lists and any marked copies of the notices of late alterations to the register of electors. Once the papers have been sealed, rule 37 requires the counting officer to add a label to each packet that describes their contents and includes the date of the referendum, and to send them to the proper officer of the local authority for which the ballot papers were counted. The proper officer has responsibility for custody of these kinds of documents under existing local government electoral legislation. The package of papers to be sent must include packets of the following:

- the packets of ballot papers
- the ballot paper accounts from each polling station, the rejected ballot paper statement and the verification statements
- the tendered votes list, the assisted votes list, the marked votes list, the polling day alterations lists and the companion declarations
- the completed corresponding number lists
- the certificates presented by police constables and those working at polling stations under rule 15
- the marked copies of the polling lists and marked copies of the notices of late alteration of the register.

142. The proper officer of the local authority is then required under rule 38 to keep all of the papers for one year after which they must be destroyed unless they are required to keep them for longer by order of the Court of Session or a sheriff principal.

143. With the exception of the ballot papers, the corresponding number lists and the certificates submitted by police constables and those working at polling stations, all the papers must be made available for public inspection as the officer of the local authority sees fit. Anyone who wishes to inspect the papers must not copy them or record any information from them; to do so would be an offence. They are, however, allowed to take handwritten notes about them.

144. Under rule 39, the CCO must keep any certifications made by the CCO or by counting officers under section 6 regarding the results of the referendum. These are to be made available for public inspection as determined by the CCO.

145. If someone is being prosecuted for an offence relating to any ballot papers, under rule 40 the Court of Session or a sheriff principal may order inspection of any rejected ballot papers, corresponding number list, employment certificate or ballot paper that has been counted. The Court or sheriff principal can place conditions on who, when, where and how the inspection of these papers may take place. The way in which a voter voted should not be revealed until it is proved that the vote was given and a court has declared the vote to be invalid. Any appeal against a sheriff principal's order would be heard in the Court of Session.

146. When the officer of the local authority produces a document in relation to the case, it is to be taken as conclusive evidence that the document relates to the referendum. Anything written on the packet in which the document is kept is to be taken as evidence that the ballot papers in that packet are what is written on the packet (unless there is evidence to the contrary). When the officer of the local authority produces a ballot paper or corresponding number list in relation to a case, these documents are to be taken as evidence that the voter who voted using the ballot paper was the same person whose voter number appears in the corresponding number list against the number of that ballot paper (again unless there is evidence to the contrary).

147. Other than for the purposes of a prosecution relating to an offence, no one is allowed to inspect any counted or rejected ballot papers or open any sealed packet containing the corresponding number list or the employment certificates provided by police constable or people working at polling stations on the day of the referendum.

148. Rule 41 allows the CCO to prescribe the forms necessary for the referendum.

Schedule 4: Campaign rules

Part 1: Interpretation

149. Section 10 introduces schedule 4 to the Bill which provides for the rules which govern campaigning at the referendum. Paragraph 1 contains definitions of words and phrases used in the schedule.

Part 2: Permitted participants and designated organisations

150. Paragraph 2 of schedule 4 provides that if an individual or an organisation (including a political party) wishes to spend more than £10,000 (a limit set by schedule 4, paragraph 17) on campaigning, they will have to declare to the Electoral Commission that they wish to be a 'permitted participant' and identify the outcome they will campaign for at the referendum. Paragraph 2 also sets out the criteria that individuals and bodies must fulfil to be eligible to become permitted participants.

151. Paragraph 3 sets out the requirements for the declarations. Declarations made by a registered political party must be signed by the responsible officers of the party (usually the treasurer) or in the case of a minor party (one that contests only one or more parish or community election in England and Wales) it must include the name of the person who will be responsible for the party's compliance with the referendum campaign rules.

152. Declarations made by individuals wishing to become permitted participants must be signed by the individual and give their full name and home address.

153. Declarations made by other organisations, known as 'qualifying bodies' must be signed by the secretary or similar office bearer of the body and must include the name and address of the organisation, including, in the case of a company, its registered number.

154. Paragraph 4 places a duty on the Electoral Commission to create and maintain a register of declarations made by registered parties, individuals and other organisations who wish to

become permitted participants in the referendum. The register must not include the home address of an individual who has made a declaration.

155. Paragraphs 5 and 6 provide that a permitted participant may apply to the Electoral Commission to be the principal campaign organisation representing one of the outcomes of the referendum. These permitted participants are called ‘designated organisations’ and have a higher campaign spending limit (full limits are set out in paragraph 18). Paragraph 6 specifies the form that applications must take and makes clear that even where an application has been made only in respect of one outcome, the Electoral Commission should make the designation provided they are satisfied that the applicant is genuinely representative of those campaigning for that outcome. The Commission may designate an organisation in relation to one or both outcomes.

156. Under paragraph 7, designated organisations are entitled to use school rooms or meeting rooms in publicly maintained buildings for public campaign meetings during the four-week period before the referendum is held.

157. Paragraph 8 requires the designated organisation to contact the education authority in advance if they wish to use a school room and entitles them to inspect a list of the rooms that are available for them to use.

Part 3: Referendum expenses

158. Paragraph 9 defines referendum expenses as any of the activities specified in paragraph 10 which are incurred in the running or conduct of a referendum campaign, or are incurred in connection with the promotion of any particular outcome in the referendum.

159. Paragraph 10 sets out different types of activities which qualify to be counted as referendum expenses (including campaign broadcasts, advertising, material addressed to voters, market research or canvassing, press conferences or media dealings, transport, rallies or public meetings). Sub-paragraph (2) confirms that the definition of referendum expenses does not extend to any expenses which fall to be met out of public funds, any campaign staff costs, any expenses incurred by an individual which are not reimbursed, or any expenses related to the publication of material about the referendum which is not an advertisement.

160. Sub-paragraph (3) gives the Electoral Commission a power to issue guidance on the different kinds of expenses that qualify as referendum expenses, and requires them to provide a copy of this guidance to Scottish Ministers, who will lay a copy before the Scottish Parliament.

161. Paragraph 11 deals with the concept of notional referendum expenses, where an individual or body is given property or allowed to use property, services or other facilities either free of charge or at more than 10% discount from the market rate for their use, for the purposes of campaigning for an outcome in the referendum. Notional expenses are counted towards the referendum expenses limit of the individual or body. There are four situations where notional expenses are calculated:

- i. Where a property is provided free of charge, the ‘appropriate amount’ of expenses is calculated as a reasonable proportion of the market value of the property taking into account the use of the property.

- ii. Where the property is provided at a discount of more than 10%, the appropriate amount of expenses is the reasonable proportion of the difference between the market value of the property and the amount actually spent.
- iii. Where property, services or other facilities are provided free of charge, the appropriate amount of expenses is calculated as a reasonable proportion of the commercial rate for their use of the property taking into account the use of the property.
- iv. Where property, services or other facilities are provided at a discount of more than 10%, the appropriate amount of expenses is the reasonable proportion of the difference between the commercial rate for their use and the amount actually spent.

162. Where an employer makes the services of an employee available to the individual or body, the notional referendum expenses are taken to be the person's salary (but not other payments such as bonus payments for example) during the time they are working on behalf of the individual or body.

163. The effect of sub-paragraphs (9) and (10) is that only the proportion of the expenses incurred for the use of the property, services, facilities or employees during the referendum period is to be declared by a permitted participant in a return to the Electoral Commission. Only expenses of over £200 need be declared. Under sub-paragraph (12), someone who makes a false declaration in the return commits an offence. Notional referendum expenses do not include the costs associated with the transmission of a referendum campaign broadcast, the mailshot of referendum material, or the use of public rooms under paragraphs 7 and 8 for designated organisations. Time or services given voluntarily by an individual are also excluded.

164. Paragraph 12 requires that any expenditure incurred on behalf of a permitted participant must have the authority of the responsible person (e.g. its treasurer or other named officer as defined in schedule 8) or someone authorised in writing by the responsible person. Anyone who spends money without this authority commits an offence.

165. Similarly, paragraph 13 requires that any payment made by the permitted participant in connection with referendum expenses must have the authority of the responsible person or someone authorised in writing by the responsible person and there must be an invoice or receipt for any payment over £200. When a payment of over £200 is made by someone authorised by the responsible person, they must notify the responsible person that the payment has been made and give them the relevant invoice or receipt. If anyone fails to follow these rules they commit an offence.

166. Paragraph 14 requires someone with a claim for payment of referendum expenses to submit it to the permitted participant's responsible person or someone authorised by the responsible person within 30 days of the date of the referendum. Claims can be submitted beyond the 30 day period if the Electoral Commission agree that there are special circumstances for doing so. All other claims must be paid within 60 days of the date of the referendum. Paying a claim after that time is an offence. Paying a claim that should not be paid is also an offence. Any other rights a creditor of the permitted participant may have in relation to payment (for example right to earlier payment under a contract agreed by the creditor and permitted

participant) are not affected by the timescale for payment of not later than 60 days after the referendum period.

167. Sub-paragraph (8) of paragraph 14 applies section 77(9) and (10) of the Political Parties, Elections and Referendums Act 2000, to prevent the 30 and 60 day periods from ending on a Saturday, Sunday or other national day of thanksgiving, mourning or holiday.

168. Where the permitted participant's responsible person (or someone allegedly authorised to incur the expenditure) fails or refuses to pay a claim for referendum expenses within 60 days of the date of the referendum, this is known as a 'disputed claim'. Paragraph 15 allows the person who made the claim to bring a court action to decide whether the claim ought to be paid, whether the 60 day period has passed or not. The court may consider whether there is a special reason for the claim to be paid if it was submitted after the 30 day period was over. Paragraph 16 confirms that the rights of the creditors of permitted participants to receive payments due to them are not affected by a permitted participant having incurred expenditure or spent money when prohibited by the campaign rules in schedule 4 from doing so, so long as the creditor was unaware that the contract or expenditure contravened those rules.

169. Paragraph 17 sets a spending limit of £10,000 in the referendum campaign for individuals or bodies that are not permitted participants. Sub-paragraphs (8) to (10) include within the £10,000 limit the appropriate sum of notional referendum expenses for property, services or facilities incurred before or during the referendum period. If that limit is exceeded, then the individual or body is guilty of an offence, and in the case of a body, the person who authorised the expenses is also guilty of an offence if they knew or should have known that the limit would be exceeded as a result of the payment. It is a defence for an individual or body to show that they complied with a code of practice issued by the Electoral Commission at the time of deciding whether to incur the expense, and in so doing, hadn't exceeded the spending limit at that time.

170. Paragraph 18 sets out the spending limits for permitted participants. Where a permitted participant is a designated organisation they will have a campaign spending limit of £1,500,000. Permitted participants who are registered political parties and for whom constituency and regional votes were cast in the election for the Scottish Parliament held in 2011 will have a spending limit of either £3,000,000 multiplied by their percentage share, or a minimum of £150,000. Permitted participants who are not political parties will have a limit of £150,000. If a permitted participant is a member of a designated organisation (but not the organisation itself) that will not affect their separate entitlement to incur expenditure up to their own limit. Sub-paragraphs (8) to (10) of paragraph 17 also apply to these spending limits the notional appropriate sum of property, services or facilities incurred before or during the referendum period. Any referendum expenses incurred before the individual or body became a permitted participant also count towards the spending limit and should be noted in an expense return to the Electoral Commission.

171. Breach of the spending limits is treated as an offence, in the case of a political party both by the party itself and by its responsible person or deputy treasurer. If the permitted participant is an individual, then the individual is guilty of the offence and if the permitted participant is some other body, then both the body and the responsible person are guilty of the offence if the spending limits are exceeded. As with those who are not permitted participants, it is a defence to

show that they had complied with a code of practice issued by the Electoral Commission at the time of deciding whether to incur the expense, and in so doing, had not exceeded the spending limit at that time.

172. To prevent an organisation or body declaring themselves a permitted participant under a number of different names in order to take advantage of multiple spending limits, paragraph 19 treats referendum expenses incurred by two or more permitted participants working together to a common plan or arrangement as counting towards the spending limits of each permitted participant. This is a common plan or arrangement where more than one individual or body aim to promote a particular outcome at the referendum and incur expenses in doing so. Such expenditure also counts towards the spending limit of a non-permitted participant, if one is involved in the common plan or arrangement.

173. Paragraph 20 requires each permitted participant to provide a report to the Electoral Commission about its finances including its spending, any disputed claims in which it was involved, unpaid claims and any relevant donations it has received (with the exception of registered political parties which are required under UK legislation to submit a return about their donations to the Electoral Commission). This report or 'return' must include all invoices and receipts in relation to expenditure and a statement identifying the amount of any notional referendum expenses incurred. The return need not include details of, but must be accompanied by a declaration of the total amount of, any referendum expenses incurred before the individual or body became a permitted participant. The Electoral Commission has a power under sub-paragraph (10) to issue guidance about the form to be used for the return. Those who are not permitted participants do not need to submit a return to the Commission.

174. Paragraph 21 requires designated organisations that have spent over £250,000 to submit an auditor's report on their financial return to the Electoral Commission. If the designated organisation fails to appoint an auditor within 3 months after the referendum took place, the Commission has the power to appoint an auditor and recover the costs of doing so from the designated organisation. The auditor has the right to access the designated organisation's books and other paperwork, and the responsible person must provide any relevant additional information, that the auditor requires for the purposes of the audit. If the responsible person fails to do so, the Commission may write to them to require them to do so. If the responsible person fails to comply with the written directions of the Commission, the Commission can apply to the Court of Session to deal with the person as if they had failed to comply with a court order. A deliberately misleading, deceptive or false statement, whether oral or in writing by the responsible person to an auditor about the finances of the designated organisation is an offence.

175. Under paragraph 22, returns to the Commission must be submitted along with any auditor's report required within 6 months of the date when the referendum took place. Returns that do not need an auditor's report must be submitted to the Commission within 3 months. Where the Electoral Commission decides that, due to special circumstances, a claim for expenses that was submitted after the 30 day deadline should be paid (under paragraph 14), the responsible person must, within 7 days of the payment, submit to the Commission a return detailing the payment. The responsible person commits an offence by failing to comply with the requirements of this paragraph.

176. Paragraph 23 requires the responsible person to sign the return and provide a declaration along with it to the effect that he or she has examined the return and to the best of his or her knowledge and belief it is complete and correct and all expenses in the return have been paid by the responsible person or someone authorised by him or her. Where the permitted participant is not a registered political party, the declaration must also state that all relevant donations recorded in the return have been accepted from permissible donors and that no other donations have been accepted. The responsible person commits an offence if he or she knowingly or recklessly makes a false declaration in the return.

177. Paragraph 24 requires the Commission to make a copy of the returns it receives from permitted participants available for public inspection while the return is in the Commission's possession. The Commission must ensure that where a donor is an individual rather than an organisation, the donor's address is not made public in the statement of relevant donations. A similar restriction applies where the return contains information about a regulated transaction. If the transaction was entered into with an individual, the individual's address should not be made public. The Commission has a power to destroy returns and any other papers it receives once two years have passed since it first received them, or else at the responsible person's request the Commission must send the return and other papers back to the permitted participant.

Part 4: Publications

178. Paragraph 25 provides that, for the 28 day period before the date of the referendum, the Scottish Ministers and certain public authorities in Scotland cannot publish any material providing general information about the referendum, dealing with issues raised by the question to be voted on in the referendum, putting any arguments for or against a particular answer to the question to be voted on, or which is designed to encourage voting in the referendum. However, this rule does not apply to information made available following a specific request, any information from the Electoral Commission, a designated organisation or the Chief Counting Officer or any other counting officer, or to any published information about how the poll is to be held.

179. Under paragraph 26, printed material associated with the referendum cannot be published unless it meets the following requirements:

- If the material is contained on a single side of a printed page, then the name and address of the printer, the promoter and the person on behalf of whom the material is being published must be on the face of the document
- If the printed material is not on a single sided page, then those names and addresses must appear on the first or last page of the document
- If the printed material is a newspaper or periodical advertisement, then the name and address of the printer of the newspaper or periodical must appear on its first or last page and the names and address of both the promoter and the person on behalf of whom the material is being printed must be in the advertisement.

180. The paragraph also prevents any non-printed material associated with the referendum, such as material on the internet, from being published unless it includes the name and address of the person on behalf of whom the material is being published. There is an exception where it is not practical to comply with these requirements; an example might be very small advertisements.

181. If any printed material is published without meeting the requirements, then the promoter of the material, the printer, and any person who publishes it are all guilty of an offence. If any non-printed material fails to meet the requirements, then the promoter of the material and publisher are guilty of an offence. In both cases, it is a defence to show that circumstances beyond the person's control caused the offence to be committed and that they took all reasonable steps to avoid committing an offence.

182. Paragraph 27 applies the Town and Country Planning (Control of Advertisements) (Scotland) Regulations 1984 in relation to the display on any site of an advertisement relating specifically to the referendum as they have effect in relation to the display of an advertisement relating specifically to parliamentary election.

Part 5: Control of donations

183. The Bill deals with controls of donations to permitted participants that are not registered parties or are minor parties. Donations to registered political parties are already subject to a regulatory regime established in the Political Parties, Elections and Referendums Act 2000. The rules set out in Part 5 of schedule 4 to the Bill define what donations are allowed, both by description and by monetary value (or a determination of monetary value), who is allowed to make a donation and what a permitted participant must do to record and report the donations of over £500 that they receive.

184. Paragraph 28 defines a 'relevant donation' in this context as meaning a donation to a permitted participant for the purposes of meeting referendum expenses. Under sub-paragraph (6), only permitted participants that are designated organisations can accept donations from registered political parties.

185. Sub-paragraph (7)(a) adds anti-avoidance provisions in order to cover donations provided so that expenses are not incurred, and sub-paragraph (7)(b) provides for a test of reasonably assuming something to be a donation.

186. Sub-paragraphs (8) to (10) provide an explanation of what constitutes a donation in relation to any money spent in paying any referendum expenses incurred by or on behalf of the permitted participant. Sub-paragraph (11) makes it immaterial where a donation is received.

187. Paragraph 29(1) explains what constitutes a donation for the purposes of the referendum. Where the value of the transaction, whether it be in money or other property, services or facilities at less than the market rate, the money or property transferred to a permitted participant is taken to be a gift and therefore a donation made to the permitted participant. Sub-paragraph (3) explains that in order to determine whether property, services or facilities are provided to a permitted participant on terms better than a commercial rate, a comparison is needed with the total sum involved. Further clarification is provided in sub-paragraph (5) which explains that anything given to someone representing a permitted participant that is not for their personal use is assumed to be a donation to the permitted participant.

188. A donation to a permitted participant includes any sponsorship of the permitted participant. Paragraph 30 explains that sponsorship in this context includes any money given to

the permitted participant in order to help with referendum expenses or to avoid incurring costs in the referendum. This includes the sponsorship of conferences or other events run by or on behalf of the permitted participant, costs associated with a publication by or on behalf of the permitted participant and any study or research it undertakes. However, sponsorship does not include someone paying for admission to a conference, buying a publication or payment for an advertisement where the cost involved is charged at the usual commercial rate.

189. Paragraph 31 outlines other payments that are not donations for the purposes of the Bill. These include a grant from public funds, the rights of a designated organisation to a free mailshot to each voter and to the use of public rooms under paragraphs 7 and 8 of schedule 4, transmission by a broadcaster of referendum campaign broadcasts, the services of someone volunteering to work with or for the permitted participant at no charge or any interest that may accrue on a donation. Any donation with a value of £500 or less is also to be disregarded.

190. Paragraph 32 explains how the value of a donation is to be established. The value of any donation other than money is to be taken as the market value of the property involved. Where goods or services are provided to the permitted participant at a rate preferential to the commercial rate, the value of the donation is taken to be the difference in value between what was actually paid and what would have been paid had the commercial rate been applied. The value of sponsorship is taken as either the money involved, or the market value of any property transferred to the permitted participant. Any value accruing to the sponsor from the sponsorship is to be disregarded. The value of any loan, or property, services or other facilities provided at a rate better than the commercial rate is taken to be the difference between the amount actually paid by the permitted participant and the amount that would have been paid had the commercial rate been applied. If the permitted participant benefits from such a donation over a period of time, for example through paying a lower rent over several months, the donation involved is the total amount saved over those months.

191. Paragraph 33 prohibits permitted participants from accepting certain donations. Only donations from people or bodies listed in paragraph 1(2) of schedule 4 as ‘permissible donors’ can be accepted:

- individuals registered on the electoral register
- companies registered under the Companies Act or incorporated in the EU or that conduct business in the UK
- registered parties that intend to contest an EU election (only designated organisations may receive donations from registered parties, under sub-paragraph 29(6))
- trade unions
- building societies
- limited liability partnerships
- friendly societies
- unincorporated associations carrying on business or other activities wholly or mainly and having their main office in the UK.

192. In addition, donations from exempt trusts are to be counted as relevant donations¹. However a donation from a trustee of any property which is not an exempt trust donation, or if the beneficiaries under the trust are not permitted participants or members of an unincorporated association which is a permissible donor, is to be taken as a donation from an impermissible donor, i.e. it should not be accepted by the permitted participant.

193. Where someone provides a donation to the permitted participant on behalf of themselves together with someone else as a ‘principal donor’, or an agent provides a donation on behalf of others, then each donation of over £500 is to be taken as a donation from each of the individuals. In such cases, the responsible person of the permitted participant must be given certain details about the donor. An offence is committed by the principal donor or the agent if the details are not provided. The details to be provided depend on the status of the donor but usually it involves their name and address. These details are to be provided for each donation in the statement of donations to be submitted to the Electoral Commission under paragraph 38.

194. Under paragraph 34, if a donation is accepted by the permitted participant, they should make every effort to verify that the donor is who they say they are and that the donor is a permitted donor and to verify the donor’s name and address. If the permitted participant receives a donation they should not accept, then the donation should be returned within 30 days to whoever provided it. An offence is committed if these steps are not taken within the 30 day period but it is a defence to show that within the 30 days steps were taken to identify the donor and it was concluded that the donation was from a permissible donor.

195. Under paragraph 35, if the donation was provided anonymously, it should be returned to the person who provided it on the anonymous donor’s behalf or the financial institution they used to send it. If that is not possible, the donation should be sent to the Electoral Commission. The Commission would then pay it into the Scottish Consolidated Fund.

196. Under paragraph 36, where a permitted participant accepts a donation that it should not have accepted (because it was given anonymously or by someone other than a permissible donor), a sheriff can, regardless of whether legal proceedings have been brought in connection with an offence, order the permitted participant to forfeit money equivalent to the amount of the donation. The permitted participant can appeal against the sheriff’s decision to the Court of Session. If the amount of the donation is forfeited, then the money is paid into the Scottish Consolidated Fund.

197. If someone deliberately tries in any way to make a donation to a permitted participant when the donor is not a permissible donor, that person commits an offence under the provisions of paragraph 37. An offence is also committed if someone provides deliberately false information to the responsible person of the permitted participant about the amount of a donation or the donor. Similarly, an offence is committed if someone deliberately tries to deceive the

¹ “Exempt trust donations” are donations received from a trustee where the trust was created before 27 July 1999 and which has had no property transferred to it after that date nor have the terms of the trust varied after that date or it is a donation received from a trustee where the trust was created either by a person who was a permissible donor under section 54 of the Political Parties, Elections and Referendums Act 2000 or created in the will of such a person and no property has been transferred to the trust other than by the person who created or by the will. (See section 162 of the 2000 Act and the definition in paragraph 1(1) of the Bill).

responsible person of the permitted participant by withholding information about the amount of a donation or the donor.

198. As part of the return to the Electoral Commission, the permitted participant is required by the provisions of paragraph 38 to provide a statement of relevant donations.

199. Paragraph 39 sets out the information to be provided in the statement of relevant donations. For individual donations of over £7,500 or cumulative donations of over £7,500 from the same donor, the statement must include the amount of the donation or its value if the donation was something other than money, the date when it was accepted by the permitted participant and other information about the donor, which, although dependent on the status of the donor, is in most cases the donor's name and address.

200. The total value of all the other donations which are under £7,500 should also be provided in the statement. Where someone who has an anonymous entry on the electoral register has made a donation, the statement should also include a copy of the evidence that the permitted participant has seen of the anonymous entry.

201. Where a donation has been received by a permitted participant from an impermissible donor in accordance with the rules for such donations in paragraph 33(1)(a), paragraph 40 requires that the statement should record the name and address of the donor, the amount of the donation or its value if the donation was something other than money, the date the donation was received and the date it was sent back to the donor or the person acting on the donor's behalf in accordance with paragraph 34(3)(a). Where a donation has been received by a permitted participant from an unidentifiable donor in accordance with the rules for such donations in paragraph 33(1)(b), the statement should record the name and address of the donor, the amount of the donation or its value if the donation was something other than money, the date the donation was received and the date it was dealt with in accordance with paragraph 34(3)(b).

202. Paragraph 41 requires that reports are prepared by responsible persons for permitted participants during each 4-week period of the referendum period which include details of donations received of more than £7,500. The final 4-week period ends 7 days before the report is due to the Electoral Commission. If no donations of more than £7,500 were received, this information must also be included in the report. The reports must be delivered to the Electoral Commission within 7 days at the end of each 4-week period, or, in the case of the final 4-week period, by the end of the fourth day before the referendum. It is an offence to fail to make such a report, or if the report does not comply with the requirements of paragraph 41.

Part 6: Control of loans and credit

203. The rules set out in Part 6 of schedule 4 provide for the control of 'regulated transactions', i.e. loan or credit transactions entered into by permitted participants who are not registered parties. Paragraph 42 sets out the operation of this Part of the schedule. Paragraph 43 defines a regulated transaction as an agreement by someone to lend money or provide credit to a permitted participant, where the permitted participant intends to use all or part of the money or credit to meet referendum expenses. An agreement of this type may also be supplemented by a 'connected transaction', where a third party backs up the permitted participant by offering security to the lender. In this case, the connected transaction is also considered to be a regulated

transaction. Agreements where the value is less than £500, and payments which are already covered in statements to the Electoral Commission under paragraph 38, do not count as regulated transactions.

204. Paragraph 44 clarifies the value of regulated transactions. Where the transaction is a loan agreement, the value is the full amount of the money to be lent. Where the transaction is a credit agreement, the value is the maximum credit limit. Both of these exclude any interest provisions in the agreement. Where the transaction is arranged on the basis of a security, the value is the liability under the security.

205. Paragraph 45 prohibits permitted participants from entering into regulated transactions with anyone who is not a permissible donor as defined in paragraph 1(2) of schedule 4.

206. Under paragraph 46, any transaction between a permitted participant and an impermissible donor is void. Any money received under the transaction must be repaid, along with any interest due. If the money is not repaid, the Electoral Commission may apply to the courts to make an order to return the money or discharge any security, with the effect that both parties return to the position they would have been in if the transaction had never existed.

207. Paragraph 47 provides that where a regulated transaction is void due to impermissibility of the donor as under paragraph 46, any connected transaction as described in paragraph 43(3)(b) is also void. If the lender is unable to recover the full amount owed by the permitted participant, they may recover such sums from the third party.

208. Paragraph 48 confirms that any attempt by an authorised participant to transfer their interest in a regulated transaction to an unauthorised participant is not valid.

209. Paragraph 49 provides the offences related to regulated transactions, including:

- it is an offence to enter into a regulated transaction in the knowledge (or where it ought reasonably to have been known) that the other party is not an authorised participant
- where a permitted participant has entered into a transaction with an unauthorised participant, but could not reasonably have been expected to know, it is still an offence not to take reasonable steps to repay the money after the impermissibility of the other party becomes apparent
- it is an offence to benefit from or be in line to benefit from a connected transaction which involves an unauthorised participant where their impermissibility was known or could reasonably expect to have been known. It is also an offence, where the impermissibility was not known, to fail to take all reasonable steps to repay the benefits once the impermissibility becomes apparent
- it is an offence to knowingly enter into, or knowingly facilitate any arrangement which is likely to result in the permitted participant being involved in a regulated transaction with an unauthorised participant.

210. The offences include situations where the other party was originally an authorised participant but later ceased to be one. It is a defence for a person who is the responsible person for the permitted participant to show that they took all reasonable steps to prevent the permitted participant entering into the transaction.

211. Paragraph 50 details the penalties associated with the offences listed above, which, depending on the offence, are either a fine or imprisonment for a term of up to 12 months.

212. Paragraph 51 sets out the requirement for permitted participants to include regulated transactions in the statements prepared for the Electoral Commission under paragraph 20. The transaction need only be included in the return where the value exceeds £7,500, or where the aggregate value of the transaction and any other relevant benefits exceeds £7,500.

213. Paragraphs 52 to 54 require the statement to include details of any authorised or unauthorised participants, and details of the transaction in line with Schedule 6A to the Political Parties, Elections and Referendums Act 2000.

214. Under paragraph 55, where there is any change to the agreement, such as different participants, the information from before and after the change must be included in the statement, as well as the date the change was made. Where the loan has been repaid in full or the debt released this information must be included.

215. Paragraph 56 requires that the statement also includes the total value of regulated transactions that are not recordable.

216. Paragraph 57 requires that reports must be prepared by the responsible person in relation to permitted participants detailing regulated transactions which have a value exceeding £7,500 entered into during the period of 4 weeks from the start of the referendum period and during each of the 4 weeks during the referendum period. If no such transactions were entered into, the report must state this. It is similar to the requirement in paragraph 41 for donations. Failure to make a report and failure to comply with the requirements of paragraph 57 are offences. Paragraph 58 deals with a situation where the courts, on the application of the Commission, are convinced that a failure to comply with any requirement under this part of the schedule was caused by a person attempting to conceal the existence of, or true value of, the transaction. In this case, the courts may make an order which will return the parties to the same position as if the transaction had never been made.

217. Paragraph 59 makes provision in relation to the court proceedings before the sheriff under paragraphs 46 or 58, confirming that they will take place as civil proceedings, and that orders of the sheriff are appealable to the Court of Session. Rules of court may make provision with respect to court applications or appeals.

218. Paragraph 60 contains definitions of words and phrases used in this schedule.

Monitoring and securing compliance with the campaign rules

219. Section 11 of the Act gives the Electoral Commission responsibility for monitoring and securing compliance with the rules contained in schedule 4. It also gives the Commission power to issue guidance on how to comply with the regulations or restrictions. Schedules 5 and 6 replicate the Commission's usual investigatory powers and power to impose civil sanctions to help them fulfil their duties under section 11.

220. Under section 12, the Commission must make the register of declarations they hold under schedule 4, paragraph 4, available for public inspection, either in their offices, by arrangement, or by providing a copy. The Commission are entitled to charge a reasonable fee for this service.

221. Section 13 specifies that a person commits an offence by suppressing, concealing, destroying or falsifying any document to circumvent the campaign control provisions of the Act. It is also an offence to withhold information or to fail to provide information to the relevant person without a reasonable excuse, or to provide false information. Offences under this section carry a penalty of, depending on the offence, imprisonment or a fine.

222. Section 14 states that summary proceedings under section 13 or schedules 4 to 6 may be taken in respect of a body at its place of business, and in the case of a person at any place where that person is for the time being. Subsection (2) allows criminal proceedings to be commenced at any time within 3 years after the offence is committed, or within 6 months of the prosecutor having knowledge of sufficient evidence to justify proceedings.

223. Section 15 places an obligation on the courts to notify the Electoral Commission of any campaign offences under the Act as soon as possible after they arise.

Schedule 5: Campaign rules: investigatory powers of the Electoral Commission

224. Schedule 5, introduced by section 11(4), contains the investigatory powers afforded to the Electoral Commission in line with their powers under the Political Parties, Elections and Referendums Act 2000 to allow them to monitor and enforce compliance with the campaign rules.

225. Paragraph 1 allows the Commission, after issuing a 'disclosure notice', to require a permitted participant or officer of a permitted participant, to produce or provide documents or an explanation in relation to income or expenditure where reasonably required by the Commission to carry out their functions. Sub-paragraph (4) obliges the person to comply with a requirement set out in a disclosure notice within a reasonable time.

226. Paragraph 2 enables a person authorised by the Commission to enter premises at any reasonable time and inspect relevant documentation, to enable the Commission to carry out their functions. This power can only be exercised after the Commission have obtained a warrant from a sheriff or justice of the peace authorising entry of the specified premises and is restricted so that it can only be used in relation to permitted participants.

227. An inspection warrant will be valid for one month from the day on which it is issued and may not be used in connection with an investigation by the Commission of a suspected breach or offence.

228. Paragraph 3 provides that where the Commission have reasonable grounds for suspecting that an offence under schedule 4 has been committed they may issue a notice to a person requiring that person to produce or provide any documents or explanation reasonably required for an investigation by them of the suspected offence or contravention. Sub-paragraph (5) obliges the person to comply with the notice within a reasonable time. This power is wider than that in paragraph 1 because it is not restricted to documentation or information relating to income or expenditure nor is it restricted to a list of specified individuals or bodies. Sub-paragraph (6) allows an investigator authorised by the Commission to require a person to come and answer in person any questions that the investigator reasonably considers relevant to the investigation.

229. The powers created by paragraph 3 can be used in relation to a person who is also covered by paragraph 1, albeit for a different purpose (i.e. that of investigating purported wrongdoing), and may be used against any other person who holds, or is thought to hold, information reasonably required for an investigation by the Commission. It follows that use of the power may be used in respect of the individual or body suspected by the Commission of having committed an offence or contravention but is not limited to such an individual or body.

230. Paragraph 4 applies where the Commission have given a notice under paragraph 3 requiring documents to be produced. Sub-paragraph (2) allows the Court of Session to issue a document disclosure order against a person following an application from the Commission if satisfied of four things. First, that there are reasonable grounds for believing that there has been an offence under, or other contravention of schedule 4. Second, that documents referred to in the notice under paragraph 3 have not been produced in response to that notice. Third, that the documents are in the custody of the person against whom the order is issued. Finally, that the documents are reasonably required for the purposes of an investigation. The order requires the person to whom it is given to deliver to the Commission documents referred to in the order within the timeframe set out in the order. A document is in a person's control if they have possession of it, or a right to possession of it. Sub-paragraph (5) stipulates that a person who fails to comply with the order may not be punished for both contempt of court and an offence under paragraph 12 of the schedule.

231. Paragraph 5 applies where the Commission have given notice under paragraph 3 requiring any information or explanation to be produced. The Court of Session can issue an information disclosure order against a person on an application from the Commission if satisfied of the three things. First, that there are reasonable grounds to suspect a person has committed an offence or contravention under schedule 4. Second, that information or an explanation referred to the notice under paragraph 3 has not been provided and is reasonably required. Third, that the respondent is able to provide the information or explanation. The order requires the person to whom it is given to provide the Commission with information or explanation referred to in the order within the timeframe set out in the order. A person who fails to comply with the order may not be punished for both contempt of court, and an offence under paragraph 12(1) of the schedule.

232. Paragraph 6 specifies that the Commission may retain documents delivered to them in compliance with an order under paragraph 4 for 3 months. However, if during that time any relevant criminal proceedings are begun, or notices are issued or penalties imposed under schedule 6 the documents may generally be retained until they are no longer required in relation to the proceedings or civil sanctions.

233. Paragraph 7 provides that the Commission, or a person authorised by the Commission, may make copies or records of relevant information or explanations obtained under the Schedule.

234. Paragraph 8 requires that any authorisation of a person by the Commission made under this Schedule must be in writing.

235. Paragraph 9 deals with documents held in electronic form. Sub-paragraph (1)(a) gives the Commission a power to require such documents to be made available in a legible form. Sub-paragraph (1)(b) enables a person authorised to inspect documents to require any person on premises being searched to give reasonable assistance to allow the inspector to make legible copies of electronic documents, or records of information contained in them. Under this power such assistance may also be required by an inspector in order to enable him to inspect and check any computer or associated apparatus used in connection with the information.

236. Paragraph 10 exempts information subject to confidentiality of communications from any requirement to produce information (in whatever form) under any power provided by this schedule. The appropriate test is whether a claim to confidentiality of communications could be maintained in legal proceedings in respect of the material in question.

237. Paragraph 11 deals with the admissibility of statements provided under compulsion. A statement made in response to a requirement under the schedule may be used in any proceedings, provided that it complies with any other rules of evidence in those proceedings. But sub-paragraph (2) provides that the statement is not admissible against the maker of the statement in criminal proceedings unless evidence about the statement is relied on, or a question about it is asked, by the maker, or unless the proceedings are for an offence mentioned in sub-paragraphs (3) and (4). (These offences are similar to perjury).

238. Paragraph 12 provides that it is an offence to fail to comply with any requirement imposed under schedule 5 (for example, to refuse to supply the Commission with information requested under paragraph 1 or 3); to obstruct intentionally somebody performing functions under the schedule; or knowingly or recklessly provide false information in response to a requirement imposed under the schedule.

239. Paragraph 13 imposes a duty on the Commission to publish guidance on the matters set out in sub-paragraph (1), which concern the ways in which it will make use of the investigatory powers set out in schedule 5. Sub-paragraph (2) obliges the Commission to keep the guidance under review, and sub-paragraph (3) places a requirement on the Commission to consult such persons as they consider appropriate before publishing guidance or revised guidance. Sub-paragraph (4) requires the Commission to have regard to the guidance or revised guidance in exercising their functions.

240. Paragraph 14 requires the Commission to report on its use of the investigatory powers contained in schedule 5 in its report to the Scottish Parliament under section 24.

241. Sub-paragraph (2) explains what information the Commission must include in the report on the use of their investigatory powers. Sub-paragraph (3) exempts the Commission from having to report any information that, in their opinion, it would be inappropriate to include because it would be unlawful or because it would prejudice an ongoing investigation or proceedings.

Schedule 6: Campaign rules: civil sanctions

242. Schedule 6 of the Bill contains powers to impose civil sanctions enforceable by the Electoral Commission in respect of breaches of the provisions in schedule 4.

Part 1: Fixed monetary penalties

243. Paragraph 1 allows the Electoral Commission to impose fixed monetary penalties where they are satisfied beyond reasonable doubt that a prescribed offence has been committed or that a contravention of a requirement or restriction by virtue of schedule 4 has taken place. The penalties can be imposed either on a person or on a permitted participant where the responsible person for that permitted participant has committed the offence. Sub-paragraph (4) states that where an individual is issued with a fixed monetary penalty for an offence which is triable summarily (whether or not it can also be tried on indictment) and punishable on summary conviction by a fine, the penalty imposed must not be higher than the maximum fine available in summary proceedings.

244. Paragraph 2 sets out the representations and appeals processes. The Commission can serve notice of an intention to impose a fixed monetary penalty on a person. This must offer the opportunity to discharge the penalty by paying a prescribed amount, which cannot exceed the amount of the proposed penalty. Alternatively, the person can opt to make written representations and objections to the Commission against the penalty. If the deadline for making representations and objections passes without the person having paid, the Commission must decide whether to impose the penalty and serve a further notice recording that on the relevant person (sub-paragraph (4)). Sub-paragraph (5) provides that if the person's representations have raised any matter that leads the Commission to no longer suspect the person of having committed an offence, the Commission may not impose the penalty and enables the Scottish Ministers to prescribe other circumstances in which a penalty may not be imposed. The person may appeal to the sheriff against the decision to impose the penalty on the grounds set out in sub-paragraph (6).

245. Paragraph 3 explains what information the Commission must include when giving notice of an intention to impose a fixed monetary penalty on a person or when giving notice of a subsequent decision to impose the penalty. This must include the grounds for imposition of the sanction, the right to make representations or appeals and the time periods in which these can be made.

246. Paragraph 4 limits the criminal proceedings that can be taken against a person for a prescribed offence or other breach that may be dealt with by way of a fixed monetary penalty. If the Commission notify the person of their intention to impose a fixed monetary penalty for the

breach, no criminal proceedings for the breach can be brought during the period when liability can be discharged under paragraph 2(2). This paragraph also precludes such proceedings being taken against a person who does discharge liability by making the payment. Finally, paragraph 4(2) precludes a person on whom the Commission imposes a fixed monetary penalty under paragraph 2(4) from being convicted of an offence for the breach.

Part 2: Discretionary requirements

247. Paragraph 5 allows the Electoral Commission to impose a discretionary requirement on a person where they are satisfied, beyond reasonable doubt, that the person has committed a prescribed offence or contravened a prescribed restriction or requirement by virtue of schedule 4. A discretionary requirement as a sanction can take the form of a monetary penalty or alternatively an instruction to take certain actions designed to either prevent the recurrence of the offence or contravention or restore the position to what it would have been had the offence or contravention not occurred. Sub-paragraph (4) limits the use of discretionary requirements by preventing the Commission from imposing a discretionary requirement on a person more than once for the same act or omission. Sub-paragraph (6) sets the financial limit of a variable monetary penalty for offences which are triable summarily—where such offences are punishable by a fine, the variable monetary penalty must not be greater than the maximum fine.

248. Paragraph 6(1) requires that, where the Commission intend to impose a discretionary requirement on a person for a prescribed offence or other breach, they must first notify the person of their intention. Sub-paragraph (2) allows the person to make written representations and objections to the Commission against the proposed penalty. If anything is raised which leads the Commission to no longer be satisfied that the prescribed offence or contravention took place, the Commission may not impose the penalty (sub-paragraph (4)). In all other cases, the Commission may proceed to serve on the person a notice formally imposing the discretionary requirement, which will specify what the requirement is (sub-paragraph (5)). The person may appeal to a sheriff against the decision to impose the discretionary requirement on the grounds specified in sub-paragraph (6).

249. Paragraph 7 explains what information the Commission must include when giving the initial notice of an intention to impose a discretionary requirement on a person. This includes the grounds for imposing the requirement and the period within which representations and objections may be made (no less than 28 days from the day on which the notice is received). Sub-paragraph (3) sets out the information that must be provided by the Commission when they are imposing a discretionary requirement, such as the grounds for the proposed discretionary requirement, details of any monetary penalty, rights of appeal and the consequences of non-compliance.

250. Paragraph 8 limits the use of other sanctions against a person who has had a discretionary requirement imposed upon them. If a discretionary requirement is imposed on a person, that person cannot be convicted of a criminal offence arising from the same act or omission. However, this protection from future prosecution does not apply in cases where the discretionary requirement imposed was non-monetary, no variable monetary penalty was imposed, and the person failed to comply with the non-monetary discretionary requirement.

251. Paragraph 9 allows the Commission to impose a “non-compliance penalty” on a person who fails to comply with a non-monetary discretionary requirement. It also sets out the grounds and appeal to the sheriff against a non-compliance penalty (sub-paragraphs (3) and (4)).

Part 3: Stop notices

252. Paragraph 10 provides that the Electoral Commission can impose a stop notice on a person in order to prevent them from continuing or repeating a particular activity which the Commission reasonably believe is (or is likely to be) a prescribed offence or a contravention of a prescribed requirement or restriction imposed by virtue of schedule 4. A stop notice can also be imposed where the Commission believe that a person’s behaviour is likely to lead to them committing an offence or acting in contravention of a prescribed requirement or restriction. In both cases the Commission must believe that the activity, or potential activity, is seriously damaging to public confidence in the effectiveness of the controls in schedule 4, or significantly risks doing so.

253. Paragraphs 11 to 14 set out the details and limitations of how the stop notice system operates. Paragraph 11 lists the information to be included in a stop notice—the grounds for imposition, rights of appeal and consequences of non-compliance. Paragraph 12 requires the Commission to issue a ‘completion certificate’ once they are satisfied that the person has taken the steps set out in the stop notice (at which point it will cease to have effect). The person upon whom a notice has been imposed may apply for a completion certificate at any time and the Commission must make a decision on the application within 14 days of receipt. Paragraph 13 explains how a person may appeal against the imposition of a stop notice, or against a decision not to issue a completion certificate, and provides that any appeal will be heard by a sheriff. It also sets out the grounds for appeal in both circumstances. Paragraph 14 provides that a person who does not comply with a stop notice is guilty of an offence.

Part 4: Enforcement undertakings

254. Paragraph 15 outlines the powers of the Electoral Commission to accept an enforcement undertaking from a person whom the Commission have reasonable grounds for believing has committed a prescribed offence or contravened a prescribed restriction or requirement. An enforcement undertaking may be offered by the person suspected of the offence or contravention and outlines the action they will take (within a specified period). The action may be with a view to preventing the recurrence of the offence or contravention or returning the position to what it would have been had the offence or contravention not taken place or it may be action of a kind that has been prescribed. Sub-paragraph (1)(d) states that the undertaking will take effect only if the Commission accept it. Sub-paragraph (2) provides that a person who has complied with the accepted undertaking will generally be exempt from other sanctions, including criminal proceedings, in relation to the acts or omissions on which the undertaking is based as long as the undertaking is complied with.

Part 5: Power to make supplementary provision etc. by order

255. Paragraph 16 gives the Scottish Ministers the power to make orders that are supplementary to, consequential on or incidental to this schedule. Such orders may include transitional provision. This includes the power to amend, repeal or revoke any enactment.

256. Paragraph 17 sets out the consultation process that the Scottish Ministers must carry out prior to making a supplementary order under paragraph 16. As part of this process the Electoral Commission must be consulted, along with other persons that the Scottish Ministers consider appropriate. Under sub-paragraph (2) further consultation is required where, following the outcome of the initial consultation, it is apparent that substantial changes to an order will be necessary.

257. Paragraph 18 sets out the details of what can be included in a supplementary order regarding the Commission's power to impose financial sanctions, including fixed monetary penalties, variable monetary penalties and non-compliance penalties. In particular, provision made by virtue of this paragraph may include detail about early payment discounts, late payment penalties, late payment interest and enforcement.

258. Paragraph 19 sets out the details of what can be included in a supplementary order in relation to enforcement undertakings. The order may include a wide range of detail about procedural matters relating to undertakings, for example, how undertakings are entered into and in what circumstances undertakings are regarded as having been complied with.

259. Paragraph 20 states that a supplementary order may extend the time available to institute criminal proceedings against a person in certain instances. The first of these is where a non-monetary discretionary requirement (but no variable monetary penalty) has been imposed and the person has failed to comply with the non-monetary discretionary requirement. The second is where there has been a breach of all or part of an enforcement undertaking.

260. Paragraph 21 allows a supplementary order to set out the details of the appeals process in relation to the imposition of a requirement or the service of a notice under this schedule. Such an order may include provision conferring relevant powers on courts (for example, to withdraw the requirement or notice against which there is an appeal).

Part 6: General and supplemental

261. Paragraph 22 limits the use of fixed monetary penalties, discretionary requirements and stop notices. It explains that a fixed monetary penalty may not be imposed on a person if they are already subject to a discretionary requirement or stop notice for a breach. Additionally, if a person has had a fixed monetary penalty imposed on them for a breach, or has paid a sum to discharge liability for a fixed monetary penalty, they cannot be given a discretionary requirement or a stop notice in relation to the breach.

262. Paragraph 23 provides that, if someone is required under schedule 5 to make a statement as part of an investigation by the Electoral Commission, the Commission must not take account of that statement when deciding whether to impose a civil sanction on the person. The only exception is for the offence of providing false information set out in paragraph 12(3) of schedule 5.

263. Paragraph 24 stipulates that any financial penalty imposed on an unincorporated association must be paid from its own funds.

264. Paragraph 25 requires the Commission to publish guidance about enforcement of the campaign rules. The guidance must include details of the sanctions available (both civil and criminal), the circumstances in which civil sanctions may be used and the rights of appeal available. Sub-paragraph (7) requires the Commission to carry out consultations with persons that they consider appropriate prior to publishing guidance. Under sub-paragraph (8) the Commission are required to have regard to the guidance when exercising their functions.

265. Paragraph 26 stipulates that the monetary penalties paid to the Commission as a result of the imposition of civil sanctions under schedule 6 must be paid into the Scottish Consolidated Fund.

266. Paragraph 27 requires the Commission to include in their annual report a list of the cases (other than those where sanctions have been successfully appealed against) in which they have imposed fixed monetary penalties, discretionary notices or stop notices; cases in which liability for a fixed monetary penalty has been accepted through payment of a sum; and cases in which an enforcement undertaking has been accepted. Sub-paragraph (2) enables the Commission to exclude information if it might be unlawful for the report to include it or might adversely affect ongoing investigations or proceedings.

267. Paragraph 28 allows the Commission to request information from procurators fiscal or constables in Scotland when exercising the powers under the schedule. It will not enable disclosure where that would breach the Data Protection Act 1998 or Part 1 of the Regulation of Investigatory Powers Act 2000 or in relation to certain reserved enactments. It also provides that other powers of disclosure that are independent of this power are not affected by it.

268. Paragraph 29 sets out definitions of words and expressions used in the schedule.

Referendum agents

269. Section 16 deals with referendum agents. Referendum agents may be appointed by permitted participants for a particular local government area, and notice must be given to the relevant counting officer of the appointment. The notification must give the names and addresses of the permitted participant, of the referendum agent, must be in writing, signed, and received before noon on the 25th working day before the referendum. The counting officer must then publish details of this notification.

Observers

270. Section 17 deals with Electoral Commission observers (anyone who is a member of the Commission, or a member of staff, or is appointed by the Commission for the purposes of this section) and gives them a right to attend any proceedings which are the responsibility of the CCO or a counting officer, or to observe any of their work carried out under this Act.

271. Section 18 allows anyone aged 16 or over to apply to the Commission to be accredited as an observer, which permits them to be present at the issue or receipt of postal ballot papers, proceedings at the poll, or at the count. Accredited observers are subject to all rules contained in the Act regarding their attendance at these proceedings. The application should be made in the form specified by the Commission and, if granted, may be revoked at any time by them. The

Commission must give reasons for the refusal of an application or for revocation of an accreditation.

272. Section 19 provides for organisations to apply to be accredited to allow them to nominate observers, who may attend the proceedings described in the previous paragraph on their behalf. Any observers so nominated must be members of the organisation and the Commission may specify a limit to the number of nominees. The same provision as in section 18 applies to applications.

273. Section 20 allows a CCO, counting officer, or any person authorised by them, to limit the number of people in attendance at proceedings under sections 18 or 19, or to cancel the entitlement to attend in case of misconduct. The presiding officer has the same power in relation to proceedings at a polling station.

Information, guidance and advice

274. Section 21 allows the Electoral Commission to give voters information on the referendum, the referendum question and voting in the referendum.

275. Section 22 gives the Commission power to issue guidance to the CCO regarding the CCO's role under the Act, and with the CCO's consent to issue guidance to counting officers. They may also issue guidance to permitted participants or potential permitted participants on the campaign rules (schedule 4).

276. Section 23 gives the Commission power to offer information to anyone who requests it regarding the application of the Act or any other matter relating to the referendum.

Report on referendum

277. As provided for by section 24, the Commission must prepare a report for the Scottish Parliament on the conduct of the referendum and must publish that report.

Electoral Commission: administrative provision

278. Section 25 deals with the Electoral Commission's costs in respect of their functions under the Act, which will be refunded by the Scottish Parliamentary Corporate Body (SPCB).

279. Section 26 requires the Commission to estimate their costs and income before the start of each financial year and send this to the SPCB for approval. A revised estimate may be sent during the year.

280. Section 27 confirms that an investigation by the Scottish Public Services Ombudsman into the Electoral Commission's functions under the Act is not prevented under the Scottish Public Services Ombudsman Act 2002.

Offences

281. Section 28 introduces schedule 7 which contains provisions about offences related to the referendum.

282. Section 29 provides for offences by a body corporate, a Scottish partnership or other unincorporated association under the Act. In this case, where it can be proved that the offence was committed with the consent or connivance, or caused by the neglect of, an individual, the individual, as well as the body, is liable.

Schedule 7: Offences

283. Schedule 7, introduced by section 28, contains details of the offences under the Act. Some are deemed to be ‘corrupt practices’ (such as the ‘personation’ offence in paragraph 1) and carry a penalty of imprisonment for a term not exceeding two years or to an unlimited fine or both. Other offences are ‘illegal practices’ (such as the voting offences in paragraph 2) which are summary offences and the maximum penalty is a £5,000 fine.

284. Schedule 7 includes the following provisions:

- **Personation** (paragraph 1) – this is where any individual votes as someone else (whether that person is living or dead or is a fictitious person), either by post or in person at a polling station as an elector or as a proxy. Further, the individual voting can be deemed guilty of personation if they vote as a person they have reasonable grounds for supposing is dead or fictitious, or where they have reasonable grounds for supposing their proxy appointment is no longer valid.
- **Other voting offences** (paragraph 2) – there are a number of voting offences listed in this paragraph. Knowingly causing someone else to commit one of the voting offences below is itself an offence:
 - Voting in person or by post, or applying to vote by proxy or by post knowing that you are subject to a legal incapacity to vote.
 - Applying for the appointment of a proxy, in the knowledge that you or the proxy is subject to a legal incapacity to vote.
 - Voting, whether by proxy or by post, knowing that the voter for whom you are voting as proxy is subject to a legal incapacity to vote.
 - Voting more than once in the referendum (other than as a proxy).
 - Voting in person when entitled to vote by post.
 - Voting in person in the knowledge that someone else has voted by proxy on your behalf or is entitled to vote as proxy postally.
 - Applying for someone to vote as your proxy without cancelling the appointment or application for appointment of someone already appointed as your proxy voter.
 - Voting by proxy for the same voter more than once.
 - Voting in person as proxy for someone when you have opted to vote by post as proxy for that voter.

- Voting in person as proxy for a voter in the knowledge that the person has already voted in person.
 - Voting as proxy for more than two people of whom you are not the spouse, civil partner, parent, grandparent, brother, sister, child or grandchild.
- **Imitation poll cards** (paragraph 3) - producing false poll cards which are intended to deceive people, for the purpose of achieving a particular outcome in the referendum, is an offence.
- **Offences relating to applications for postal and proxy votes** (paragraph 4) – it is an offence to try to prevent a vote or gain a vote in the referendum by: applying for a postal or proxy vote as someone else (including a fictitious person), making a false statement in, or providing false information in connection with, a postal or proxy vote application, causing a ballot paper relating to a postal or proxy vote to be sent to an incorrect address or to cause information related to a postal or proxy vote or a postal ballot paper not to be delivered to the correct recipient.
- **Breach of official duty** (paragraph 5) – the Chief Counting Officer and any proper officer of a council, registration officer, counting officer, presiding officer, their deputies or any other person assisting them in the running of the referendum may be guilty of an offence by means of an act or omission in breach of their official duty under the Act.
- **Tampering with ballot papers etc.** (paragraph 6) – it is an offence to:
 - deface or destroy a ballot paper, postal voting statement or official envelope used in postal voting,
 - give someone a ballot paper without proper authority,
 - put any paper into the ballot box other than the authorised ballot paper,
 - remove a ballot paper from a polling station,
 - destroy, take, open or interfere with a ballot box or packet of ballot papers.
 - counterfeit a ballot paper or the official mark on a ballot paper.
- **Requirement of secrecy** (paragraph 7) - everyone involved in the electoral process should be aware of the secrecy of the ballot and should not breach it. The counting officer will give everyone who attends the opening or counting of ballot papers a copy of parts of the requirement of secrecy, as required by rule 16 of schedule 3 to the Bill. Breach of the requirement of secrecy is an offence under paragraph 7(8).
- **Prohibition on publication of exit polls** (paragraph 8) – it is an offence for anyone to publish a statement before the close of the poll about the way voters have voted based on information they provided after voting or to publish a forecast of the result before the close of the poll based on information provided by voters about how they voted.
- **Payments to voters for exhibition of referendum notices** (paragraph 9) – it is an offence for a voter to be paid for exhibiting a poster, advert or notice on their property to promote a referendum outcome, where it is not the voter’s usual course of business.

- **Treating** (paragraph 10) - a person is guilty of treating if either before, during or after the referendum they directly or indirectly give or provide (or pay wholly or in part the expense of giving or providing) any meat, drink, entertainment or provision in order to influence any voter to vote or refrain from voting.
- **Undue influence** (paragraph 11) - a person is guilty of undue influence if they directly or indirectly use or threaten to use force, violence or restraint, or cause or threaten to cause injury, damage, harm or loss in order to induce or compel any voter to vote or refrain from voting. A person may also be guilty of undue influence if they impede or prevent the voter from freely exercising their right to vote. This latter offence can also be committed where a person intends to impede or prevent the free exercise of a vote even where the attempt is unsuccessful.
- **Bribery** (paragraph 12) - a person is guilty of bribery if they directly or indirectly give money to or procure an office for any voter, in order to induce any voter to vote, or not vote, for a particular outcome; or to vote or refrain from voting. This includes making any gift or procurement in favour of the voter, giving, lending, agreeing to give or lend, offering promising or promising to procure or endeavour to procure any money or valuable consideration. It is an offence for a person to commit bribery in connection with the referendum, and a voter who receives a bribe in connection with the referendum is also guilty of an offence.
- **Disturbances at public meetings** (paragraph 13) – it is an offence deliberately to disrupt a public meeting by causing a disturbance.
- **Illegal canvassing by police constables** (paragraph 14) – it is an offence for a police constable to try to persuade someone to vote or not vote in a particular way.
- **Prosecutions for corrupt practices** (paragraph 15) - this paragraph sets out the penalties for someone guilty of a corrupt practice.
- **Prosecutions for illegal practices** (paragraph 16) - this paragraph sets out the penalty for someone guilty of an illegal practice.
- **Conviction of illegal practice on charge of corrupt practice** (paragraph 17) – this paragraph clarifies that someone charged with a corrupt practice may be found guilty of an illegal practice which attracts a lesser maximum penalty (a person cannot be imprisoned when convicted of an illegal practice and the maximum fine is limited). A person charged with an illegal practice may be found guilty of that offence whether or not the act was a corrupt practice.
- **Incapacity to hold public or judicial office in Scotland** (paragraph 18) – anyone convicted of a corrupt or illegal practice under schedule 7 is not allowed to hold any public or judicial office in Scotland for 5 years from the date of their conviction. If they already hold such an position, they vacate it on conviction.
- **Prohibition of paid canvassers** (paragraph 19) – if someone pays someone else to canvass to promote a particular outcome in the referendum, then the person paying the canvasser and the canvasser are both guilty of illegal employment.
- **Providing money for illegal purposes** (paragraph 20) - someone who provides or replaces money for a payment contrary to the legislation, for any expenses that exceed the spending limits, is guilty of an illegal payment.

- **Prosecutions for illegal employment or illegal payment** (paragraph 21) – this paragraph sets out the penalty for someone found guilty of illegal employment or an illegal payment under paragraphs 19 or 20 (the maximum penalty is a £5,000 fine). A person charged with one of these offences may be convicted of the other.

Power to make supplementary etc. provisions and modifications

285. Section 30 confers a power on the Scottish Ministers to make such supplemental, incidental or consequential provision as they consider appropriate for the purposes of the Act, in consequence of it, or to give its provisions full effect. This includes the power to modify enactments, including the Act, by means of an order. Any such order is subject to the affirmative procedure in the Scottish Parliament.

Legal proceedings

286. Section 31 provides that any legal challenge to the certification of the votes cast at the referendum must be brought by way of judicial review, and must be lodged with the court within 6 weeks of the last certification of the result.

Final provisions

287. Section 32 introduces schedule 8, which contains the definitions of words and expressions used in the Act.

288. Section 33 confirms that the Act comes into force the day after receiving Royal Assent.

289. Section 34 confirms the short title of the Act: the Scottish Independence Referendum Act 2013.

FINANCIAL MEMORANDUM

INTRODUCTION

1. This document relates to the Scottish Independence Referendum Bill introduced in the Scottish Parliament on 21 March 2013. It has been prepared by the Scottish Government to satisfy Rule 9.3.2 of the Parliament's Standing Orders. It does not form part of the Bill and has not been endorsed by the Parliament.

2. The Bill provides the framework for the conduct and regulation of a referendum on Scottish independence, to be held on 18 September 2014. The Bill—

- sets out the question to be asked in the referendum and the format of the ballot paper;
- sets out the date of the referendum;
- sets out how the electorate may vote in the referendum;
- provides for the Convener of the Electoral Management Board (EMB) to fulfil the role of Chief Counting Officer, to oversee the running of the referendum and appoint counting officers to run the referendum in each local area;
- sets out the rules for the conduct of the referendum, i.e. the conduct of the poll, the count and declaration of the result;
- provides for the Electoral Commission to have responsibility for oversight of the referendum, including providing guidance and information about the referendum, overseeing and regulating the campaign leading up to the referendum and reporting on the conduct of the referendum; and
- includes provisions regulating the campaign prior to the referendum, including provisions limiting the amounts that may be spent on and donated for campaigning by permitted participants and others and provisions requiring them to be accountable to the Electoral Commission.

3. In addition, the Scottish Independence Referendum (Franchise) Bill², which was introduced to Parliament on 11 March 2013, establishes the franchise for the referendum. It also provides the framework by which all 16 and 17 year olds who are otherwise eligible will be able to vote in the referendum and ensures that the process for registering them is as straightforward and accessible as possible.

4. A Financial Memorandum (FM) was provided with that Bill on its introduction which set out the costs which are estimated to be incurred as a result of extending the franchise, and those incurred in the course of amending voter registration processes. Therefore, those costs are not

²SP Bill 24 Session 4 (2013)

explained in detail in this FM. Relevant figures will be reiterated in this document where appropriate, in order to provide the fullest possible account of the financial implications of the referendum on Scottish independence.

5. The purpose of this FM is to set out best estimates of the administrative, oversight and other costs to which the provisions of the Scottish Independence Referendum Bill will give rise and an indication of the margins of uncertainty in these estimates. It has been developed using the best available evidence and is based on current prices.

6. The costs associated with the provisions of the Bill can be separated into four broad categories—

- costs of running the referendum – incurred by the Chief Counting Officer, local counting officers and electoral registration officers;
- costs of funding the Electoral Commission for overseeing and regulating the referendum campaigns and reporting on the conduct of the referendum;
- publicity costs incurred by the Electoral Commission in the fulfilment of its duty to provide information to voters on how to cast their vote; and
- the costs of allowing each of the main campaign organisations a free mailshot to every voter or household in Scotland.

7. Costs will be incurred during the financial years 2013/14 and 2014/15.

METHODOLOGY

8. The estimated costs and savings in this FM are based on comparisons with the cost of delivering previous elections and referendums across the UK and advice obtained from relevant stakeholders.

VARIATION FROM PREVIOUSLY ESTIMATED COSTS

9. *Your Scotland, Your Referendum* (January 2012) estimated that the cost of running the referendum would come to around £10 million in total (it did not provide a breakdown of costs). This was based on previous estimates, which had been calculated in preparation for the 2010 draft Referendum (Scotland) Bill on the basis of known costs at that time.³ Officials have since been able to revise these costs to take account of changes to the referendum proposals since the 2012 consultation draft of the Bill, the Electoral Commission's report on the cost of delivering the Parliamentary Voting System (PVS) referendum⁴ in 2011, and the updated estimates provided by key stakeholders. For example:

- The Scotland Act 1998 (Modification of Schedule 5) Order 2013 applies certain provisions under the Political Parties, Elections and Referendums Act 2000 (PPERA)

³Scotland's Future: Draft Referendum (Scotland) Bill Consultation Paper, (2010)
<http://www.scotland.gov.uk/Resource/Doc/303348/0095138.pdf>

⁴This referendum, held on 5 May 2011, gave voters across the UK the opportunity to vote on the voting system to be used in UK Parliamentary elections. The legal framework for UK referendums is provided in the Political Parties, Elections and Referendums Act 2000, but specific primary legislation is also required for some individual referendums, which in this case was the Parliamentary Voting System and Constituencies Act 2011.

which will offer designated organisations the choice between an addressed mailshot to every elector, or an unaddressed mailshot to every household. Previous calculations were based on the latter, whereas this FM includes the upper range estimates associated with the addressed mailshot option, which would be significantly more expensive (addressed mailshots for two designated organisations would cost around £1.9 million + VAT whereas mailshots to households could cost around £600,000 + VAT).

- The Electoral Commission's report on the cost of the 2011 PVS referendum included the Commission's estimate of counting officer costs for a stand-alone referendum in Scotland, which form the basis of the calculations in this FM (around £8.3 million compared to previous estimate of around £6.42 to £7.2 million).
- The Electoral Commission has recently provided detailed estimates of its expected costs in the referendum, which come to around £2.2 million. These figures were not available when the previous estimates were being prepared for the consultation paper.

10. Current estimates, as set out in this FM, indicate that the cost of running the referendum will come to around £8.6 million and other costs associated with the referendum, including free campaign mailshots and Electoral Commission costs, will come to around £4.7 million. Further detail on these costs and how these figures have been calculated are provided throughout in this FM.

COSTS ON THE SCOTTISH ADMINISTRATION

11. Costs on the Scottish Government will include:

- the cost of allowing each of the designated campaign organisations a free mailshot to every voter or household;
- charges made by the Royal Mail in relation to its role in the referendum;
- reimbursement of costs incurred by the Chief Counting Officer and counting officers;
- reimbursement of preparatory expenditure by the Electoral Commission.

12. Further details on each of these cost categories are provided below. Costs to be met by the Scottish Government, whether upfront payments or reimbursement of costs met by other bodies, will be provided for in the relevant Budget Acts and budget revisions.

Costs of the free postal communication

13. Although not directly provided for in this Bill, designated campaign organisations will each be able to send a free postal communication to every voter or every household, and the mail service provider will be able to recover these postage costs from Scottish Ministers.⁵ A designated organisation is a permitted participant (registered campaigner) that has been designated by the Electoral Commission as the lead campaigner for a particular outcome. As there are two possible outcomes in this referendum, there will be a maximum of two designated organisations, though the Commission is not obligated to designate on both sides, or at all if no suitable applications are received.

⁵See article 4, Scotland Act 1998 (Modification of Schedule 5) Order 2013:
<http://www.legislation.gov.uk/ukxi/2013/242/introduction/made>

14. In the Edinburgh Agreement, the Scottish Government and UK Government agreed that certain provisions relating to designated campaign organisations under PPERA should apply in the case of a referendum on independence. Accordingly, article 4 of the Scotland Act 1998 (Modification of Schedule 5) Order 2013 provides that paragraph 1 of Schedule 12 to PPERA should apply in a referendum on Scottish independence. This confers a right on designated campaign organisations to send one postal communication, containing matter relating to the referendum and not exceeding 60 grams in weight, to every household or every voter in the relevant area or electorate, free of any charge for postage. This means that the designated campaign organisations will not need to make funds available for the upfront cost of postage (though they will still need to cover the cost of producing the communication).

15. Under PPERA, the universal mail service provider can recover the cost of postage from the UK Consolidated Fund, and the above Order provides that in the case of the referendum, the universal service provider can recover the cost of postage from Scottish Ministers. The Postal Services Act 2011 provides that the universal service provider is the Royal Mail.

16. The Royal Mail has stated that the current indicative rate which would apply to the door to door delivery of unaddressed mail on this scale would be 11.8p per item).⁶

17. According to General Register Office for Scotland Statistics (2011) there are around 2.37 million households in Scotland⁷. The number of households has increased by an average of 17,300 per year since 2001, so by 2014 the total number of households might be expected to have increased to around 2.42 million⁸. On this basis, the cost of postage for a communication sent to every household would be around £285,560 per designated organisation (before VAT). If both organisations choose this option, the total cost, including VAT, would be £685,344. This cost may be reduced should a designated organisation choose to send an address weighing less than 35grams.

18. Should a designated organisation decide to issue the mailing to every elector, rather than every household, the number of items posted would be around 4.1 million, based on the number of people on the 2011 Electoral Register for local government and Scottish Parliament elections and taking into account the fact that 16 and 17 year olds will be eligible to vote⁹. The Royal Mail has indicated that the current rate applicable to postage of addressed items is £200 per 1,000 items for 3 to 5 day delivery, or £230 per 1,000 items for 2 to 3 day delivery. Therefore, the total cost per designated organisation would be around £820,000 or around £943,000, depending on the delivery option chosen (including VAT this would be £984,000 or £1,131,600 respectively). The costs are proportionally higher for addressed mail due to the increase in the number of items to be delivered, the additional resources required to sort and process addressed mail by the Royal Mail and the resources required to achieve a shorter delivery time.

⁶This rate applies to items weighing 35-60g. Lower rates would apply to items weighing less than this.

⁷ Figure for mid-2011 taken from Chapter 9 of "Scotland's Population 2011: The Registrar General's Annual Review of Demographic Trends 157th Edition" (published 2 August 2012).

⁸This figure assumes three years of growth in the number of households, at a rate of 17,300 per year (an increase of 51,900). The increase from 2010-2011 was 10,600. Again see Chapter 9 of "Scotland's Population 2011: The Registrar General's Annual Review of Demographic Trends 157th Edition" (published 2 August 2012).

⁹Figure based on Statistics on the 2011 Electoral Register which came into effect on 1 December 2010, published 23 February 2011, which showed that 3.99 million people were registered to vote. It is not possible to predict how many 16 and 17 year olds will register to vote, but as a reference point, the number of 16 and 17 year olds in Scotland in mid-2011 was around 120,000.

19. Based on the above figures, if two campaign organisations are designated and both choose the most expensive option of an addressed mail to every voter, using the shortest delivery time, the total cost could be around £1,886,000 (£2,263,200 including VAT). Savings would be made if either or both of the designated organisations choose a less expensive option, for example a longer delivery time or lightweight items. These costs would be incurred during the financial year 2014/15.

20. For both of the above scenarios, the costs given are indicative only, due to the variables described, and due to the fact that there will be two revisions of the Retail Price Index between the introduction of the Bill and the referendum campaign period which are likely to lead to increases in the postal delivery rates.

Royal Mail services

21. The Royal Mail will require an administration fee for providing the above service which will be met directly by the Scottish Government. The contract for this work is still to be fully scoped, so it is not possible to provide a viable estimate at this time, but as a comparator, the Royal Mail's fee for a similar role in the Scottish Parliament elections was around £275,000 (£330,000 including VAT). However, this involved considerably more work, given the large number of candidates involved, who would each have been entitled to issue campaign communications free of postage, as compared with a maximum of two designated organisations in the referendum. For the purposes of estimating costs for the referendum, we have assumed that the administration fee would be closer to around £100,000 (or £120,000 including VAT). This is likely to be incurred during the financial year 2014/15.

22. In addition, the Royal Mail will undertake sweeps of post office sorting centres on the day before the poll to identify any postal votes that have not been processed for delivery, to ensure that they are delivered to the relevant counting officer in time to be counted. Postal sweeps are usually organised locally, by counting officers, although for the PVS referendum the sweep was organised on a national basis. This could allow for some savings to be made as a result of economies of scale. The Royal Mail has suggested that a rough estimation of the cost of a national final day sweep could be in the region of around £25,000 (£30,000 including VAT), which, if organised nationally, would be met by the Scottish Government through reimbursing the Chief Counting Officer.

Chief Counting Officer's costs

23. Under section 8 of the Bill, the Chief Counting Officer (CCO) and counting officers will be entitled to recover their costs and fees in respect of the referendum directly from the Scottish Government. The maximum amount that the CCO and counting officers will be entitled to recover for the delivery of the vote and the count will be set out in a separate Fees and Charges Order. Information on the costs to be incurred by counting officers are provided in the next section, as these costs will initially be borne by local authorities before being reimbursed by the Scottish Government. In addition, the CCO will incur costs in the course of planning for the referendum and these will also be met directly by the Scottish Government. These will not be covered by the Fees and Charges Order due to the fact that payment will be required before the Order can be made. Further details are provided below at paragraphs 26 and 27.

Conducting the referendum

24. The CCO, who will be the Convener of the Electoral Management Board, is responsible for the overall conduct of the referendum and has oversight of and a power of direction over each counting officer. The CCO will also certify local counts and make the national declaration of the result after local declarations have been made.

25. The maximum level of fees and expenses incurred by the CCO in preparing for the collation of results, managing the national count and making the national declaration will be provided for in the Fees and Charges Order once the role has been fully scoped.

Preparatory activity

26. Preparatory expenditure incurred by the CCO prior to the enactment of the Bill is likely to cover project management activities that will commence during 2013, including the preparation of guidance for counting officers, establishment of performance management arrangements and communications management.

Estimated costs of conducting the referendum and preparatory activity

27. The CCO is likely to require a relatively small team to undertake the activities described above and to work with the Electoral Management Board to plan and oversee the delivery of the vote and the count from a central hub. It is not possible to give precise cost figures at this stage due to the fact that it is not yet known how the CCO will decide to deliver this work, but for the purposes of estimating the cost of the referendum, the CCO's costs have been estimated to be in the region of around £300,000. This would cover the CCO's fees and expenses, staffing, project management, publicity and the costs associated with a national event to declare the referendum result. Officials are in ongoing discussions with the Electoral Management Board to ascertain the precise resource requirements of the CCO. These costs are likely to be incurred during financial years 2013/14 and 2014/15.

Preliminary expenditure by the Electoral Commission

28. Between 8 November 2012 and 30 January 2013, the Electoral Commission undertook an assessment of the Scottish Government's proposed referendum question. The cost to the Electoral Commission was £130,000, which will be paid for by the Scottish Government under the authorisation of a letter issued under section 10 of PPERA, which allows the Commission to provide advice and assistance to certain specified bodies.

COSTS ON LOCAL AUTHORITIES

29. The CCO will most likely appoint existing returning officers to be the counting officers in each local authority area. The persons conducting the referendum will therefore be the local authority officers who are currently responsible for running elections in Scotland, and they will incur the bulk of the cost of running the referendum. As explained at paragraph 23 counting officers' costs will be reimbursed by the Scottish Government. Therefore, although local authority officers will incur the upfront expenditure, it will be the Government that ultimately bears these costs.

Counting officers' costs

30. Counting officers will be responsible for the administration of the referendum, including:
- the issuing of poll cards
 - the provision, staffing and running of polling stations, including the appointment of presiding officers and poll clerks
 - the issue and receipt of postal voting papers
 - the staffing and running of the count in their area
 - the declaration of the local result.
31. The role of counting officer is essentially the same as that of a returning officer in an election: their duties will be very similar to the activities required to run an election, but without the candidate nomination process and with a simple voting system which will require only one round of counting.
32. The Bill provides that the Chief Counting Officer must appoint a counting officer for each local government area, which means that there will be 32 counting officers. This is the same as for Scottish Local Government elections. For Scottish Parliament elections, there are 73 returning officers, and there are 59 in a UK general election. The difference in the number of returning/counting officers for different types of poll does not have a significant impact on the cost of the poll and count because the fees are higher for polls with fewer returning officers, commensurate with the increased number of electors for which they are responsible.
33. Counting officer costs will be set out in a Fees and Charges Order made under an order making power in the Bill, which will provide the maximum level of fees which each individual counting officer can claim. This is likely to be calculated for each voting area (i.e. each local government area). In addition, the order will specify maximum recoverable amounts which counting officers can claim for specified services, which will cover the costs incurred whilst carrying out their duties under the Bill, such as the provision of staff, equipment and venues. These will again be calculated by voting area and will be based on the size of the electorate and assumptions about average spend. Scottish Government officials will work with the Electoral Management Board and counting officers to determine robust figures for inclusion in the Order so that the Order can be made as soon as possible after the Bill is enacted.
34. The Fees and Charges Order will be in place at least six months prior to the date of the referendum, in line with the Gould Report¹⁰ recommendations, so that counting officers will have certainty about the funding available to them before they need to commit resources. Following the process used in the PVS referendum, advance payments of 75% of counting officer expenses may be made prior to the poll with the remaining balance paid once accounts have been settled (advances may be decreased or increased depending on specific circumstances). Payment for counting officer services (fees) will be made in two instalments, with 75% paid the day after the poll, and the remainder paid once accounts are settled.

¹⁰Electoral Commission: *Independent Review of the Scottish Parliamentary and Local Government Elections*, 3 May 2007 <http://www.electoralcommission.org.uk/document-summary?assetid=13223>

35. The costs likely to be incurred by counting officers in the course of undertaking these duties will include the categories listed below at paragraphs 36 to 43.

Polling station costs

36. This will include: the cost of polling station venues; the cost of equipment used in polling stations such as polling booths, ballot boxes, stationery and notices; the cost of preparing and transporting polling equipment; the cost of printing ballot papers; and payments to polling station staff, including training.

37. Many of these costs depend on the number of polling stations required, which will depend on the size of the electorate, the availability of venues and the geography of each voting area.

Postal vote costs

38. Costs associated with the issue and receipt of postal votes will include the cost of printing and postage (both outward and return); payments to staff involved in issuing, receiving and checking postal votes; stationery; cost of venues and equipment for postal vote number of postal votes cast in each voting area.

39. Additionally, the Royal Mail often undertakes a 'sweep' of mail centres to check for any postal votes that are awaiting delivery to returning officers. In the case of the PVS referendum, it was considered more cost effective to organise this on a national basis, and so the CCO incurred the cost of the postal sweep in that case. The CCO in the referendum may choose to take the same approach. If organised locally, counting officers would incur the cost. Postal sweeps are discussed in more detail at paragraph 22.

Poll card costs

40. Poll cards will be sent to every voter. This will incur costs in relation to the printing and posting of poll cards; the cost of payments to staff; and the cost of equipment and stationery.

Count costs

41. The count will take place as soon as possible following the closure of the polls. Costs will include the cost of hiring count centre venues; the cost of transporting ballot papers from polling stations to count centres; cost of equipment used at count centres; security costs; and payments to count centre staff, including training.

42. For some more remote voting areas, the cost of transporting ballot papers to the count centres will be considerably higher than in other areas. For example, in Argyll and Bute and in the Western Isles, helicopters are required to fly the ballot papers from remote islands to a central count centre. Similarly, counts taking place in some of the larger cities will incur higher count venue costs, particularly in Edinburgh and Glasgow. This will be taken into account in discussions with the Electoral Management Board and others around calculating the maximum recoverable expenses for each counting officer.

Other costs

43. In addition to the above, there will also be general costs incurred by counting officers in the course of managing the poll and the count, including the cost of payments to clerical staff and the cost of materials and services not covered elsewhere.

Comparative costs¹¹

44. The closest comparator to help determine the likely cost of running the referendum is the PVS referendum, particularly since the Electoral Commission published a comprehensive report on the costs of this referendum.

45. This report showed that the total costs incurred by counting officers in Scotland in the course of running the poll and count for the PVS referendum was around £6.12 million. A breakdown of these costs is shown in the table below:

Category of costs	Amount paid (£)
Polling station costs	2,861,160
Postal vote costs	809,447
Poll card costs	415,651
Count costs	1,292,336
Other costs	524,779
Counting officer fees	213,629
Total fees and costs incurred by counting officers	6,117,002

46. The PVS referendum was held on the same day as other polls, including the Scottish Parliament elections, which meant that some costs, such as the hire of polling stations, could be shared. This meant that the overall costs were lower than they would have been for a ‘stand-alone’ referendum, which the Scottish independence referendum will be.

47. Actual costs are not yet available for the poll and count at the Scottish Parliament elections held in May 2011. However, the Fees and Charges Order for that election sets out the overall maximum recoverable amounts for returning officers’ services and expenses for both combined poll and stand-alone scenarios. These costs were calculated by constituency, based on the size of the electorate.

48. The order does not provide a breakdown of estimates for each category of cost, but does provide the maximum recoverable amounts for the 2011 Scottish Parliament elections, should these have been taken in a separate poll. The table below shows a comparison of the level of fees and expenses provided for the Scottish Parliament elements of a combined poll, and a Scottish Parliament poll taken alone:

¹¹Returning officer costs for the most recent poll in Scotland, the 2012 Scottish Local Government elections, are not available.

Maximum recoverable amounts	Scottish Parliament election taken alone	Scottish Parliament election combined with another poll¹²
For specified services (returning officer fees)	£ 194,208	£194,208
For specified expenses	£10,104,001	£7,591,309
Total	£10,298,209	£7,785,517

49. In its report on the costs of the PVS referendum, the Electoral Commission estimated the cost of a ‘stand-alone’ referendum, including estimates for counting officers’ expenses and fees for stand-alone referendums in the rest of the UK. This suggested that the estimated cost for a stand-alone event in Scotland could cost around £8.355 million. This is based on the figures for the 2011 referendum and reversing the factors associated with the combination of polls. The table below indicates the estimated costs broken down by category.

Category of costs	Estimated cost (£)
Polling station costs	4,978,564
Postal vote costs	919,424
Poll card costs	415,651
Count costs	1,294,471
Other costs	524,779
Counting officer fees	198,050
Solely attributable costs	24,793
Total fees and costs incurred by counting officers	8,355,732

50. These costs include the fees and expenses incurred by the Regional (or Chief) Counting Officer (estimated at around £38,928 for a Regional Counting Officer). If these costs are removed, the total fees and charges incurred by counting officers would be **£8,316,804**. Factors that will potentially increase or reduce this figure include changes in the size of the electorate; the effect of inflation on the costs of transport, equipment and postage; the effect of any specific directions made by the CCO as to how the poll or count should be run; and the implications of approaches to deal with specific local circumstances, such as the use of helicopters to fly the ballot papers from remote islands to a central count centre or the higher costs of hiring suitable count venues for larger voting areas. It is expected that this expenditure would be incurred during the 2014/15 financial year.

Potential savings from a simplified process

51. As stated above, the poll and count for the referendum will be more straightforward than in the Scottish Parliament elections due to the fact that voters will be asked to make a choice between two options rather than between a number of candidates. It is, therefore, likely that some savings can be made on the above costs. For example, savings could be made in the

¹² These costs reflect the maximum recoverable amounts for the Scottish Parliament elements of a combined poll; there would be a separate Fees and Charges Order providing maximum recoverable amounts for expenses incurred for the other poll taken in combination.

printing of ballot papers¹³ as the form of the ballot paper will be settled once the Scottish Independence Referendum Bill is passed, which will allow orders to be placed with printers far in advance. For elections this has to be postponed until the candidates have been nominated, which can be as late as 16 days before the date of the poll for local government or Scottish Parliament elections. Similarly, the fact that this referendum will offer only two choices means that the count will be simpler than an election with multiple candidates and different voting systems. This could mean that fewer counting staff would be needed in some areas.

COSTS ON THE ELECTORAL COMMISSION

52. The Electoral Commission will be responsible for overseeing and regulating the referendum campaign, providing advice and guidance to those running the referendum, providing information to voters, and reporting on the conduct of the referendum after it has taken place. Specifically, this role comprises the following activities:

- Undertaking public awareness activity
- Writing and publishing guidance and giving advice to permitted participants
- Reporting on the referendum process
- Registration of campaigners
- Designating lead campaign organisations
- Regulating campaign spending and donations
- Administering the observers scheme

53. The Commission will be funded by the Scottish Parliamentary Corporate Body (SPCB) in line with the established funding arrangements for the Commission in relation to its role for UK elections and referendums, where it is funded by the Speaker's Committee in the UK Parliament as a means of demonstrating its impartiality and independence from Government. As the SPCB has not been allocated a budget for such expenditure for the financial year 2013/14, the Scottish Government will reimburse the SPCB by means of a budget transfer for any costs incurred between the commencement of the Act and the start of the following financial year.

54. Any costs incurred by the Commission prior to the commencement of the Act will be met by the Scottish Government. This includes the cost of the question assessment work carried out by the Commission, which came to around £130,000, as discussed at paragraph 28.

55. The Commission has provided cost estimates for its functions under this Bill, based on its previous experience of delivering equivalent or similar functions for referendums and elections. These include external non-pay spend and the cost of additional temporary resource employed to provide advice and guidance. The Commission will not seek funding from the Scottish Parliament in respect of existing staff who will be working on the referendum.

56. The Commission estimates its recoverable costs to be £2.195 million which includes a 5% contingency allowance of £0.104 million. The final amount to be funded will however be

¹³ Any savings which would be made from the absence of a nominations process would be minimal as these costs are effectively absorbed by local authorities during elections because the costs of processing nominations cannot be specifically claimed for by returning officers.

These documents relate to the Scottish Independence Referendum Bill (SP Bill 25) as introduced in the Scottish Parliament on 21 March 2013

restricted to the cost that is actually incurred. These costs primarily relate to the delivery of public awareness activity (£1.803 million) and registering and giving guidance to campaigners and other permitted participants (£0.181 million). The public awareness activity will involve sending a factual information booklet to every household in Scotland (as happened for the May 2011 Scottish Parliament and 2012 Local Government elections) supported by a TV, radio and online advertising campaign. Registering and giving advice to campaigners will involve the recruitment of additional staff. By way of comparison, the Commission's expenditure on public awareness for the Scottish Local Government elections in May 2012 was £1,383,886.

57. The remainder of the funding will meet the marginal costs of other agreed Commission functions, namely the regulation of campaign finance, the designation of lead campaigners, administration of the observers scheme and post referendum reporting.

58. Calculations for each of the statutory functions outlined above are shown in the table below (all figures £k):

ACTIVITY	SUBTOTAL (£)	TOTAL (£)
Undertaking Public Awareness activity		1,803
<i>Cost of buying media space (TV, newspaper, online)</i>	830	
<i>Design and production of advertising content</i>	603	
<i>Printing and distributing a booklet to all households in Scotland</i>	267	
<i>Call centre</i>	62	
<i>Public research for Campaign evaluation</i>	41	
Writing and publishing guidance, and giving advice to permitted participants		181
<i>0.5 FTE Lawyer - Additional legal resource, guidance and advice</i>	70	
<i>Producing guidance and providing ongoing advice for campaigners</i>	66	
<i>Additional accommodation and travel costs</i>	32	
<i>Travel / subsistence</i>	13	
Reporting on the referendum process		57
<i>Research (voters campaigners and Counting Officers) to inform reporting</i>	45	
<i>Travel and other costs</i>	12	
Other administrative costs relating to remaining functions <i>(registration of campaigners, designating lead campaign organisations, regulating campaign spend and donations, administering the observers scheme)</i>		50
Total estimated costs		2,091
Contingency @5%		104
Recharge estimate as at February 2013		2,195

59. Of these costs, it is likely that the costs for the Electoral Commission's activities in relation to public awareness and reporting would be incurred in the 2014/15 financial year (a total of £1,860,000). Guidance costs would begin to be incurred earlier on in the process (2013/14) with administrative costs covering the entire referendum period.

COSTS ON OTHER BODIES, INDIVIDUALS AND BUSINESSES

Campaign expenses

60. There are no obligations imposed on other bodies, individuals or businesses by this Bill which would result in costs being incurred. However, any person or organisation may voluntarily decide to campaign for a particular outcome in the referendum. Campaign activity does come at a cost which will, of course depend on the nature of the campaign activity undertaken. To ensure that campaign spending is reasonable, fair and equitable, the Bill limits the amount of money that can be spent on campaigning for different categories of permitted participants.

61. Anybody that does not wish to register as a campaigner with the Electoral Commission will not be permitted to spend more than £10,000 on campaigning. A body which is not a political party represented in the Scottish Parliament is entitled to spend up to £150,000 if it registers with the Commission and the political parties represented in the Scottish Parliament will be entitled to spend between £150,000 and £1,344,000, depending on their proportion of the vote. These spending limits are based on recommendations provided by the Electoral Commission in its report published on 30 January 2013.¹⁴

62. The Bill allows the Electoral Commission to designate up to two permitted participants, representing campaigners for each outcome in the referendum (one designated organisation per outcome). The designated organisations will be entitled to incur expenses up to a limit of £1,500,000 that each designated organisation is entitled to spend. A designated organisation is likely to be an umbrella organisation encompassing a number of persons and bodies who pool their resources to campaign for a common outcome. For smaller organisations, joining a designated organisation may be an effective way of contributing to a nationally effective campaign.

Charges and fees

63. The Bill permits the Electoral Commission to charge a reasonable fee for inspection of the register of permitted participants. It will be for the Commission to determine how much this should be set at and the Commission will retain this sum. In addition, the Commission may impose financial penalties as part of the civil sanctions regime. These sums are to be paid into the SCF. The precise income from such penalties is difficult to estimate given the uncertainty as to how many offences are likely to be committed, but advice from the Electoral Commission based on previously referendums suggest that this is not likely to be significant. Further provision on the civil sanctions regime will be set out in a supplementary order by Scottish Ministers.

¹⁴http://www.electoralcommission.org.uk/_data/assets/pdf_file/0004/153697/Report-on-spending-limits-for-the-referendum-on-independence-for-Scotland.pdf

Referendum campaign broadcasts

64. One of the benefits available to the designated campaign organisations is the right to a referendum campaign broadcast and only those made by or on behalf of designated organisations may be broadcast. Broadcasters are not expected to incur any costs or lost revenue from advertising, because the public broadcaster does not obtain revenue from advertising and the commercial broadcasters are likely to reduce the length of scheduled programmes rather than allocate advertising slots to the referendum broadcasts. However, broadcasters may incur some costs in terms of staff time required to air the broadcasts, but these are not easy to quantify. The Electoral Commission's report on the PVS referendum suggested that the potential cost of airtime was better described as a benefit to the designated campaigners, rather than as a cost to broadcasters.

OVERALL ESTIMATED COST OF REFERENDUM

Costs associated with running the referendum

65. The table below sets out a summary of the estimated costs associated with the running of the referendum, that is, the work necessary to deliver the poll and the count. Note that these costs are indicative only and rely on a number of assumptions and variables which are discussed throughout this document. In addition, the impact of possible increases in the Retail Price Index has not been factored in.

(all costs are inclusive of relevant VAT and estimates provided are at the top of the potential cost range)

ACTIVITY	SOURCE	2012/13 (£)	2013/14 (£)	2014/15 (£)	TOTAL (£)
Postal sweeps	Local authorities, reimbursed by Scottish Government if local sweeps; CCO, funded by Scottish Government if national			30,000	30,000
Chief Counting Officer preparatory expenditure and expenses	Scottish Government		200,000	100,000	300,000
Counting officer fees and charges	Local authorities, reimbursed by Scottish Government			8,316,804	8,316,804
TOTAL					£8,646,804

These documents relate to the Scottish Independence Referendum Bill (SP Bill 25) as introduced in the Scottish Parliament on 21 March 2013

Other costs associated with the referendum (regulation, public awareness)

66. The table below indicates the estimated costs incurred under the section 30 Order, for free campaign mailshots, and Electoral Commission costs for preparation of guidance, reporting and public awareness (which arise under the Bill). Again, note that these costs are indicative only and rely on a number of assumptions and variables which are discussed throughout this document. In addition, the impact of possible increases in the Retail Price Index has not been factored in.

(all costs are inclusive of relevant VAT and estimates provided are at the top of the potential cost range, unless otherwise indicated)

ACTIVITY	SOURCE	2012/13 (£)	2013/14 (£)	2014/15 (£)	TOTAL (£)
Free campaign postal communication	Royal Mail, reimbursed by SG			2,263,200 ^a	2,263,200
Royal Mail administration fee	Scottish Government			120,000	120,000
Electoral Commission costs for public awareness and reporting	Scottish Parliament/ Scottish Government			1,860,000	1,860,000 ^c
Electoral Commission costs for guidance and administration	Scottish Parliament/ Scottish Government		135,000	200,000	335,000 ^b
Electoral Commission costs for question assessment	Scottish Government	130,000			130,000
TOTAL					£4,708,200

^aBased on two designated organisations both choosing the most expensive mailing option, with estimates provided by the Royal Mail. If both designated organisations chose the unaddressed mailing option, the total cost could be £685,344 (including VAT).

^bBased on estimated cost provided by Electoral Commission.

COSTS INCURRED UNDER THE SCOTTISH INDEPENDENCE REFERENDUM (FRANCHISE) BILL

67. In addition to the costs incurred under this Bill, the Scottish Government will also meet the costs associated with the extension of the franchise to include 16 and 17 year olds, and the process by which young people can be registered. The Government will reimburse electoral registration officers for any fees and expenses incurred in the course of undertaking their functions in the referendum. The role and duties of electoral registration officers are provided for in the Scottish Independence Referendum (Franchise) Bill, with estimated costs detailed in the Financial Memorandum which accompanied that Bill.

These documents relate to the Scottish Independence Referendum Bill (SP Bill 25) as introduced in the Scottish Parliament on 21 March 2013

68. That FM puts the estimated cost of extending the franchise to include all 16 and 17 year olds at around £358,000.

**SCOTTISH GOVERNMENT STATEMENT ON LEGISLATIVE
COMPETENCE**

On 21 March 2013, the Deputy First Minister and Cabinet Secretary for Infrastructure, Investment and Cities (Nicola Sturgeon MSP) made the following statement:

“In my view, the provisions of the Scottish Independence Referendum Bill would be within the legislative competence of the Scottish Parliament.”

**PRESIDING OFFICER’S STATEMENT ON LEGISLATIVE
COMPETENCE**

On 21 March 2013, the Presiding Officer (Rt Hon Tricia Marwick MSP) made the following statement:

“In my view, the provisions of the Scottish Independence Referendum Bill would be within the legislative competence of the Scottish Parliament.”

*These documents relate to the Scottish Independence Referendum Bill (SP Bill 25) as introduced
in the Scottish Parliament on 21 March 2013*

SCOTTISH INDEPENDENCE REFERENDUM BILL

EXPLANATORY NOTES

(AND OTHER ACCOMPANYING DOCUMENTS)

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