

# Findings

## Electoral reform in local government: alternative systems and key issues

The Government plans a full modernisation of local government, including annual elections and a stronger scrutiny role for elected representatives. Such a programme must also consider reform options which improve the match between votes and seats, revitalise local electoral dynamics and strengthen links between councillors and constituents. This research, by Patrick Dunleavy and Helen Margetts, investigates a key possibility for such an agenda: changing the local electoral system. The researchers simulated local elections under five alternative electoral systems to first-past-the-post. Key findings were:

- f** **The Alternative Vote or the Supplementary Vote would guarantee that all councillors had majority support in their wards and would minimise boundary changes. But these systems would not improve the match between parties' vote shares and seat shares. They would also continue to treat opposition parties unfairly in areas dominated by one party.**
- f** **List Proportional Representation would deliver roughly proportional results but would tend to favour large parties over smaller ones. The system would require that councillors are elected in larger wards of five or six members. If full annual elections are introduced, 15 to 18 member wards would be needed.**
- f** **The Single Transferable Vote would also require large wards and pose severe problems for annual elections. The system would generally produce proportional outcomes, but in some cases the simulations produced apparently anomalous results. The system would maximise voter choice, recording multiple preferences within and across parties.**
- f** **The Additional Member System was found to be the most consistently proportionate system, delivering a good match between parties' vote shares and their numbers of councillors across all elections analysed. The system would encourage effective opposition and maintain local links.**
- f** **The researchers conclude that electoral reform in local government is feasible with all of these systems. But the proposed introduction of annual elections will cause difficulties in implementing any of the alternative electoral systems.**

To investigate how alternative electoral systems would work under different local conditions across England, the researchers re-analysed two 1990s elections in 12 localities, covering major cities, large towns, London boroughs, county councils and rural districts. This resulted in simulated outcomes for 96 different elections.

The five systems examined were:

- The **Supplementary Vote (SV)**, where voters mark an X in a first preference column against their preferred candidate's name, and another X in a second preference column. First preferences are counted, and any one candidate with majority support is elected straightaway. If no one has majority support, then only the top two candidates stay in the race. All other candidates are eliminated, and their voters' second preferences examined. Any second preferences for the two top candidates are added to their first preference piles. Whoever has the most votes wins. SV expands voters' choice because supporters of minority parties can still vote honestly on their first preferences, but can also influence the outcome with their second vote.
- Under the **Alternative Vote system (AV)**, voters indicate a preference for as many candidates (or parties) as they choose by numbering them 1, 2, 3 and so on. Again, a candidate with majority support is elected immediately. If no one has over 50 per cent of first preference votes, AV eliminates candidates one at a time from the bottom and reallocates their voters' subsequent preferences amongst remaining candidates. This continues until either one candidate has a majority of valid votes or there are only two candidates left, when the leading one wins.
- The **Additional Member System (AMS)** combines a proportion of half or more representatives elected by first-past-the-post (FPTP) in local constituencies, with an equal or smaller number of 'top-up' representatives elected via a party-list system for larger areas. Current versions of AMS used in Scotland, Wales and London have a majority of locally elected members (66 per cent in Wales, 57 per cent in Scotland). Under AMS, voters get a two-part ballot paper. In the first section, voters mark a first preference candidate (and party) with a single X. The second section gives a list of candidates for each party and voters mark a single X for their preferred party. Local votes are counted first; the party with most votes there wins each local seat, as with FPTP. Then the top-up seats are allocated, bringing each party's share of seats into line with its share of votes. This system aims to compensate parties winning numerous votes but no seats in local contests.
- In **List Proportional Representation (List PR)** parties field a 'list' of candidates and voters get a simple ballot paper on which they mark a single X for their preferred party. Votes are counted and each party's vote is matched against a quota to see which should win the first seat; this goes to the party most over the quota, say party A. Then a quota of votes is removed from party A's vote share. The party which now has most votes over the quota is allocated the second seat. This process continues until all seats are allocated or until no party can come up to the quota. If a seat remains, under any British version of AMS it is allocated using the 'd'Hondt system' which tends to favour large parties (unlike some European countries' List PR systems which boost smaller parties' chances of winning the last seat).
- The **Single Transferable Vote (STV)** uses a more complex ballot paper listing all candidates for each party (around 20 names in England for a five-member constituency). Voters can cast multiple votes. They number candidates 1, 2, 3 etc. in order of preference, showing as many choices as they like and picking candidates in any order within a party or across different parties. At the seat allocation stage, a quota is defined and any candidate with enough personal votes to come up to quota is elected. Then the system switches to the AV method of eliminating bottom candidates and redistributing their voters' second preferences to remaining candidates until all seats are filled. STV encourages voters to pick the best representatives without regard to party lines - allowing voters to take account of additional factors such as sex, race or a record of local service.

The researchers compared the performance of these systems across criteria that would be applied to any programme of reform aiming to strengthen local legitimacy. In every case, results were compared with actual election results under the current system, first-past-the-post (FPTP), where voters choose a single candidate and party by marking an X on the ballot paper and the candidate with the most votes wins.

### Securing proportional outcomes

FPTP produces highly disproportional outcomes which favour large parties and encourage one-party dominance. Political scientists summarise systems' performance on such over- or under-representation using a measure called Deviation from Proportionality (DV). The higher an electoral system's DV score for a given election, the greater the mismatch between votes won and seats awarded for the parties contesting the election. The maximum DV score possible is around 50 per cent.

Across the elections analysed, the median DV score for first-past-the-post was 22 per cent, with scores ranging from 5 per cent to 42 per cent (the latter occurred in Newham in 1998 where Labour won every council seat with 58 per cent of votes). The middle half of the data showed DV scores between 66 and 30 per cent - all very high values.

Under the Supplementary Vote and Alternative Vote systems there was little change, with the median DV score slightly lower at 16 per cent. But SV and AV increased disproportionality in four elections. In Richmond, for example, the Liberal Democrats are already heavily over-represented under FPTP. Under SV or AV, if many Labour and Conservative voters gave second preferences to the Liberal Democrats, over-representation would rise sharply to over 50 per cent.

All the other three systems would make a major difference to proportionality. For both List PR and STV the average DV score would drop from 22 per cent under FPTP to 7 per cent. The majority of data for both systems is between 6 and 12 per cent, again sharply lower. Under both List PR and STV, all but three elections yielded scores of 13 per cent or less.

But the best-performing system in terms of proportionality was clearly AMS, with a median DV score of just 3 per cent and the middle half of data lying between 2 and 4 per cent. Only one result yielded a DV score above 5 per cent. The system

performed proportionally under all the diverse conditions tested.

### Producing effective opposition

Another reason for reform is to stop one-party dominance hindering effective opposition. Under FPTP, a third of the elections produced results where 70 per cent of the council came from a single party. In a sixth of cases, the leading party controlled 90 per cent of the council. Under AV or SV this problem got worse, with the majority party controlling over 90 per cent of the council in a quarter of cases. Under List PR, two councils passed the 70 per cent level but none gained over 90 per cent. Under both STV and AMS, none of the elections would have produced a council where one party held even 70 per cent of seats. The three proportional systems would make a major contribution to producing situations where effective opposition was feasible everywhere across the country.

### Local accountability

An important aspect of electoral system change is the impact on the existing pattern of wards, in particular the links between councillors and constituents. The system also needs to be compatible with the planned universal annual elections, whereby all wards would have a third of councillors elected every year for three years. Currently, local authorities run either rotating annual elections or four-yearly elections of the whole council. Even for FPTP, full annual elections will require all local authorities to adopt standard three-member wards.

Under AV or SV, the ward links between councillors and citizens would remain exactly the same as now. If full annual elections across all wards were introduced, AV and SV would require three-member wards, as for first-past-the-post. If current elections were retained, however, then the existing multi-member wards in local authorities would have to be split into single-member areas - because neither SV nor AV can operate with multiple seats to fill.

Under AMS, there are two types of local link: the local seat and the top-up area. Most British councils are too large for the top-up area to cover the whole authority without creating the possibility of minority parties winning seats (with a 50-seat council a borough-wide top-up area would imply that any party with 2 per cent of votes would gain a seat).

Total seats in each top-up area should not be less than about 15 seats nor exceed 20-25 seats. So small councils with 30-40 seats would need two top-up areas; large councils with 70-90 seats might need four. The advantage of such arrangements is that top-up areas would themselves be quite local. With annual elections in all wards, AMS would require three-member wards where only one member was elected each year, larger than the three-member wards under FPTP to allow for the top-up seats.

STV and List PR both necessitate an increase in ward size, requiring multi-member wards with five or six councillors. In areas that currently have a mixture of two- and three-member wards, pairing existing areas would be sufficient. However, full annual elections would destroy the notion of local links between councillors and constituents. The only way these systems could operate would be in very large wards with at least 15 councillors, five of which would be elected in each election year. A small council with 40 members might have just two wards and a large council with 90 members would have only six.

### Thresholds for minor parties to secure seats

Under FPTP there is usually a high threshold for parties to begin winning council seats, with those winning less than around 20 per cent of the votes being under-represented. AV and SV leave this high 'effective threshold' exactly the same.

Under AMS, the increased size of local wards makes it harder for smaller parties to win local seats. However, top-up seats provide the route to representation. With five local seats and five top-up seats, any party with ten per cent support will certainly win a seat. In seven out of twenty elections studied, minor parties won more seats under AMS than under FPTP.

For List PR and STV, the electoral threshold will be around 100 per cent divided by the number of seats in multi-member wards. So in five-member wards a party would need 20 per cent support in order to be guaranteed a seat. The threshold is much the same as FPTP. Both systems would cause problems for Independents who would find it difficult to establish reputations across larger wards. Under List PR, Independents would have to agree to form a list across localities and decide upon a ranking.

### About the study

Analysis was based on election results in 12 localities for two elections, one in the early 1990s and one in the mid-1990s. The 12 authorities were chosen to illustrate a number of different institutional and political settings, rather than a representative sample of all local authorities in England. Therefore, the data are intended to facilitate comparison between electoral systems rather than provide a full picture of the country. The full report contains data tables for all elections simulated, as well as summary tables, detailed consideration of implementation issues and a discussion of the possible systems for electing executive mayors.

### How to get further information

The full report, **Proportional representation for local government: An analysis** by Patrick Dunleavy and Helen Margetts is published for the Foundation by YPS (ISBN 1 899987 97 5, price £13.95 plus £2 p&p).

For further information on the study, contact Professor Patrick Dunleavy, Department of Government, London School of Economics, Houghton Street, London WC2A 2AE, Tel: 0171 955 7178, Fax: 0171 831 1707, e-mail: P.Dunleavy@lse.ac.uk, or Dr Helen Margetts, School of Public Policy, University College London, 29/30 Tavistock Square, London WC1E 9EZ, Tel: 0171 504 4980, Fax: 0171 504 4969, e-mail: H.Margetts@ucl.ac.uk.