

Title: Addendum to the Elections Bill Impact Assessment: First Past the Post (FPTP) IA No: CO2023(A1) Lead department or agency: Department for Levelling Up, Housing and Communities (DLUHC) Other departments or agencies: Home Office	Impact Assessment (IA)	
	Date: 10/10/2022	
	Stage: Primary	
	Source of intervention: Domestic	
	Type of measure: Primary Legislation	
	Contact for enquiries: ConstitutionGroupAnalysisMailbox@levellingup.gov.uk	

Summary: Intervention and Options RPC Opinion: N/A

Cost of Preferred (or more likely) Option (in 2022 prices)			
Total Net Present Social Value	Business Net Present Value	Net cost to business per year	Business Impact Target Status
£7.3m	£0m	£0m	£0m
What is the problem under consideration? Why is government action or intervention necessary? Following Royal Assent to the Elections Act 2022, elections for Police and Crime Commissioners (PCCs) in England and Wales and for the Mayor of London, combined authority mayors and directly-elected council mayors in England are to switch from the currently used voting system, called the supplementary vote (SV) system to the simple majority voting system, more commonly referred to as First Past the Post (FPTP). In an announcement by the Home Secretary in March 2021, the Government committed to bringing forward legislation to change the voting system for all combined authority mayors, the Mayor of London and PCCs to FPTP when parliamentary time allowed, as one of the recommendations from Part One of the PCC Review. This is in alignment with the Government's 2019 manifesto commitment in support of FPTP. In September 2021, the Minister for the Constitution and Devolution announced that the Government would include the proposed legislation in the Elections Bill and confirmed that the change of voting system would, for consistency, also apply to elections for council mayors. The Government is the only entity that has the power to change administrative arrangements (via legislation) for running these electoral events.			

What are the policy objectives of the action or intervention and the intended effects? The move to FPTP is designed to make the voting process easier to understand for electors and strengthen democratic accountability. There is evidence, including the proportion of spoiled ballots in polls, that SV is more complex and less well-understood. FPTP is simple, tried and tested and well understood by electors and electoral administrators. Success will be shown by a smooth transition to the FPTP voting system by electoral administrators and electors alike, cost and time savings for electoral administrators and a potential reduction in accidentally spoiled ballot papers.

What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base) Option 0: Do Nothing Option 1: the preferred option is to change the voting system for mayoral elections in England and Police and Crime Commissioner (PCC) elections in England and Wales from SV to FPTP.
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Is this measure likely to impact on international trade and investment?				No
Are any of these organisations in scope?	Micro	Small	Medium	Large
	No	No	No	No
What is the CO2 equivalent change in greenhouse gas emissions? (Million tonnes CO2 equivalent)			Traded	Non-Traded
			N/A	N/A
Will the policy be reviewed? It will not be reviewed. If applicable, set review date: N/A				

I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.



Signed by the responsible:

Date:

10/10/2022

Summary: Analysis & Evidence

Policy Option 1

Description:

FULL ECONOMIC ASSESSMENT

Price Base Year: 2022	PV Base Year: 2022	Time Period Years: 10	Net Benefit (Present Value (PV)) (£m)		
			Low: 5.5	High: 9.2	Best Estimate: 7.3

COSTS (£m)	Total Transition (Constant Price) 10 Years		Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	0	0	0	0
High	0		0	0
Best Estimate	0		0	0

Description and scale of key monetised costs by 'main affected groups'

1. This policy has no monetised costs

Other key non-monetised costs by 'main affected groups'

1. **Small familiarisation costs** - Electoral administrators and voters participating in PCC and mayoral elections in England and Wales will need to acquaint themselves with the move to FPTP, a system which is already commonly used and thus familiar. It is expected that these will be a minimal, and primarily upfront cost, and over time would likely result in a time saving.

Benefits (£m)	Total Transition (Constant Price)		Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	0	0	0.6	5.5
High	0		1.1	9.2
Best Estimate	0		0.8	7.3

Description and scale of key monetised benefits by 'main affected groups'

1. **Saved costs from the elimination of a second count** - This can reduce staff costs and venue hire costs since voters only vote for one candidate. This is expected to correspond to a total £7.3m cost saving (present value) over 10 years.

Other key non-monetised benefits by 'main affected groups'

1. **Increased consistency within the electoral system** - This simplifies the electoral process for voters and electoral administrators, with FPTP being used in all general and local elections in England and in general elections in Wales.
2. **Potential reduction in spoiled ballots** – Voters only cast a vote for their first-choice candidate under FPTP, avoiding the risk of spoiled ballots under SV, where a voter selects two first choice or two second choice candidates.

Key assumptions/sensitivities/risks	Discount rate (%)	3.5
1. Electoral administrators and voters are familiar with FPTP, owing to the common nature of the system across elections. 2. Absence of data means modelling assumptions have been made.		

BUSINESS ASSESSMENT (Option 1)

Direct impact on business (Equivalent Annual) £m: 0			
Costs: 0	Benefits: 0	Net: 0	Score for Business Impact Target (qualifying provisions only) £m: 0

Evidence Base

A. Problem under consideration and rationale for intervention

1. Commitment to FPTP has been expressed in successive manifestos: in the 2015 Manifesto to respect the outcome of the 2011 Referendum to retain FPTP for Parliamentary elections, in 2017 to extend the system to PCCs and mayors and in 2019 to continue to support the system.
2. In March 2021, the Home Secretary announced in her a written ministerial statement¹, concluding Part One of the PCC Review, that the Government intends to change the voting system for all combined authority Mayors, the Mayor of London and PCCs from the SV system to FPTP, as soon as Parliamentary time allowed. In September 2021 the Minister for the Constitution and Devolution announced this provision would be included in the then Elections Bill² and the Government is the only entity able to change these. The Elections Act received Royal Assent on 28 April 2022 and the provision is included at Section 13.
3. The FPTP system is simple, tried and tested and well understood by electors and provides a robust and clear way of electing representatives. It is used in UK general elections and in local elections across England. The government believes that moving to FPTP will make it easier for the public to express a clear preference, strengthen accountability and improve transparency. Under FPTP, the outcome is clear: the person with the most direct votes wins.
4. The SV system can be a more difficult system for voters to understand and this may be reflected in the level of ballots rejected because of inaccurate completion. The Electoral Commission Report of the 2015 general election found that the percentage of votes rejected in the SV elections, held on the same day as the general election, was up to 12 times higher than under FPTP. The mayoral elections using SV had a rejection rate between 2.2% to 4.0% compared to the general election rejection rate of 0.33%³. Whilst we cannot say for sure whether ballots were spoiled purposefully or accidentally, we expect that voters face a greater risk of losing their vote under the SV system by accidentally voiding their ballot.
5. The British public voted to retain the FPTP system in the 2011 nationwide referendum. The 2011 Referendum asked voters whether the system for electing Members of Parliament should be changed from FPTP to the alternative vote system; 67.9 per cent of voters voted to retain FPTP.

B. Policy Objective and Proportionality

6. The Government believes that FPTP is a more straightforward way of electing representatives than the SV system and that it is well-understood and familiar to voters. Moving to this system makes it easier for the public to express a clear preference: the person elected is the one directly receiving the most votes. This reduces complexity for both the voter and electoral administrator.
7. Success will be shown by a smooth transition to the FPTP voting system by electors and electoral administrators alike. Returning Officers and other electoral administration staff may face a less burdensome and more efficient delivery of elections by avoiding the need for a second count. The simpler voting system may be reflected by a reduction in spoiled ballots papers.

¹ <https://questions-statements.parliament.uk/written-statements/detail/2021-03-16/hcws849>

² <https://questions-statements.parliament.uk/written-statements/detail/2021-09-15/hcws289>

³ https://www.electoralcommission.org.uk/sites/default/files/pdf_file/UKPGE-report-May-2015-1.pdf

8. The approach taken in this IA is considered proportionate to the FPTP policy. This is a relatively minor change, and FPTP is a familiar voting system which is well understood by electors and electoral administrators alike.

C. Description of options considered

9. The options considered for this Impact Assessment are:
- Option 0: do nothing. This means that FPTP is not implemented for PCC and mayoral elections, and they will continue to use the SV system.
 - Option 1: FPTP will be used in PCC elections in England and Wales and mayoral elections in England, replacing the SV system. **This is the Government's preferred option.**
10. Option 1 would deliver the UK Government's objective of ensuring that PCC and mayoral elections use a voting system that is clear and will bring consistency to the various other elections that people vote in. The policy is binary meaning it is either implemented or it is not. This means that further options have not been considered and Option 1 was chosen to meet government ambitions. **Therefore Option 1 is the Government's preferred option.**

D. Summary and preferred option with description of implementation plan

11. The FPTP voting system will be introduced to replace SV at PCC elections in England and Wales, and elections for the Mayor of London, combined authority and council mayors in England, from 4 May 2023 onwards.
12. The Elections Act 2022 changes the voting system to be used in these elections, and consequential secondary legislation to make changes to the rules governing the conduct of these elections and to forms, including the ballot paper, will be brought forward in autumn 2022.
13. Practical transition to FPTP will be implemented by Returning Officers and local authority electoral administrators in their preparations for PCC and mayoral elections. This will be supported by revisions to existing guidance published by the Electoral Commission and by the changes to the Rules and forms in the secondary legislation.
14. These arrangements will first come into effect at the 4 May 2023 elections.

E. Monetised and non-monetised costs and benefits of each option (including administrative burden)

15. The analysis below appraises the introduction of FPTP for PCC and mayoral elections. As highlighted in section B, the analytical approach adopted in this section is proportional to the change that is taking place. Where data are available, quantified analysis was undertaken and qualitative analysis undertaken in the absence of it.

Monetised costs

16. There are no direct nor indirect monetisable costs relating to this policy.

Non-monetised costs

Familiarisation costs

17. Electoral administrators working in PCC or mayoral elections will need to acquaint themselves with the new voting system to inform voters and when counting votes. Since FPTP is a common voting

system, used in key elections such as general elections, we expect this cost to be minimal. Voters in PCC or mayoral elections will need to acquaint themselves with the new voting system. However, FPTP is commonly used and is a simpler voting system than the SV system meaning this time cost is expected to be minimal and primarily an upfront cost. Over time, this impact is likely to decline and could result in a time saving as new electoral administrators familiarise themselves more quickly with FPTP.

Monetised benefits

Saved costs from the elimination of a second count

18. Under the SV system, when a candidate fails to receive 50% or more of first preference votes, a second count is conducted. Under FPTP, a second count is no longer required thus the vote count process is quicker. Count staff and the venue are not needed for as long, reducing staff and venue costs. Published 2016 PCC election data was analysed⁴. In the analysis, standalone PCC elections in 2016 that went to a second count were compared to those that did not. The average count staff and venue cost per vote of each type of election was compared, revealing that the elimination of a second count in PCC elections (£0.31, in 2022/23 prices⁵). The cost saving per vote is then multiplied by the number of votes that were counted at the second count since that is no longer required under FPTP.

19. A similar method is applied to mayoral elections to identify their benefit. The number of mayoral elections varies over the years and analysis models the annual number of second count votes that would no longer need counting. The table below examines data from PCC and mayoral elections and shows the benefit in £m, totalling **£7.3m over the 10-year period (2022/23 - 2031/32, 10-year PV)**. This total benefit ranges from £5.5m-£9.2m (± 25% from best case scenario).

Table 1: Best Case Scenario Economic benefit of FPTP vs SV (in £m), 2022/23 to 2031/32.

Financial Year	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	Total
PCC	0.0	0.0	2.5	0.0	0.0	0.0	2.2	0.0	0.0	0.0	4.7
Mayoral	0.0	0.0	1.1	0.1	0.1	0.0	0.9	0.1	0.1	0.0	2.6
Total Economic Benefit	0.0	0.0	3.6	0.1	0.1	0.0	3.1	0.1	0.1	0.0	7.3

Non-monetised benefits

Increased consistency within the electoral system

20. UK general elections and local elections in England use the FPTP system. The move to this system for PCC and mayoral elections increases consistency in how elections work in England and Wales. This consistency then simplifies the electoral process for voters.

21. The Electoral Commission's review⁶ of the May 2021 English elections noted: 'A quarter of people who had difficulties filling in their ballot paper in areas holding local government and PCC elections said it was confusing that the elections used different voting systems'.

⁴

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1063187/The_Costs_of_the_2016_Police_and_Crime_Commissioner_Election_Data.xlsx

⁵

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1063209/The_Costs_of_the_2016_Police_and_Crime_Commissioner_Elections.pdf

⁶ <https://www.electoralcommission.org.uk/who-we-are-and-what-we-do/elections-and-referendums/past-elections-and-referendums/police-and-crime-commissioner-elections/report-may-2021-elections-england>

22. Some SV based elections, such as PCCs, tend to be combined with other polls. The move to a consistent voting system may lead to a time saving for electoral administrators who no longer need to explain the two voting systems being used on polling day. This consistent voting system for combined polls is expected to reduce the potential for voter confusion and risk of voters spoiling their ballots. It is also expected to save time for voters who will not need to acquaint themselves with a different voting system. Both impacts especially benefit first time voters.

Potential reduction in spoiled ballots

23. The SV system can be more complicated, and therefore confusing, than FPTP since voters must choose a first and second choice candidate. This confusion could lead to spoiled ballots, as voters mistakenly select two first choice candidates or vote for the same candidate with both preferences. Under FPTP, voters may be less likely to spoil their ballot accidentally and can thus express their voting preference clearly.

24. Comparing the 2016 PCC elections⁷, which used the SV system, to the 2017 general election⁸, using FPTP, shows that the percentage of rejected ballots is approximately 12 times lower under FPTP (0.2%) in England and Wales vs SV (2.5%). Analysis only considers votes rejected for first choice and/or second choice preferences, that were void for voting for more than one candidate or void for uncertainty. This would suggest that ballots were voided accidentally, due to confusion, rather than purposefully.

Table 2: Spoiled ballots for 2016 PCC elections vs 2017 General Election

	2016 PCC (SV)	2017 GE (FPTP)
Total England & Wales	2.5%	0.2%

F. Impacts for businesses, trade and investment

24. There are no direct nor indirect costs nor benefits to businesses relating to this policy. This includes all sizes of businesses such as small and micro.

25. There are no direct nor indirect costs, nor benefits, in relation to trade and investment.

G. Wider impacts

26. We do not consider that the policy is likely to have a negative impact on groups or individuals with protected characteristics. There may be some positive impacts for those with protected characteristics given the FPTP system is easier to understand and successfully cast a vote in.

H. Assumptions

Cause of Spoiled Ballots

27. The existence of spoiled ballots does not necessarily mean voters were confused and could be intentional. The analysis mitigates this by considering ballots spoiled by voting for more than one candidate, or uncertainty, rather than unmarked ballots.

Data availability

28. For monetised benefits, there is only a small number of standalone PCC elections in 2016 that did not enter a second count. To account for this small sample size, a low and high benefit estimate are modelled. More recent data on the 2021 PCC elections have not been published online hence 2016 data has been used.

⁷ <https://www.electoralcommission.org.uk/media/2580>

⁸ <https://www.electoralcommission.org.uk/media/321>

29. The benefit analysis assumes that without the change to FPTP, the percent of PCC and mayoral elections entering a second count would remain stable. In practice, the percent of elections entering a second count is likely to vary year by year and cannot be forecast in a robust manner. The analysis also assumes that the number of ballots cast for PCC and mayoral elections across England and Wales grows according to the rate of forecast UK population growth, although the number of ballots cast tends to vary over time and is therefore challenging to model. For a similar reason, by-elections are excluded from modelling but would in practice have a small cost saving under FPTP.
30. There is no centrally collated cost data for mayoral elections. This arises because mayoral elections, unlike PCC elections, are not paid for from non-voted funds. To analyse mayoral elections, data was collated on the percent of mayoral elections entering a second count, in order to estimate their cost saving. Since the voting system, and subsequent count, is the same process for those elections, the cost saving per vote of avoiding a second count is assumed to be the same for mayoral elections as it is for PCCs. However, in the absence of cost data for mayoral elections, this cannot be confirmed. Additionally, the number of future mayoral elections in England is less straightforward to predict and changes over time when new mayoralities may be established or abolished. In the analysis, the 10-year projection of future mayoral elections is based on the current known position.

I. Risks

Assumed familiarity with FPTP

31. Electoral administrators are assumed to be familiar with FPTP, owing to the common nature of FPTP. This familiarity would support the smooth implementation of the policy. It is a very small risk that they are not familiar. In this unlikely event, electoral administrators will be supported through Electoral Commission guidance and standard training for polling station staff ahead of polling day. Voters will also need to familiarise themselves with the change in the voting system. Voter familiarity is to be supported through communication by polling station staff, instructions on the ballot paper and through other relevant means such as the 'Choose my PCC' website.

Other measures within the Elections Act 2022

32. The other policy measures of the Elections Act 2022 mean it will be challenging to disentangle the impact of FPTP on PCC and mayoral elections when implemented, especially since some of the Act's other policy measures introduce large changes to the electoral system.

J. Monitoring and Evaluation

33. Government is committed to post-legislative scrutiny for the Elections Act 2022 to better understand its impact, support electors' participation in elections and support effective electoral administration.
34. Specific monitoring and evaluation for FPTP is not planned, owing to its small impact, but where appropriate we will work with key stakeholders such as the Electoral Commission to support post-legislative scrutiny.