



Electoral Administration Bill: changing the election deposit threshold

Standard Note: SN/SG/3779
Last updated: 19 October 2005
Author: Adam Mellows-Facer
Social and General Statistics

The *Electoral Administration Bill* proposes to change the threshold for retaining a deposit in elections to the UK Parliament from 5% to 2% of the vote. This note examines this change in the context of the 2005 General Election.

Full analysis and commentary on the bill can be found in Research Paper 05/65, *Electoral Administration Bill*.

This is available on the parliamentary intranet at:

<http://hcl1.hclibrary.parliament.uk/rp2005/rp05-065.pdf>

and online at:

<http://www.parliament.uk/commons/lib/research/rp2005/rp05-065.pdf>

Contents

A.	Policy	2
B.	History	2
C.	Current deposits and thresholds	2
D.	2005 General Election	3
	1. Actual and notional lost deposits	3
	2. Impact on the major parties	4
	3. Which parties would gain?	5

A. Policy

- The *Electoral Administration Bill* proposes to change the threshold for retaining a deposit at elections to the UK Parliament from 5% to 2% of the vote. It is proposed that the deposit remains unchanged at £500. The Bill deals only with UK parliamentary elections, but sets in place the framework for standardisation to other elections.
- The argument against deposits and thresholds is that they inhibit smaller parties and independents from participating as candidates. The argument in favour is that they deter frivolous candidates, who might otherwise use elections as a form of self-promotion.

B. History

- Deposits for Westminster Parliamentary elections were first introduced in the Representation of the People Act 1918 following a number of candidatures which were regarded as 'frivolous'. The threshold was one-eighth (12.5%) of votes cast.
- The Representation of the People Act 1985 reduced the threshold to one-twentieth (5%) of the vote and set the deposit at £500.

C. Current deposits and thresholds

Table 1 details current deposit thresholds and rates:

Table 1

Current election deposits and thresholds

	Deposit	Threshold
UK Parliament	£500	5.0%
European Parliament (GB, individual and party list)	£5,000	2.5%
Scottish Parliament (individual and party list)	£500	5.0%
National Assembly for Wales (individual and party list)	£500	5.0%
Northern Ireland Assembly	£150	25% of STV quota (a)
Greater London Authority		
Mayor	£10,000	5.0%
Individual or party list candidate	£5,000	2.5%
Constituency member	£1,000	5.0%
Local	None	-
Local mayoral	£500	5.0%
Parish	None	-

(a) Single Transferable Vote

D. 2005 General Election

1. Actual and notional lost deposits

Table 2 details lost deposits by party at the 2005 General Election, together with notional numbers of lost deposits had the threshold been 2% rather than 5%. This assumes that the level of the deposit threshold does not affect voting patterns. The cost of lost deposits to each party is shown in each case.

Table 2

Lost deposits at 2005 General Election: actual and notional at 2% threshold

	Lost deposits at 5% threshold	Value of lost deposits	Notional lost deposits at 2% threshold	Notional value of lost deposits	Notional saving
British National Party	85	£42,500	12	£6,000	£36,500
Conservative	5	£2,500	1	£500	£2,000
Democratic Unionist Party	-	-	-	-	-
English Democrats	24	£12,000	22	£11,000	£1,000
Green	163	£81,500	32	£16,000	£65,500
Independent (no description)	165	£82,500	151	£75,500	£7,000
Labour	-	-	-	-	-
Legalise Cannabis Alliance	21	£10,500	21	£10,500	-
Liberal Democrat	1	£500	-	-	£500
Liberal Party	12	£6,000	5	£2,500	£3,500
Monster Raving Loony Party	19	£9,500	19	£9,500	-
National Front	13	£6,500	8	£4,000	£2,500
Operation Christian Vote	9	£4,500	9	£4,500	-
Plaid Cymru	8	£4,000	-	-	£4,000
Respect-Unity Coalition	17	£8,500	12	£6,000	£2,500
Socialist Alternative	16	£8,000	12	£6,000	£2,000
Social Democratic & Labour Party	2	£1,000	-	-	£1,000
Sinn Fein	4	£2,000	1	£500	£1,500
Scottish Green Party	16	£8,000	3	£1,500	£6,500
Socialist Labour Party	49	£24,500	46	£23,000	£1,500
Scottish National Party	-	-	-	-	-
Scottish Socialist Party	56	£28,000	39	£19,500	£8,500
UK Independence Party	458	£229,000	156	£78,000	£151,000
Ulster Unionist Party	2	£1,000	-	-	£1,000
Veritas	65	£32,500	50	£25,000	£7,500
Vote for Yourself Rainbow Dream Ticket	23	£11,500	23	£11,500	-
Others	153	£76,500	137	£68,500	£8,000
Total	1,386	£693,000	759	£379,500	£313,500
% all candidates	39.0%		21.4%		

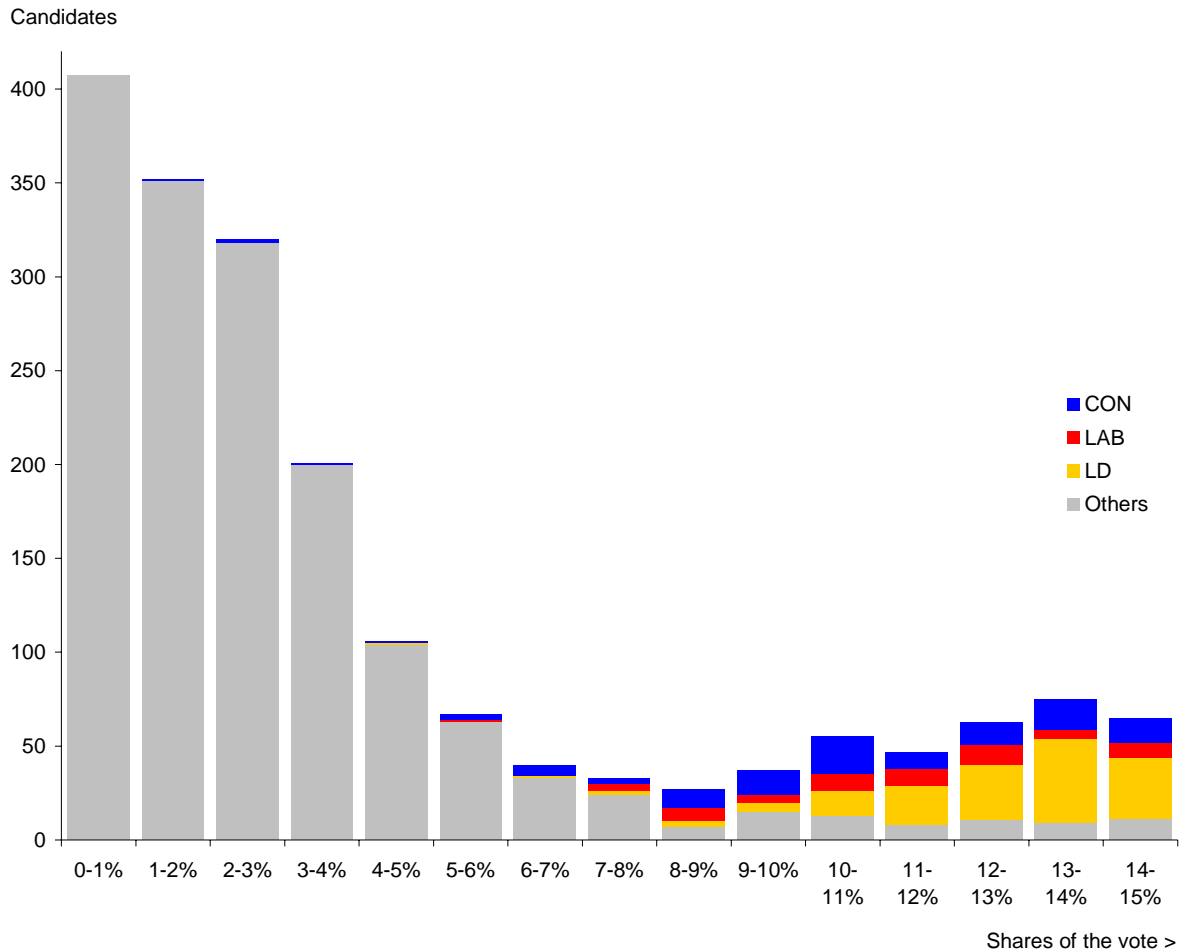
- 1,386 deposits were lost at the 2005 General Election, equivalent to 39% of candidates. Notional results at a 2% threshold suggest that almost half of those deposits would not have been lost: 759 candidates, 21%, polled less than 2%.
- Given the flat deposit of £500, a halving of lost deposits would imply a halving of revenue.
- In reality, if a reduction in the deposit threshold resulted in more candidates standing, the fall in numbers of deposits lost, and therefore revenue, might not be as large.

2. Impact on the major parties

Chart 1 shows numbers of candidates from the Conservative, Labour and Liberal Democrat parties, together with other candidates, polling less than 15% at the 2005 General Election, by share of the vote:

Chart 1

Distribution of candidate vote shares by party: 2005 General Election

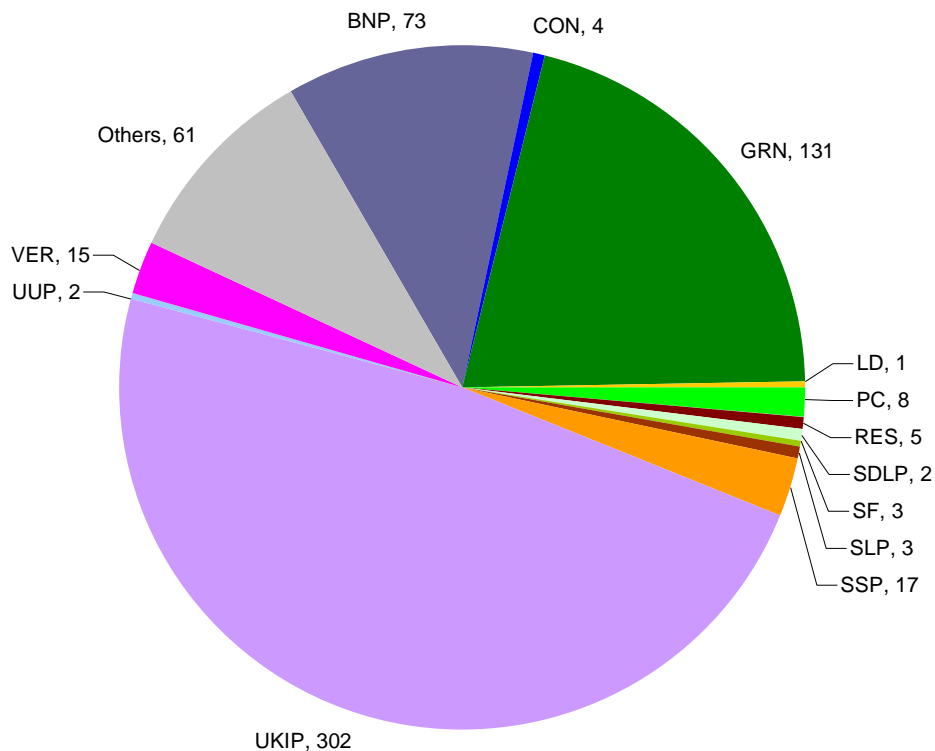


- Experience of the 2005 General Election suggests that the major parties would not be significantly affected by the change.
- Results suggest the Conservatives would notionally have retained four extra deposits on a 2% threshold, including two in Northern Ireland, the Liberal Democrats one, and Plaid Cymru eight. Labour and the SNP did not lose any deposits at the 5% threshold and would have been unaffected.
- Of the major parties in Northern Ireland, Sinn Féin would have retained three further deposits and the SDLP and UUP two each. The DUP did not lose any deposits and would have been unaffected.

3. Which parties would gain?

Chart 2 shows numbers of candidates who polled between 2% and 5% of the vote at the 2005 General Election by party:

Chart 2
Distribution of candidates who polled 2-5% at the 2005 General Election by party



- Experience of the 2005 General Election suggests that the principal beneficiaries of the change would be the larger 'minor parties', such as the United Kingdom Independence Party (UKIP), the Green Party, and the British National Party (BNP).
- Results suggest that UKIP would notionally have saved 302 more deposits at a 2% threshold than they did at 5%, equivalent to a saving of £151,000. The Green Party would have saved 131 deposits, £65,000, and the BNP 73 deposits, £36,500.
- Parties including the Legalise Cannabis Alliance, the Monster Raving Loony Party, and Vote for Yourself Rainbow Dream Ticket, would, notionally, not have retained any deposits at a 2% threshold.