

2020 Annual Report

Electoral Reform Society November 2020

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Introductions



Darren Hughes, Chief Executive

It's hard to think of a more troubling year in living memory. But the public health crisis has, perhaps counter-intuitively, put issues of democracy at the forefront.

The election may feel like a distant memory, but its ramifications are being keenly felt. Single party majorities are used to command and control, pushing buttons and pulling levers. But during a health emergency, it is countries with more cooperative forms of government which appear to have performed best.

Going back to last December, the government secured an 80 seat majority – with just over a one percent increase in vote share. That election saw a surge in tactical voting and all the usual flaws of winner-takes-all politics. But really it was a crisis of representation.

Over 70 percent of people's votes did not contribute to the result, ERS research showed. That's a shocking indictment of Westminster's warped voting system. It's no wonder trust in politics is at rock bottom and people feel fundamentally locked out of decision-making.

The winner-takes-all mentality has been precisely the wrong mindset for trying to lay out policy and conduct communications with the whole country in a crisis.

Photo: Gus Palmer3 2020 Annual Report

I'm proud of our work this year shining a light on the failings of this zero-sum political system.

Early on in the crisis, we realised it was important to continue to campaign for political reform, but be sensitive to what was going on. We played a constructive role. Amid fears voters could be effectively silenced without their MPs being able to contribute, we led the calls for virtual proceedings.

We noted that emergency legislation vested huge powers in ministers – at a time when there appeared to be less parliamentary activity. Our warnings of a vacuum in scrutiny led to real change, with the UK's virtual proceedings offering an excellent example to the world.

It was a sign that, when pushed, parliament can move reluctantly into the 21st century.

But we know that we need lasting change to open up government decision-making. To ensure ministers have to listen to all voters – not just those in swing seats. That requires a shift to proportional representation across parliament.

For the unelected House of Lords, this was the year that for most people their patience totally ran out.

We know that through our polling work, and the media work we did, with the ERS' calls for a fully and fairly elected second chamber chiming with the way many voters were thinking.

It is a point of near-consensus now that the 'private members' club' style of politics has got to go. This year saw the PM pack the second chamber with yet more donors and party cronies, and ERS concerns dominated the headlines on this. But 2020 also highlighted that the nations and regions were simply being ignored in our patchwork constitutional set-up. That's why our calls for a PR-elected Senate of the Nations and Regions are more vital than ever. We've seen real success across Britain. In Wales, ERS Cymru's campaigning has been instrumental in ensuring that councils will soon be able to use the Single Transferable Vote. Automatic voter registration could soon be a reality there, and we are leading coalitions to secure visible wins on a range of vital democratic issues. Fairer elections – and a different way of doing democracy involving citizens directly – are firmly on the agenda. In Scotland, the ERS has been closely involved in the government-backed Citizens' Assembly, as well as pressing ministers on the need for stronger lobbying rules.

All this is a living example of ERS strategy in action: pushing for real democracy at all levels. I'm proud of how the ERS has moved quickly to respond to the pressing issues this year – and to raise the voice of voters in the debate.

I'd like to say a huge thanks to the new ERS Council for their support in the governance of the organisation, and a heartfelt thank you to the staff of the ERS who have soldiered on through a difficult year – while continuing to produce excellent work. And to the members who are making this all possible. Together we are leading the fight for the democratic change the UK so desperately needs.

Darren Hughes Chief Executive



Jon Walsh, Chair

In last year's annual report, I noted with confidence that the Society was up for the challenge that 2020 would bring. Little did we know what form those challenges would take.

Despite the difficulties the coronavirus pandemic has presented, the work of the Society has continued apace, bringing the problems of Westminster's unjust, winner-takes-all politics to public attention as we have continued to lead the call for a fairer, more democratic politics. I was particularly proud that ours was the go-to organisation when the media wanted commentary on parliamentary scrutiny, including remote working by MPs, during this year's unique situation.

I am also immensely proud that this year saw an official report by the Welsh Senedd that recommended STV to replace AMS in Wales, as a direct result of the Society's work. And we recently saw the first moves to allow local councils in Wales to switch their electoral systems from FPTP to STV as well.

Organisationally, much has happened this year to put the Society's work on a solid footing for the future. At the 2019 AGM we said farewell to the outgoing Council and thanked them for their work. The new Council's first task following the General Election was meant to be writing a new strategic plan for ERS, but the pandemic caused us to pause work on that until 2021. In the meantime, staff have not let up on hard-hitting research, media work and analysis that is putting voters' rights on the agenda.

This year, for the first time the majority of the Society's income came from our investments in the ERS Fund, established with the proceeds from the sale of our shares in the former Electoral Reform Services Ltd. The Fund is overseen by an Investment Committee chaired by Council Deputy Chair Ruth Kelly and will help provide the Society with a longterm and sustainable source of income for the future. January saw the Society move into its new headquarters at Blue Lion Place in London SE1. The building, which is owned and operated by the Society will be home both to us and several tenants allowing us to diversify our income to fund our vital work.

I've been proud to chair the ERS for the last four years, through the sale of our building and construction of a new home; sale of our shares in ERSL and the establishment of our investment fund; and the hiring of a new Chief Executive who continues to lead our excellent staff team.

I will always be proud to have helped to lead the Society in these interesting times. It has been a pleasure to work with all our members whose commitment to the work of the Society continues to inspire me. Whilst we sometimes differ in our approaches to the campaign, we all understand that inequalities in voting give rise to inequalities in politics and therefore in our lives; that First Past the Post is holding our country back. We are united in our desire to see our country changed for the better.

This year I want to pay particular thanks to Darren Hughes and the rest of the staff at the Society for their work in what has been, for everyone, a difficult year. The fact we were able to keep up the society's important work during the pandemic is testament to the effort and the quality of our staff team. I know the membership will join me in thanking them for all for their continued commitment to our work.

As we near the end of 2020, I know the need for reform is greater than ever. If this year has taught us anything about our democracy it is the importance of a fair and cooperative politics that brings people together for the common good. Together I am confident that the Society will continue to meet that challenge in the coming year.

Jon Walsh *Chair*

Campaigns

Elector

1

Voters Left Voiceless The 2019 General Election

Jess Garland, Michela Palese and Ian Simpson *March 2020*

1. <u>https://www.</u> <u>electoral-reform.org.uk/</u> <u>latest-news-and-research/</u> <u>publications/the-2019-</u> <u>general-election-voters-</u> <u>left-voiceless/</u>

2. https://www. electoral-reform.org.uk/ introducing-the-ersgeneral-election-resultshub/

General election 2019

The first December general election since 1923 was unusual in many ways but the results were typical of Westminster's outdated electoral system: forcing politics into a two-party shape and returning an outsized majority for one party. We found that, across the UK, over 22 million votes (70.8%) were ignored because they went to nonelected candidates or were surplus to what the elected candidate needed to win. We published our full analysis of the election results in our election report *Voters Left Voiceless*¹ and we made headlines presenting what the results might have looked like with a fairer voting system.

For the 2019 election, and a first for ERS, we developed a live dashboard of the results which showed the unfairness on the vote share/seat share under First Past the Post as the results came in.² In the lead up to the election we also launched a tool that allowed people to see how long their constituency seat had remained in the same hands – on average it was 42 years since a seat last changed hands and 192 seats had not changed hands since 1945 or earlier. We also correctly predicted the results in 316 constituencies, demonstrating the large number of safe seats under FPTP. Our extensive pre-election polling showed that 30 percent of people were planning to vote tactically, a significant increase on the 2017 figure, reflecting how this election was again forcing politics into a two-party shape, often against voters' wishes.

During the campaign we put PR on the agenda by launching a 'Democracy Day': working with other organisations, we called for all parties to speak up about democracy and to ensure democratic reform issues became part of the election debate. We participated in the three events in Aberdeen, Manchester and London on Democracy Day itself.

We also led a National Voter Registration Day bringing together a wide variety of organisations and political parties. Over 300,000 people registered, making it the biggest single registration day in the campaign up to that point.

House of Lords

A new raft of House of Lords appointments over the summer has shown that House of Lords reform is still an issue that unites the public right across the political spectrum. Our commentary featured in publications as diverse as the Spectator, New Statesman, FT, Express and Daily Star.

We published new research on the dramatic under-representation of the UK's nations and regions in the House of Lords and we revealed that the new appointees would cost over £1m a year in tax-free expenses. This latest round of appointments has brought into question the appetite of Prime Ministers to use restraint in making appointments to the second chamber and highlighted the need for long-term structural reform.

After the general election and in response to another set of appointments, many of whom were retiring or defeated MPs, we launched a 3. <u>https://www.change.</u> org/p/boris-johnson-nomore-unelected-peersscrap-and-replace-thehouse-of-lords-now-8a773851-b785-4652-9dc5-79b07a0de8d4 change.org petition on the need for Lords reform which secured 100,000 signatures in two weeks over Christmas and currently stands at close to 400,000.³

We have been working with opposition parties to develop detailed proposals for Lords reform and saw a stronger commitment to House of Lords reform in Labour's 2019 manifesto as a result. We have also been working to secure parliamentary interventions on the issue.

STV win

Since the change of leadership in the Labour Party we have been campaigning for the party to adopt STV for its internal elections. We raised this issue early in the year at a Labour leadership hustings which we jointly sponsored with Open Labour. After the National Executive Committee backed proposals for change, Labour has now held its first NEC STV election. One of the Society's enduring aims is to familiarise more voters with preferential voting and Labour's adoption of STV for internal elections is an important step towards that goal.

Working with the Labour Party

In the run up to the election we worked with the Shadow Cabinet and leader of the Opposition's office to assist in developing policies on constitutional and democratic reform, including a constitutional convention and PR reform of the Lords. Many of these made it into the final manifesto. We know we were very close to having more of our ideas included in the manifesto but the balance of internal Labour politics fell against us on this occasion.

During the Labour leadership contest we quizzed candidates on their position on electoral reform securing a pledge from Keir Starmer to consult members on electoral reform. He told us,



"We've got to address the fact that millions of people vote in safe seats and they feel their voice doesn't count. That's got to be addressed by electoral reform. We will never get full participation in our electoral system until we do that at every level." This is a real step forward in Labour's position on proportional representation.

September saw the launch of Labour for a New Democracy. LfND is a collaboration between Labour-linked groupings, campaign organisations and prominent MPs, aiming to secure a commitment to changing the voting system by the time of Labour's 2021 annual conference. We are working with the Labour Campaign for Electoral Reform, Make Votes Matter, Compass, Unlock Democracy, Open Labour, Another Europe is Possible, Politics for the Many and Labour for a European Future on this project.

Campaign rules

January saw the launch of the final report from the All-Party Parliamentary Group on Electoral Campaigning Transparency, the result of a yearlong inquiry which we supported. This report calls for many of the changes that ERS has been campaigning for, including digital imprints, more accurate reporting of online spend, stronger powers for the Electoral Commission and ensuring campaign funding comes from within the UK.

The 2019 election showed that electoral campaigning continues to move online – with research for the ERS showing that around $\pounds 6$ million was spent on Facebook and just under $\pounds 3$ million spent on Google by the three main UKwide parties. Despite this, our campaign regulations have not been substantially updated for 20 years and are now older than Facebook itself.

In September, we published research analysing the impact of online campaigning on the 2019 election. *Democracy in the Dark*, highlights that,

Electoral

Democracy in the Dark Digital Campaigning in the 2019 General Election and Beyond

Katharine Dommett and Sam Power September 2020 4. https://www.

electoral-reform.org.uk/ latest-news-and-research/ publications/democracy-inthe-dark-digitalcampaigning-in-the-2019general-election-andbeyond/ months after the election, voters are still in the dark about who has targeted them, why, and how much was spent online by parties and third-party campaigners.⁴ The findings of the report were highlighted during business questions in the House of Commons.

The government is finally making plans for an extension of the imprint regime to online material, announced in August, but there is much more to be done. We continue to work with other organisations and parliamentarians across the political spectrum to press for better regulation of online campaigning. Scotland will be introducing imprints for online advertisements in December 2020, and we are working with a coalition of organisations to ensure this is enacted UK-wide, sooner rather than later.

Voter ID

The US election this year has highlighted the danger of show-your-papers policies on democratic participation – and how stoking fears of voter fraud can damage democratic trust. Sadly we appear to be on the way to similar policies in the UK as the government recommitted to introducing voter ID for UK elections in the Queen's speech.

In September we brought together a coalition of high-profile organisations to discuss the impact of the plans and how we can continue to work together on this issue. We remain concerned that the government does not know the full extent of the impact of this policy on voters, revealed in our FoI requests. We will be continuing to analyse and interrogate this policy, working with around 100 prominent organisational partners to get the issue on the agenda in the coming months.

Boundary changes and voter registration In March the government quietly scrapped long held plans to cut the number of MPs in Westminster from 650 to 600 as part of a review into constituency boundaries, though a size quota remains. We led the charge against these plans when they were first proposed back in 2010.

In June we gave evidence to parliament on the boundary review and have recently been working with peers on amending the legislation to improve voter registration and, by doing so, improve the accuracy of boundary changes. An amendment to the Parliamentary Constituencies Bill to improve electoral registration rates among attainers was passed in the House of Lords and we continue to work with other organisations campaigning to ensure millions are not missed from the electoral rolls.

Enact 106

Labour, the Liberal Democrats, the SNP and Green Party, all committed to enacting section 106 of the Equality Act in their 2019 election manifestos following our campaign with the Centenary Action Group established to mark the centenary of women's partial suffrage in 2018. At our joint Open Labour/ERS hustings in January, all deputy leadership candidates signed up to our call for Labour to publish its candidate diversity data. Following this, in September, at the launch of the CAG report on women's representation at Conservative conference, all panellists committed to enacting section 106. With broad cross-party support on this issue we hope the government will take action soon to enact this important piece of legislation.



Virtual parliament

When the coronavirus pandemic took hold earlier this year, we led the debate on plans for a 'virtual parliament' making the case that, with politicians unable to meet in person, democratic innovations needed to be developed quickly and that Westminster's response to the pandemic should not be to shut down.

Our proposals for digital select committees were adopted by the Commons which was first to make this change. Our calls for reform in the House were backed by 100 MPs that led to changes meaning ministers could still be held to account during recess. We wrote to the Speaker and engaged the national press in calling for the extension of remote voting, a policy which was adopted. It marked a real win in ensuring MPs and their staff were protected whilst also able to engage in scrutiny during the crisis.

We responded to a number of parliamentary inquiries on the operation of parliament during the crisis, including to the Commons Procedure Committee inquiry into proxy voting and the response to the pandemic as well as FairVote's inquiry into the coronavirus crisis.

As the pandemic continues, we will continue to make the case for improved access to parliament for MPs unable to attend for health reasons and press parliament to embrace the 21st century so government scrutiny can continue.

Scotland

Deepening democracy

Democracy isn't static, it is a process. It isn't always simple or easy, and today it is being tested under the strain of a crisis of trust, one which affects political institutions, the public square and politicians themselves. That means we have to be innovative and bold in our response. That's why, for several years now, ERS Scotland has been trying to develop a new approach – of genuinely deepening democracy.

The 2019 general election

We have strong relationships with all of the Scottish political parties that are represented at Westminster. These were called upon to ensure that, had a minority or coalition government been in place post-election, democratic and constitutional reform would be a key part of negotiations around the programme for government. Preparatory work like this goes on for years before an election and should be seen as medium to long term investment in the changes we work for.

Scottish local democracy

Local government in Scotland is the most remote and centralised in the whole of Europe, with incredibly low levels of local representation. Following years of campaigning for decentralisation and provision of a more local layer of community democracy, the Scottish government has now established an innovative pre-legislation consultation process on this issue called 'Democracy Matters'.5 The promised bill was pushed back into the next parliament but, with campaigning ongoing both inside and outside government and with ERS Scotland leading the 'Our Democracy' coalition campaign, we are very hopeful of extensive reform of Scottish local democracy early in the next parliament. The end of this year has seen us re-mobilise the coalition of civil society organisations for this purpose and to work with political parties to encourage manifestos to reflect these asks.

The Citizens' Assembly of Scotland

After a long period campaigning for the use of citizens' assemblies, the Scottish government set up and funded 'The Citizens' Assembly of Scotland'. ERS were closely involved with this project; we seconded staff to work with the secretariat and continue to serve on the stewarding group that guides the work of the Assembly. The Assembly itself has recommended that these processes are institutionalised within the working of the Scottish parliament and Scottish government. With their ability to allow non-partisan, long term thinking, clearly they should play a key role in deciding Scotland's post-covid future.⁶

6. <u>https://www.</u> <u>electoral-reform.org.uk/</u> <u>the-citizens-assembly-of-</u> <u>scotland-can-help-shape-</u> <u>our-post-covid-future/</u>

5. <u>https://www.</u> <u>electoral-reform.org.uk/</u> <u>deepening-democracy-</u> <u>with-scotlands-local-</u> <u>democracy-bill/</u>

OUR DEMOCRACY ACT AS IF WE OWN THE PLACE

Scottish Lobbying Register

The establishment of a Scottish Lobbying Register was a campaign win for the Society in 2017. As is often the case with new legislation, our campaign asks were watered down as there were worries concerning the impact of a public register of lobbying. We argued for a two year review period to be built into the Act so that it could be strengthened once we had shown that the negative consequences argued by its opponents would not come true. This review is now underway and we have been providing written and spoken evidence to the parliamentary committee running the review as a leading part of the Scottish Alliance on Lobbying Transparency (SALT) and we hope that many of our recommendations will be included in the committee's report.

Electoral Reform Scotland Bill

ERS Scotland argued strongly that, in our STV elected councils, it should be possible to have five-member wards maximising proportionality. This was accepted into the bill. However it was also included to have ward sizes of two members. This is inevitable where we have large unpopulated land masses and many small islands. We argue that the best fix to make STV work at its best would be to have many more local community representatives so that wards could be geographically smaller but with more representatives. This forms part of our local democracy work.



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Wales

Amid an unprecedented period of challenges, Wales has also seen some critical developments on reform.

Firstly, there was a decisive victory for campaigners as the Welsh Parliament voted to pass the first legislation bringing STV to Wales for local elections. A new committee has also concluded the Senedd needs more Members and wants to see them elected via STV.

We now find ourselves just five months out from a Senedd election, which will no doubt come at a challenging time, but will also see parties having to outline what they will do on electoral reform.

Local Government Reform

In November, the Welsh Parliament voted to pass the Local Government and Elections (Wales) Bill which aims to reform the way local government in Wales works.⁷ The bill includes provisions to give councils the right to vote to introduce STV for their elections. This is the first legislation seen in Wales on STV and we hope it begins the process for a wider rollout out of a fairer voting system for all areas of Welsh democracy.

The Bill also extends the right to vote in local elections to 16 and 17 year olds, brings in measures

7. <u>https://business.</u> <u>senedd.wales/</u> <u>mglssueHistoryHome.</u> <u>aspx?lld=26688</u> 8. https://business. senedd.wales/documents/ s96593/ELGC5-35-19%20 Paper%202.pdf

9. https://senedd.wales/ NAfW%20Documents/ About%20the%20 Assembly%20section%20 documents/Expert%20 Panel%20on%20 Reform/A%20 Parliament%20that%20 Works%20for%20Wales. pdf

10. https://senedd.wales/ en/bus-home/committees/ Pages/Committee-Profile. aspx?cid=542

11. <u>https://senedd.wales/</u> Laid%20documents/ cr-ld13452/cr-ld13452%20 -e.pdf we have long campaigned for around job sharing in local government cabinets to improve diversity and also includes provisions for automatic registration.

We worked closely with Welsh Government and the Senedd to strengthen the Bill, giving formal evidence on a number of occasions and campaigning for measures such as full STV.⁸

This is decisive progress for a nation that has only recently had the power to make changes about their elections and electoral arrangements.

Senedd Reform

This year a new committee was established in the Senedd to look at electoral reform and look further at the recommendations of the 2017 Expert Panel on Assembly Electoral Reform.⁹ We worked closely with the Committee on Senedd Electoral Reform, delivering a briefing on voting systems, multiple pieces of written evidence and oral evidence in March.¹⁰ The Committee reported in full in September and called for:¹¹

- STV to be used for both Senedd and local elections in Wales,
- An increase in the size of the Senedd to between 80 and 90 Members,
- Implementation of section 106 of the Equality Act, which would ensure the collection and publication of diversity data in political institutions,
- Parties to publish diversity plans
- Better monitoring of engagement and public information campaigns

These recommendations reflect significant developments in our campaigning to reform the Senedd, endorsing all of our main asks around Welsh parliamentary reform. One of the Committee's tasks was to "outline a roadmap for reform to inform political parties' consideration of their policy positions and manifestos for the 2021 Senedd election" and we are now working to ensure parties consider how these recommendations can be adapted into manifestos ahead of next year's election.

Votes at 16

In May the Senedd and Elections (Wales) Act came into force, which extends the right to vote in Welsh Parliamentary elections to 16 and 17 year olds. The Act also formally changed the name of the Assembly to Senedd Cymru/ Welsh Parliament.

The new cohort of young voters have been able to register since June and we have coordinated an Elections Engagement Working Group, bringing together over 40 organisations in Wales who work with either newly enfranchised groups or those less likely to vote. The purpose of the group is to coordinate work between organisations, jointly produce resources and campaigns and ensure these groups are registered and encourage them to vote.

Manifesto for democracy

Over the past three years our work in Wales has been geared towards bringing parties and political institutions along on reform to ensure the next Senedd is one that is much more representative and reflective of voters.

We have pulled our campaigns together to publish our *Manifesto for Democracy*, which outlines the changes Wales needs to ensure that our democracy is strengthened for all who live here.¹²

In it we set out four priorities for reform we need from the next Welsh government, and ask for radical commitments to meet these challenges in the party manifestos ahead of the 2021 elections. These reforms include STV for Senedd and local

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A Manifesto for Democracy The 2021 Senedd elections

ERS Cymru October 2020

12. <u>https://www.</u> <u>electoral-reform.org.uk/</u> <u>latest-news-and-research/</u> <u>publications/a-manifesto-</u> <u>for-democracy-the-2021-</u> <u>senedd-elections/</u> elections and greater measures around diversity, deliberative democracy and political education.

Combined, these reforms would revolutionise democracy in Wales. These four manifesto asks reflect a much wider voice than ERS Cymru alone, and are supported by Colleges Wales, Council for Wales of Voluntary Youth Services (CWVYS), Oxfam Cymru, WEN Wales, IWA and Chwarae Teg.

We have been working with parties over the last year to inform their manifesto processes and hope to see strong commitments to reform ahead of next May's election, ensuring the next Welsh government brings with them a roadmap for change.

Members, Supporters and Wider Public

Membership

In the wake of the general election over 1,000 new members joined us. We are currently supported by 4,500 paying members and over 70,000 subscribers. Thank you to everyone who has joined our cause this year and everyone who continues to support us.

Campaigning

We took advantage of the 2019 general election to grow both our list of email subscribers, our membership and our followings on social media, as well as reaching new audiences on election night via the ERS Results hub.

GE2019 Results Hub

The primary digital project for the 2019 general election was the launch of the GE2019 Results Hub.¹³ Every election, newspapers and broadcasters produce results dashboards that focus on the seats won and what it means for the formation of the government. While many of them do show the popular vote in some way, the disproportionality isn't immediately apparent. Our goal was to make a results dashboard that highlights the issues with First Past the Post, at a

13. <u>https://ge2019.</u> <u>electoral-reform.org.uk/</u> time when people are actively searching for the results. This way we could get through to people who weren't already looking for information about proportional representation and help shape the discussion post-election.

We raised just over £5,000 from members and supporters for the project. We emailed our supporters to ask them to bookmark the site and, once the first result was announced, sent those who signed up a personalised link to their constituency results so they could check the result when they woke up in the morning.

We also built a Google Ads campaign targeting people trying to find the results. Launched on 12 December once voting closed, the campaign directed people to the relevant section of the results site for their region or nation. 41,000 people read our description of the results highlighting the election's disproportionality.

General election online tools

The ERS ran three pages where users could find out about Westminster's broken system.

With the full list of candidate names, the ERS launched a name game on 19 November where users could enter their name and find out how many people with the same name were standing for election – highlighting how FPTP is the worst system for women. Over 4,000 people used the tool.

15,000 people found out the last time their seat changed hands with our next tool, launched on I December. A Facebook ads campaign was launched to share how so few seats change hands under First Past the Post, which was seen by 60,000 people.

A third tool was launched on 9 December, allowing people to find out how safe their seat is. The ERS correctly predicted the result in 300 seats and the tool let users know if their seat was marginal, safe or unclear. 4,300 people discovered the status of their seat using the tool.

On13 December we launched an organic social media and email advertising campaign for the ERS' petition for PR, which resulted in an extra 48,000 signatures.¹⁴

14. <u>https://action.</u> <u>electoral-reform.org.uk/</u> <u>page/3782/petition/1</u>



15. <u>https://www.</u> <u>electoral-reform.org.uk/</u> <u>take-action/resources/</u>



16. <u>https://www.</u> <u>theguardian.com/</u> <u>politics/2019/dec/05/</u> <u>electoral-reform-</u> <u>dangerously-absent-from-</u> <u>debate-say-campaigners</u>

17. <u>https://www.</u> huffingtonpost.co.uk/entry/ general-election-2019 uk_5de78aebe4 b0913e6f881532

18. <u>https://www.</u> electoral-reform.org.uk/ <u>latest-news-and-research/</u> <u>media-centre/press-</u> <u>releases/bmg-poll-just-</u> <u>one-in-six-people-believe-</u> <u>westminster-is-working-</u> <u>well/</u>

Campaigning materials

This year we created free to use resources for two of our main campaigns, the fight for proportional representation for the House of Commons, and elections for the House of Lords.¹⁵ Accessible for our members and supporters to download from our website, the packs include flyers and posters our supporters can print to use for campaigning and graphics for social media.

ERS in the Press

Though 2020 threw a spanner in many organisations' communications plans, we managed to adapt and ensure that the need for political reform was part of the media conversation.

Back in December, we spearheaded 'Democracy Day' to put electoral reform on the agenda during the election, working with other campaigners to successfully get the issue in the press.¹⁶

Our programme of research ahead of the 3ælection was widely reported too, as we revealed that 14 million people lived in seats that hadn't changed hands since World War II.¹⁷ Our programme of polling showed the scale of voters' desire for change at Westminster.¹⁸

In election week, Darren Hughes appeared on the BBC, CNN and Radio 4's World at One. We rapidly analysed the election results when they came in, launching a communications drive to show it was time for proportional representation – including showing how the results might look 19. https://www.indy100. com/article/generalelection-pr-proportionalrepresentationvotes-9247046

20. https://www. heraldscotland.com/ news/18130501.abolishhouse-lords-campaignhits-new-heightscronyism-row/

21. <u>https://www.</u> gq-magazine.co.uk/ politics/article/house-oflords-reform

22. https://www.express. co.uk/news/ politics/1332366/ house-of-lords-disbandedpoll-life-peers-borisjohnson-upper-houseparliament

23. https://www. independent.co.uk/news/ uk/politics/boris-johnsonqueens-speech-voter-idpolling-station-a9253386. html

24. https://www. independent.co.uk/news/ uk/politics/generalelection-voting-electoralreform-proportionalrepresentation-first-pastpost-a9367546.html

25. <u>https://www.bbc.co.uk/</u> news/uk-politics-52128502

26. https://www. theguardian.com/ politics/2020/jun/01/ rees-moggs-plans-formps-to-vote-in-personbranded-beyond-a-farce

27. <u>https://www.bbc.co.uk/</u> news/uk-politics-54271451

28. https://www. thelondoneconomic.com/ politics/16-and-17-yearolds-given-the-right-tovote-in-wales/16/01/

29. https://www. southwalesargus.co.uk/ news/18713504.supportopposition-increasesenedd-members/ with a fair voting system.¹⁹

For the House of Lords, hundreds of thousands of people signed our petition calling for a PRelected second chamber, when it emerged that defeated MPs would be joining the Lords. The story received particularly prominent attention in Scotland.²⁰ We're continuing to reach new audiences through this campaign – whether that's interviews in GQ²¹ or with a year-long blitz of coverage in the Daily Express.²²

And we were the leading organisation speaking out against mandatory voter ID when it was announced.²³

Fast forward to February, our landmark general election report was featured prominently from Sky News to the Independent.²⁴

Despite the pandemic dominating the headlines, the ERS got our pro-voter messages far and wide. We were among the first to call for virtual proceedings, and won change through our public pressure and media work over the summer.²⁵ When we branded plans to force MPs back 'beyond a farce', that phrase led the headlines – followed by a partial government U-turn.²⁶

In September, our *Democracy in the Dark* report revived the debate about Britain's out-dated campaign rules, featured UK-wide by the BBC.²⁷ This poured pressure on the government to commit to introducing 'imprints' for UK elections. In October, the Scottish government announced it would be introducing imprints for Scottish elections in May 2021, another step forward.

ERS Cymru celebrated the introduction of votes at 16 following years of campaigning.²⁸ It's a story that attracted attention in Wales and beyond. Jess Blair also pushed a positive case for an increase in Senedd members and a shift to STV across Welsh media.²⁹ 30. <u>https://www.express.</u> <u>co.uk/news/</u> <u>politics/1332366/</u> <u>house-of-lords-disbanded-</u> <u>poll-life-peers-boris-</u> <u>johnson-upper-house-</u> <u>parliament</u>

31. <u>https://www.</u> <u>heraldscotland.com/</u> <u>news/18650261.democracy-</u> <u>glaring-gaps-declaration-</u> <u>lobbying-scottish-</u> <u>ministers/</u> In Scotland, Willie Sullivan led calls for an overhaul of the House of Lords,³⁰ and fronted a coalition calling for lobbying transparency.³¹

While electoral systems haven't been highly prominent this year, we've used media connections to keep the issue alive. Darren Hughes spoke to the newly-launched Times Radio for a full programme on the need for PR, while backing STV for the second chamber on the BBC and Sky.

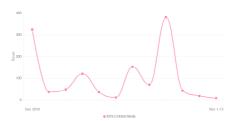
The ERS continues to be a go-to commentator on electoral systems, the House of Lords, and campaign rules – all with one message: it's time to drag UK politics into the 21st century so all voters can be fairly heard.

We'd also like to thank this past year's communications placement students, Akash Thiara, Megan Collins and Sabine McGinley, who wrote extensively for the ERS site as part of their courses at the University of Nottingham.

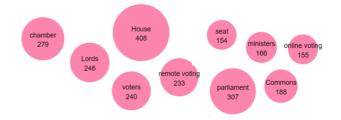
Coverage in stats

Over 1,200 news and comment pieces mentioned the ERS' work in 2020 (figures include December, which was not covered in the 2019 report due to publication timings).

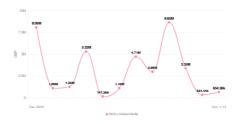
This compares to roughly 1,700 in a similar period last year, when the ERS received higherthan-average attention for work on local elections, the announcement of voter ID plans, and voter registration. Number of print/online ERS media hits Dec 2019 – Mid Nov 2020.



December 2019 spike: General election (largely on number of voters unrepresented) and Queen's speech (voter ID). August 2020 spike: New House of Lords appointments, virtual parliament shut-down.



This word cloud of keywords in ERS coverage shows the extent of our reach on the virtual parliament – with 'online voting' and 'remote voting' prominent – as well as the House of Lords.



This gives a clearer indication of the nature of the publications which cover the ERS – with major outlets including the Daily Mail, Guardian, BBC and Express covering our general election and virtual parliament analysis.

ERS coverage by keywords

Advertising Value Equivalence **Issues as percentage of coverage** Estimated metrics based on related keywords in stories covering the ERS in 2020.

Keyword	Percentage	
Lords reform	36% (up from 22% 2019)	
Virtual parliament	26% (N/A)	
General election	22% (N/A)	
Electoral systems / PR	19% (combined with GE coverage: 41%,	
	compared to 43% in 2019)	
Campaign rules	8% (not measured in 2019)	
Voter registration	7% (not measured in 2019)	
Diversity	3% (down from 33% in 2019 – voter ID work	
	focused on representation)	
Voter ID	2% (down from 35% 2019)	
Votes at 16	1% (no change)	

coverage by issue does not necessarily reflect how much staff time was dedicated to each campaign. Nor does it capture the prominence given to each issue relative to the others.

Note that share of media

Social media

Our Facebook audience has grown to 47,300 and our Twitter feed is now followed by 55,248 people. Due to the election in December 2019, the ERS had a number of social media posts that did particularly well including one tweet that gained nearly three million impressions (a tally of all the times the tweet has been seen) that highlighted the different number of votes gained by each party compared to the number of seats they won; the tweet was liked nearly 11,000 times. Across December 2019 our tweets were seen 10.7 million times. Since that peak, our tweets have gained between one and two million impressions a month.

As both Twitter and Facebook change the way their feeds work, the number of people reached via ERS posts is steadily reducing. However, ERS members and supporters continue to regularly post our work and thanks, in part to them, the numbers of people who reach the ERS website from social media is increasing.

Lakeman Fellowship

Funded by our members and supporters, the Lakeman Fellowship gives someone the opportunity to work in politics who may never have done so otherwise – while supporting the work of the Electoral Reform Society at the same time.

Like many aspects of work in 2020, unfortunately the second half of our year-long Lakeman Fellowship position was heavily impacted by Covid-19.

The year began brightly with our inaugural fellow, Tash Fodil, supporting our research team with their work around the results of the 2019 general election, feeding into our report Voters Left Voiceless.

On behalf of all the staff, we'd like to record a note of thanks to Tash for all her excellent work during her time with the ERS and for everything she brought to the team. We wish her all the best for the future.

We are extremely grateful to those members and supporters who have supported the Lakeman Fellowship and we look forward to taking the scheme forward in 2021.

Staff



Darren Hughes, Chief Executive

The Society's staff are based in our offices in London, Edinburgh and Cardiff.

We were pleased to welcome Nia Thomas, Communications and Research Assistant to the ERS Cymru team this year. Thanks also to Tash Fodil, Lakeman Fellow, who left us in July after a year at the Society.

Special thanks to Stuart Thomas who acted as Chief Operating Officer during Kate West's maternity leave and to Lizzie Lawless who also acted up to assist Stuart.

Thanks to all current staff for their hard work and dedication.

Current staff

Chief Executive Darren Hughes

Campaigns, Research and Policy Willie Sullivan Senior Director (Scotland, Campaigns)

Jess Garland Director of Research & Policy

Josiah Mortimer Head of Communications

Michela Palese *Research & Policy Officer*

Ian Simpson *Research* Officer

Natasha Fox Public Affairs & Campaigns Officer

Doug Cowan Digital Officer

Jon Narcross Communications Officer

Lizzie Lawless Acting Operations Officer, Membership & Engagement Assistant **Operations** Kate West *Chief Operating Officer*

Stuart Thomas Operations & Membership Officer

Daniel Anderson Finance Officer (part time)

ERS Scotland

Phil Connor *Campaigns* Officer (part time)

Alice Kinghorn-Gray Campaigns Organiser (part time)

Jonathon Shafi Campaigns Organiser (part time)

ERS Cymru Jess Blair *Director*

Matthew Mathias, Campaigns & Projects Officer

Nia Thomas, Communications & Research Assistant (part time)

Governance and finance

The Council

The Council is the Electoral Reform Society's governing body. It is made up of 15 members, of which 12 are elected by our membership every other year and serve for a two-year term and up to three are co-opted by the elected members. Elections took place in 2019 and the current Council took office after the AGM on 30 November 2019.

Our current Council members (all elected)

Jon Walsh, Chair Justina Cruickshank, Vice Chair (Management) Ruth Kelly, Deputy Chair (Campaigns & Research) Andrew Copson (Treasurer) Victor Chamberlain Cien-Maria Crawley Kirsten de Keyser Lisa French Christopher Graham David Green Andrea Marcelli Esther Roberton

Finance



Expenditure in further detail

England campaigns and research gross staff costs	£489,192
Governance and operations gross staff costs	£143,150
Scotland gross staff costs	£98,711
Wales gross staff costs	£103,686
Staff Costs Total:	£834,738
UK campaigns and research	£133,964
Events, members and supporters	£76,296
External communications	£15,241
Party conferences	£36,714
Scotland campaigns, conferences & events	£24,245
Wales campaigns, conferences & events	£12,491
Campaigning, Communications, Members and Supporters Total:	£298,950
Investment management fees	£119,561
Audit, accountancy and bookkeeping	£32,346
Finance & Investments Total:	£151,907
Governance, legal and professional fees	£16,409
Strategic planning, internal meetings, awayday	£9,609
Council (meetings, elections, induction, training)	£6,881
HR, recruitment, staff training & development	£24,871
Governance & HR Total:	£57,770
Premises (3 sites)	£99,578
IT & phone (3 sites)	£24,572
Printing, stationery and office supplies (3 sites)	£2,440
Overheads Total:	£126,590
Bad and doubtful debts	£3,388
Depreciation	£7,296
Sundry expenses / contingency	£4,534
Other Costs (including depreciation) Total	£15,218

Electoral Reform Society Fund

In 2019 we began investing the proceeds of the sale of our shares in ERSL. In February 2019 £41m was transferred as cash to the newly appointed investments managers, Rathbones plc. After much discussion on the long-term objectives we concluded the following: time horizon for investing was 10+ years; the key objective is to fund an annual withdrawal of £1.3m, and maintain the real value of the remaining capital over the long term so that it is not eroded by inflation over time and loses purchasing power. We informed Rathbones that we do not envisage major capital withdrawals to be made from the portfolio other than the aforementioned annual drawdown (taken in quarterly instalments) which meant we could agree on a long-term benchmark of inflation (as measured by CPI) plus 3%. Rathbones categorise our portfolio as a Medium Risk 'level 4' strategy (on a scale of I to 6, with 6 being the highest). In addition, we have agreed a 'market' benchmark constructed of real underlying market indices, to enable us to measure the portfolio's performance particularly over shorter time periods. The longterm inflation objective however remains the most important target.

Rathbones took approximately six months to fully invest our portfolio (noting we started with 100% cash). Investments were built up steadily rather than invested in one go, to mitigate timing risk.

In order to achieve our return target, the portfolio needs to have reasonable exposure to assets that have shown to deliver strong real (inflation adjusted) returns, therefore the largest asset class in the portfolio is equities. However, Rathbones have constructed a balanced portfolio that also contains fixed interest assets (bonds) and alternative investments (such as infrastructure and gold) for diversification purposes and to reduce downside risk in difficult economic periods (when equities tend to suffer more). Rathbones believe that organisations that manage Environmental, Social and Governance (ESG) factors effectively are more likely to create sustainable value over the long-term, than those that do not. Therefore they actively consider and integrate ESG risks and opportunities into their investment decisions and analysis. This involves as assessment of ESG credentials on evaluation of an investment, and actively engaging with companies and their management teams on an ongoing basis, to promote improved practices around these issues.

In addition we have set up an investment committee to monitor the fund's progress. The committee is developing a framework with which we can make such judgements, including the development of an ethical investment policy that is consistent with the value of ERS as an organisational entity.

The portfolio was split into two separate funds on the 30th December 2019; the Endowment Fund valued at £39m (following an overwhelming vote of ERS members to entrench this sum); and the Growth Fund valued at £5.5m (the excess value over the entrenched amount at the time), an expendable pot. Income from the Endowment Fund is transferred to the Growth Fund and the annual withdrawal is paid out on a quarterly basis from Growth Fund. This pot also generates some income.

Throughout 2019 Rathbones delivered a total return (return in the form of both capital growth and income) on the overall funds of +8.7%. Put another way: from a starting (cash) value of £41m the investments grew to just over £44m. Over this time the first quarterly payment of £325k was paid out as well, in December 2019.

Looking to the current calendar year, 2020, equity markets fell swiftly at the end of QI (most of the fall was in March) reflecting the impact of lockdowns and restrictions on companies, consumer spending and therefore economies. Since March however, markets across the globe have rebounded strongly – helped by central bank and government support measures. 2020 has been an extraordinary year and the portfolio has weathered it reasonably well, in absolute and relative terms. To date , the portfolio's total return in percentage terms is +2.0%, slightly ahead of the agreed comparative benchmark for the portfolio +1.2%.

Since inception our investments have returned +10.9% which compares favourably against our market benchmark's return of +10.7% and our long term inflation target of 8.0%. Since inception (February 2019) from a starting value of £41m, the fund has paid out £1.3m and the portfolio value today is £44m.

Looking ahead to 2021 Rathbones have offered us this view:

'We continue to believe that low interest rates, low inflation and a more subdued economic growth outlook post Covid-19, should see companies that can grow organically and continue to distribute profits back to shareholders, be rewarded. In response to the pandemic authorities have responded with significant policy stimulus – both fiscal and monetary – and we expect this support to continue until the disease is defeated. Nine vaccine candidates are currently undergoing phase 3 trials, with data from some of these already positive and more news expected before the end of 2020. The pharmaceutical industry has been putting in place the manufacturing and logistics capacity to support a broad vaccination campaign in the first half of 2021. Stock markets look ahead of underlying economies and therefore have already priced in a degree of this recovery expected next year. However we are long-term investors, and we believe there is much to be optimistic about in the coming decade. This recession was not generated by excesses or

bubbles, but rather was triggered by a genuinely exogenous event. When a recession ends a new cycle begins, and therefore we will be entering this new cycle with many companies (apart from those hardest hit by COVID) in good shape with healthy balance sheets. The pandemic has also created opportunities to purchase companies at discounts that we believe will only exist in the short term, and indeed have already begun to narrow. We have been, and remain, focused on companies that we think are best-in-sector with healthy balance sheets with good and/or actively improving ESG credentials, and as such they should emerge from this crisis in good shape.'

Our new home



In 2016 we used the proceeds from the sale of our building in Chancel Street, Southwark, London to purchase a new building near London Bridge, just off the highly desirable Bermondsey Street in SE1.

Work began on the new five-storey building in November 2018 and the Society moved into its newly completed, permanent home in January 2020. We occupy the first floor of the building, with shared services on the ground floor and tenants occupying the remaining three floors.

Electoral Reform Society

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