

## ELECTORAL ARITHMETIC

1. To form a sustainable Government a party needs to have the support of at least 50% plus 1 MP = 326. However some elected Members will not vote [the Speaker and two deputies & Sinn Fein MPs will not take their seats]. Thus a working majority would be 322 or more.
2. The 6<sup>th</sup> May election gave no party an overall majority, hence the current hiatus. The 650 seats in the House of Commons are distributed thus:

Conservatives	= 306	(probably 307 when the delayed Thirsk election is completed)	
Labour	= 258		
Lib Dems	= 57		
Others	= 28	-----OTHERS	
Speaker	= 1		
		DUP	8
		SNP	6
		PC	3
		SDLP	3
		ALLIANCE	1
		GREENS	1
		INDEPEN	1
		SINN FEIN	5 (will not take seats)

### OPTIONS FOR GOVERNMENT

- |                                 |                          |
|---------------------------------|--------------------------|
| 1. CONS MINORITY GOVERNMENT     | 306/7 shortfall of 16/15 |
| 2. CONS/ LIB DEM                | 363/4                    |
| 3. LAB/LIB DEM/SDLP/Alliance/PC | 322                      |

The Labour Party are unlikely to work with SNP and the DUP is unlikely to find extensive common interests with this grouping unless substantial concessions were made to Northern Ireland. Plaid Cymru's 3 MPs might work with a Lab/LD grouping because they are already in coalition with Labour in Wales. The risk with any multi-party grouping is that it could break up if irreconcilable differences surface between the parties. Whilst Option 3 would achieve the 322, it would be vulnerable to any absences, sickness or rebellions.

The attitude towards multi-party combinations in the money and foreign exchange markets cannot be ignored. The UK is deeply indebted and tough measures to close the fiscal gap are expected. If they are not delivered, borrowing to cover the fiscal gap would become more costly and difficult. Confidence in sterling would also fall, making imports more expensive and inflation more likely. Business confidence would also be undermined, making firms less likely to employ more labour. The Labour Party's increase in National Insurance, dubbed a tax on jobs in the business world, would also hinder economic recovery and not help to reduce the high unemployment statistics [2.5 million, or 8% of the work force, including 1 million youth unemployment]

MAE

11.4.10