

POLITICAL PARTIES, ELECTIONS AND
REFERENDUMS ACT 2000



THE SPEAKER'S COMMITTEE

SECOND REPORT 2008

**Work of the Committee in
2008**

*Presented to the House of Commons in pursuance of
paragraph 1(1) of Schedule 2 of the Political Parties,
Elections and Referendums Act 2000*

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The Speaker's Committee

The Speaker's Committee is appointed in accordance with the provisions of section 2 of the Political Parties, Elections and Referendums Act 2000 to perform the functions conferred on it by that Act.

Current membership

Rt Hon Michael Martin MP, *Speaker of the House of Commons* (Chairman)

Rt Hon Alan Beith MP, *Chairman of the Constitutional Affairs Committee*

Mr John Healey MP, *Minister for Local Government*

Lady Hermon MP

Rt Hon Sir Gerald Kaufman MP

Mr Humfrey Malins CBE MP

Rt Hon Jack Straw MP, *Secretary of State for Justice and Lord Chancellor*

Mr Gary Streeter MP

Sir Peter Viggers MP

Previous Reports in the current Parliament

Second Report 2005, was published in July 2005 as House of Commons Paper No. 435 of Session 2005–06.

Third Report 2005 was published in December 2005 as House of Commons Paper No. 783 of Session 2005–06.

First Report 2006, was published in August 2006 as House of Commons Paper No. 1581 of Session 2006–07.

First Report 2007, was published in August 2007 as House of Commons Paper No. 996 of Session 2006–07.

Second Report 2007, was published in August 2007 as House of Commons Paper No. 997 of Session 2006–07.

Third Report 2007, was published in February 2008 as House of Commons Paper No. 288 of Session 2007–08.

First Report 2008, was published in July 2008 as House of Commons Paper No. 961 of Session 2007–08.

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Speaker's Committee Second Report 2008

Introduction

Powers

1. The Speaker's Committee is appointed in accordance with the provisions of section 2 of the Political Parties, Elections and Referendums Act 2000 (PPERA) to perform the functions conferred on it by that Act. A summary of the principal statutory functions of the Committee is given in Appendix 1.
2. The Political Parties and Elections Bill, currently before Parliament, will change and add to the powers and responsibilities of the Committee, if enacted in its present (ie, at December 2008) form. In particular, the Bill provides a statutory basis for the role of the Committee in relation to the appointment of Electoral Commissioners and it makes provision for the nomination and appointment of Commissioners with political experience. The Committee will take a close interest in the progress of this legislation.
3. In similar manner, the proposals in the Local Democracy, Economic Development and Construction Bill [Lords] to create a Boundary Committee for England will affect the Speaker's Committee, by placing upon it new duties in relation to approval of the new body's Estimate and five-year plan and appointment of its Chairman. The Committee will give full consideration to these proposals when the Bill reaches the Commons.
4. By virtue of the provisions of paragraph 1(1) of Schedule 2 to PERA, the Speaker's Committee is required to report to the House of Commons not less than once each year on the exercise by it of its functions. The last such Report covered the period to the end of 2007.¹ This Report covers the period from then to the end of the 2007-08 Parliamentary Session on 27 November 2008.

Membership

5. Appendix 2 gives details of the membership of the Committee over the period covered by this Report, during which there were no changes.

¹ Third Report of the Speaker's Committee 2007, published February 2008 as HC 288 of Session 2007-08.

Meetings

6. The Committee met three times in 2008. The minutes of the meetings are reproduced at Appendix 3. The Chairman and officials of the Electoral Commission attended parts of some of these meetings, at the invitation of the Committee.

7. In May 2006, the Committee agreed to establish an informal sub-committee, for the purpose of identifying key issues on which the Committee might focus. The membership of the sub-committee is Sir Peter Viggers, who is also its Chairman, Mr Humfrey Malins and Mr John Healey. The informal sub-committee met once in 2008, to prepare for the full Committee's scrutiny of the Commission's draft Estimate and Corporate Plan. An informal note of that meeting is included at Appendix 3.

8. The principal business in 2008 was to consider the Commission's draft Estimate for 2008-09 and its draft corporate plan for the five years beginning 2008-09. The detail of this work is fully recorded in the Minutes at Appendix 3 and the outcome is summarised in the next section of this Report.

9. The Committee also initiated and then oversaw the process to select the next Chairman of the Electoral Commission, which at the time of preparing this Report had not been completed. This aspect of the Committee's work is described in its First Report of 2008.²

10. Finally, the Committee gave preliminary consideration to the implications for its role and work of proposals in the Political Parties and Elections Bill and in the forthcoming Local Democracy, Economic Development and Construction Bill to add to, amend or remove some of its functions.

² First Report of the Speaker's Committee 2008, *Appointment of the Chairman of the Electoral Commission*, published July 2008 as HC 961 of Session 2007-08.

Parliamentary Accountability

Parliamentary Questions

11. Sir Peter Viggers has continued to answer Parliamentary Questions on behalf of the Committee. The number of Questions tabled to the Committee has increased substantially in recent years. In the 2007-08 Session (which ran from 6 November 2007 to 27 November 2008) 20 Questions were tabled to the Committee for oral answer in the House, of which 10 received oral answers (the remainder were withdrawn, 'unstarred'—converted into Questions for written answer—or not reached). Sir Peter also answered a total of 170 Questions for written answer in the 2007-08 Session. Of the 22 of these that were put down for answer on a named day, 13 received a substantive reply on that day.

12. Most of the Parliamentary Questions related to matters that engage the responsibilities of the Commission. The Committee is grateful to Commission officials for the assistance they provide in preparing answers to such Questions.

Resourcing of the Electoral Commission

13. Under paragraphs 14 and 15 of the Political Parties, Elections and Referendums Act 2000, the Speaker's Committee is required to examine the annual spending Estimates and the five-year plans of the Electoral Commission. In 2008, the Committee examined the draft Estimate for 2008-09 and the draft corporate plan for the period 2008-09 to 2012-13.

14. The Committee agreed a net resource requirement for the Electoral Commission for 2008-09 of £25,185,000, with operating Appropriations in Aid of £18,000, as consistent with the economical, efficient and effective discharge by the Commission of its functions in that year. It also agreed, on the same basis, a net cash requirement for 2008-09 of £25,110,000, to include net voted capital of £675,000.

15. The Committee also agreed, as last year, that the Electoral Commission may, without further reference to it, make such minor and insubstantial adjustments to the Estimate as may be required for technical reasons, subject to Treasury agreement in each case.

16. In relation to the resource implications of the corporate plan, the Committee agreed a net resource requirement of £24,460,000 for 2009-10 and £24,155,000 for 2010-11, excluding any increase from the use of end-year flexibility or any reduction arising from the drawing-forward of budgets to an earlier year, and excluding also provision for the "significant events" listed on pages 19 and 20 of the corporate plan which, should they materialise, would require additional funding if the Commission's other agreed priorities are to be maintained. The Committee also approved, as a basis for forward planning by the Commission, indicative net resource requirements of £25,000,000 for 2011-12 and £25,000,000 for 2012-13, subject again to the exclusions noted above.

17. The Committee agreed in 2007 that the Electoral Commission should in future be able to take advantage of end-year flexibility (EYF) in respect of both resources and capital categories of expenditure on a similar basis and extent to that afforded by the Treasury to Government departments. It noted that the Commission intends to use this facility to carry

forward an under-spend of £1,000,000 in 2007–08 and of £200,000 in 2008–09, and to bring forward £800,000 from 2010–11, in order to ensure an adequate fund for the work involved in supporting a general election in the United Kingdom, assuming such an election will be called in 2009–10. The Committee approved this use of end-year flexibility, on the understanding that the Commission will draw down only such funds as it may require to support its work on a general election. If, in the event, the stock of end-year flexibility is not needed for a general election, it may instead be available for other purposes provided that the Speaker's Committee is consulted and its approval obtained beforehand. The Committee would expect any EYF funds that are not needed for a general election, or for another purpose with the Committee's prior approval, to revert to the Treasury.

18. The Commission's Chief Executive wrote to us, stating that while he agreed with the Committee's approach in relation to the majority of expected EYF funds, the Commission would want to retain the ability to use EYF on a more limited scale in the normal way, to deal for example with capital or resource expenditure slippage from one year that is required in the next year, when a particular project may be delayed. We do not demur.

19. The Estimates for future years of course remain subject to annual approval by the Committee. In this context, it will expect any variation in future Estimates and plans from the net resources and capital figures for 2009–10 onwards set out in the appendix to the corporate plan (resource implications) to be drawn to its attention at the appropriate time and properly justified. On this basis, the Committee approved the corporate plan for 2008–09 to 2012–13, without amendment.

20. As is clear from the minutes of its meetings at Appendix 3, the Committee was assisted in its examination of the 2008–09 draft Estimate and of the corporate plan by staff of the House of Commons Scrutiny Unit. The Committee is grateful to the Scrutiny Unit for the quality of its analysis and advice and looks forward to receiving continuing support from it.

Appendix 1: Powers and Duties of the Speaker's Committee

The following table summarises the principal powers and duties of the Speaker's Committee as at December 2008. References are to the relevant provisions of the Political Parties, Elections and Referendums Act 2000.

To agree with the Electoral Commission the maximum number of Deputy Electoral Commissioners (who serve only as members of Boundary Committees)	Section 15(2)
To report to the House that one or more of the statutory grounds for removal of an Electoral Commissioner has been made out before a Motion for an Address for the removal of a Commissioner can be made	Schedule 1, paragraph 3(5)
To designate the Commission's accounting officer and to specify his responsibilities	Schedule 1, paragraph 19(1) and 19(2)
To receive the Electoral Commission's annual accounts	Schedule 1, paragraph 18(1)(b)
To report to the House, at least once a year, on the exercise of its functions	Schedule 2, paragraph 1
To examine the Electoral Commission's estimates; decide whether the Committee is satisfied that they are consistent with the economical, efficient and effective discharge by the Commission of its functions; and modify them as necessary to make them consistent	Schedule 1, paragraph 14(3)
To lay before the House of Commons, with or without modification, the Electoral Commission's estimates	Schedule 1, paragraph 14(5)
To examine the Electoral Commission's plan of aims and objectives over the next five years and its estimated requirement for resources during that period; decide whether the Committee is satisfied that the plan is consistent with the economical, efficient and effective discharge by the Commission of its functions; and to modify the plan as necessary to make it consistent	Schedule 1, paragraph 15(2)
To lay before the House of Commons, with or without modification, the Electoral Commission's five year plan	Schedule 1, paragraph 15(4)
To consult the Treasury, and have regard to any advice it may give, before reaching decisions on the Electoral Commission's estimates and five year plan	Schedule 1, paragraph 14(4) and (6); and 15(3) and (5)

To receive the Comptroller and Auditor General's reports on the economy, efficiency and effectiveness' with which the Commission has used its resources, and to have regard to the most recent when considering the Commission's estimates and five year plan	Schedule 1, paragraph 16(1); 14(4) and (6); and 15(3) and (5)
If the Committee modifies an estimate or five year plan, or does not follow any recommendation in a report of the Comptroller and Auditor General, or any statutory advice from the Treasury, to include a statement of the reasons in its next report to the House	Schedule 1, paragraph 14(6) and 15(5)

Appendix 2: Membership of the Speaker's Committee in the period covered by this Report

1. The membership of the Speaker's Committee is determined in accordance with the provisions of section 2 of the Political Parties, Elections and Referendums Act 2000. It consists of nine members as listed below: three *ex officio*, and six appointed—a Member of the House of Commons who is a Minister of the Crown with responsibilities in relation to local government, appointed by the Prime Minister, and five Members of the House of Commons who are not Ministers of the Crown, appointed by the Speaker. Appointed members serve for the duration of the Parliament, unless they cease to be Members of the House, resign from the Committee, or another member is appointed in their place, and are eligible for reappointment.

Ex officio members

By virtue of section 2(2) of the Political Parties, Elections and Referendums Act 2000

The Rt. Hon. Michael Martin, MP, as Speaker of the House of Commons, who is also the Chairman of the Committee.

By virtue of the provisions of sections 2(2)(a) and 2(6)

The Rt. Hon. Sir Alan Beith MP, as Chairman of the Justice Committee.

By virtue of the provisions of section 2(2)(b)

The Rt. Hon. Jack Straw MP, as Lord Chancellor.

Appointed members

Appointed by the Prime Minister, by virtue of the provisions of section 2(2)(c) and 2(3)

Mr John Healey, MP, Minister for Local Government.

Appointed by the Speaker, by virtue of the provisions of section 2(2)(d) and 2(4)

Lady Hermon, MP

The Rt. Hon. Sir Gerald Kaufman, MP

Mr Humfrey Malins, CBE, MP

Mr Gary Streeter, MP

Sir Peter Viggers, MP

Appendix 3: Minutes of the Speaker's Committee

Informal note of the meeting of the Sub-Committee on 28 January 2008 in Committee Room 13

Members Present

Peter Viggers, in the Chair

John Healey

Mr Humfrey Malins

Electoral Commission draft estimate 2008–09 and corporate plan

1. Prior to the informal meeting with the Electoral Commission the sub-committee discussed the briefing note supplied by the Scrutiny Unit with Simon Fiander and Aruni Muthumala of the Scrutiny Unit. Aileen Murphie from the National Audit Office was in attendance.

Peter Wardle (Chief Executive) and Carolyn Hughes (Director of Finance & Corporate Services) of the Electoral Commission (EC) joined the meeting.

2. Mr Wardle said he expected the finalised Corporate Plan for the EC to be available after the Speaker's Committee had submitted any points it would require for inclusion. He noted that the Scrutiny Unit had asked about a section on how the EC would handle risk, and said that this would be included again this year. There would be little to change to the document before the finalised version would be available to the Committee.

3. The EC were asked if they had discussed the fact that they would spend £200,000 less than the Estimate of £23.995 million with the Treasury. The EC said that they had had two discussions with the Treasury on how to handle the under-spend and had achieved agreement. The EC suggested a three-way communication between the Treasury, the EC and the Scrutiny Unit to confirm the appropriate figure to put in the 2008–09 Estimate, and EC and Scrutiny Unit representatives present agreed to do that.

4. The EC stated that they expected to under-spend by £1 million in 2007–08, with £625,000 resulting from recurring savings. They stated that they had no itemised five-year efficiency plan. However, they were confident at this point that they would be able to generate sufficient efficiency savings to keep within their multi-year spending envelope. They also pointed out that the cessation of Partnership Grants by March 2010 would free up some resource in the future years covered by the budget. The EC had also looked at whether they were over-provided and had determined that they were resourced effectively at present—it “feels about right.”

5. When the EC were asked whether they had filled all the current vacancies, which had contributed to the previous year's under-spend, they responded that there had been

issues in regional offices in England during 2006–07. Most of these vacancies had now been filled. The EC had an establishment of about 170 full-time equivalents (FTE). The EC had a rapid turnover of staff, with approximately 15–20 vacancies at any one time. The EC said that they could manage with a rapid turnover as long as vacancies were spread out within the organisation and not focused in particular areas. At the present time, the EC had a high level of vacancies (5 posts) in the Party and Election Finance section due to difficulties in recruiting and retaining staff in this area. They considered this to be impeding the effectiveness of their organisation.

6. The EC said that £100,000 of the efficiency savings in 2007–08 related to more efficient use of temporary staff. However, none of the predicted £250,000 efficiency savings in 2008–09 would be related to staff vacancies. The proposed reductions were due to: on-line recruitment; reductions in the costs of training courses; reductions in the use of external consultants; and the introduction of the government procurement card. When asked about any predictions for efficiency savings in 2010–11 they responded that they had no specific figures. Grant funding would be ending at that point. They said that the EC may need an increase of resources in 2011–12. Efficiency savings in 2009–10 would be made through staffing budgets, procurement and accommodation costs. These had not been counted in the current savings estimates.

7. The EC said that general elections were expensive for them. The arrival of new senior staff, including a Director of Electoral Administration, had enabled them to model various election scenarios and they were undertaking a wide-ranging review. They had revised their previous opinion that the cost of an election could be absorbed into their annual budget. One or two of the modelled scenarios had predicted little cost to the EC, but the majority had pointed the other way. There would be a large cost for registration, a public information campaign and producing guidance for local election administrators. Costs would be dependent upon whether other elections were held at the same time, and what type of elections. The EC said that if the general election was combined with the European elections in 2009 or the local elections in 2010 there would be a reduction in costs to the EC. A stand-alone election would cost the EC an additional £3m, if combined with a local election it would cost £1m extra and if combined with the European election the additional cost would be low, but no specific figure had been calculated. The EC are currently assuming a stand alone election in 2009–10. If this did occur, some costs would be drawn down from the 2010–11 budget. It was stated that it was prudent to estimate on the basis of the stand-alone Election scenario.

8. When asked when they anticipated the draft final Estimate would be submitted the EC said that they had hoped to have already submitted it, but it would definitely be submitted before the next Speaker's Committee meeting. The EC said that the additional cost to the EC due to the implementation of the Local Government and Public Involvement in Health Act 2007 would be £1.1m–£1.2m in 2008–09, with some additional costs also falling in 2009–10.

9. The EC said that the Participation Team's work was ceasing and that this had generated financial savings. The staffing level had reduced from 5 full-time equivalent (FTE) to 1.5 FTE. The team had been successful in terms of its remit. It had spent money on small grants to community groups to encourage people onto the electoral register.

Financial savings arising from the winding-down of the Participation Team were being recycled to support the internal budgets for supporting local authorities' voter registration schemes. The Commission explained that the work of the Participation Team was ceasing because of a change in the Commission's focus from one of encouraging voter participation to increasing voter registration. This change in focus was approved recently by a report from the CPSL.

10. When asked about Partnership grants, the Commission explained that Partnership grants consist of a large number of small grants going to small voluntary organisations. Some of the receiving groups were not well organised and controls were being tightened. The EC said that Partnership grants would be stopped by 31 March 2010. There was no statutory reason not to stop them beforehand, however there was a "quasi-contractual" obligation to honour previous commitments. Some were multi-year grants. The EC considered that there had been a slippage in the grants because the organisations now had to adhere to stricter financial controls, which were put in place as a result of an internal audit which had taken place in 2004.

11. The EC was a new body and its role was evolving. It had removed some of its previous indicators and added new measures. It was satisfied that it could measure success in the targets it had set itself. The EC had deliberately set its objectives around outcomes, with its five key objectives relating to outcomes. Measures were both quantifiable and qualitative. The EC said that there were serious gaps in legislation which make life difficult for them, such as the lack of sanctions for breaches and the need for investigative powers.

12. The EC said that the need for Members to register with both the EC and the Register of Members' Interests should stop when the EC was satisfied with the processes within Parliament. It was anticipated that the Standards and Privileges Committee would shortly be consulting Members about the House's reporting measures.

13. When asked about the cost of the review of electoral administration, the EC said that there would be no extra cost in 2008–09, however after that it would depend on the outcome of the review. Anticipated alterations range from no change through to an increased role for the Commission in monitoring. Any associated costs would also depend upon the outcome of the review. An options paper is expected to be presented to Parliament in the summer of 2008. There would probably be a need for legislation to implement the suggestions in the review.

The sub-committee adjourned

Minutes of the meeting of the full Committee on 25 February 2008 in Speaker's Chambers

Members Present

John Healey

Rt Hon Sir Gerald Kaufman

Mr Gary Streeter

Mr Peter Viggers

Apologies for absence

Rt Hon Mr Speaker

Lady Hermon

Rt Hon Jack Straw

Rt Hon Alan Beith

Mr Humfrey Malins

In the absence of the Speaker, Mr Peter Viggers took the chair, pursuant to the decision of the Committee of 13 December 2005.

Selection of new Commission Chairman

1. Mr Viggers informed the Committee that the selection of a new Chairman for the Electoral Commission was proceeding. The five people put forward for the appointment panel had all agreed to take part. The Commission's Chief Executive had informed the Chair of the panel, Baroness Fritchie, that the Electoral Commission (EC) had recommended a firm of recruitment consultants for the task, but she had informed the EC that it would not be appropriate for them to proceed until the appointment panel had given its view. Subsequently, after interviewing two companies, the panel had agreed with the Commission's recommendation and the Commission had awarded the contract. The panel had already undertaken an initial meeting with the consultants. Another meeting was planned shortly.

Consideration of the Electoral Commission's draft Estimate for 2008–09 and draft Corporate Plan

2. Mr Viggers said that the sub-committee had discussed the Commission's draft Estimate and Corporate Plan with the Scrutiny Unit and with senior Commission officials.

Simon Fiander and Aruni Muthumala of the Scrutiny Unit joined the meeting to discuss the brief they had prepared for the Committee and to answer any questions.

3. Sir Gerald said that he was disturbed by some of the activities of the EC which appeared to go beyond their remit. He noted that the EC had anticipated in the draft Estimate that the cost of a general election would be £3m, despite there being no figure for this in the previous year's Estimate. Simon Fiander said that it was regrettable that the EC had not appreciated the costs in the multi-year budget submitted for approval last year, however the EC had not 'moved the goalposts'. The EC were not planning any additional overall spend. They were being required to find savings in other areas over a number of years. Sir Gerald asked what needs were to be fulfilled with the £3m. Simon Fiander said the money was required for the preparation for a general election which might not be combined with other elections, and was not for new tasks. Sir Gerald said that the EC should cut its costs to find the £3m.

4. Mr Healey questioned whether savings had been achieved by underspend or through efficiencies. He noted that the EC had said that they could manage on a flat budget but were requesting an additional £1m in years four and five of the Plan period. £ $\frac{2}{3}$ m of efficiencies had already been achieved in 2007–08, with only £ $\frac{1}{4}$ m additional efficiencies having been identified for 2008–09. Simon Fiander responded by saying that some of the £1m savings in 2007–08 had been fortuitous—vacancies and slippage in grants payments—and had not been achieved through efficiencies. The flat budget settlement agreed last year was underpinned by an assumption that the EC would have to find £ $\frac{1}{2}$ m of new efficiency savings each year to cover £ $\frac{1}{2}$ m of cost inflation. He said that there were, however, some disconnects in the efficiencies picture. In years four and five of the Plan there was a jump of an additional £1m in the proposed budgets, but this assumed no new efficiency savings in those years. Also, for 2007–08, the £625,000 of recurring savings came on top of £0.6m of efficiency savings that had already been subsumed in last year's budget. Mr Healey said that he had struggled to determine what was happening on the efficiency position. He suggested that the EC should produce a report on how the situation was being handled and queried if this was being managed in a controlled manner.

5. Mr Viggers said that the EC Estimate was unlike a business budget. Peter Wardle had said at the sub-committee that he was disappointed if he underspent. The underspends were due in part to not filling vacancies. Mr Viggers said that the EC's plans did not appear to match those expected of a business. Mr Streeter said that the EC had found savings easily, which raised questions about their original budget. He queried if the budget had been rigorous enough. He suggested that the EC should be asked about their statutory duties and the value of work that was not within their statutory duties. He said that he did not want a "Scotland situation" with the EC starved of resources for managing elections properly. Simon Fiander said that there was no firm evidence of an over-generous budget. The EC had created some headroom by finding additional savings, including efficiency savings, in 2007–08, and partnership grants would cease in 2009–10. On the other hand, they might have to find additional costs for a general election year. It was too early to judge whether the budget was over-generous only one year into the four year period, but the Scrutiny Unit would continue to monitor the position.

6. Mr Viggers said that the EC had incurred additional expenditure as a consequence of the Local Government and Public Involvement in Health Act 2007 and asked if there were other areas in which they would request money for additional expenditure. Simon Fiander responded that there was an EC review of electoral administration which might produce additional expenditure and the EC might seek such extra funds in a year's time. There was also the possibility of a referendum in Wales perhaps in two years' time. There had been no mention of the impact of changes in party funding and of recommendations from the Committee on Standards in Public Life (CSPL). It was possible that the EC would ask for additional funding for these activities too in due course. Mr Healey said that the Boundary Commission might be separated from the EC in the future. Mr Streeter queried whether any money had been allocated for work involved in relation to the abandoned referendum on the Lisbon Treaty.

Sam Younger (Chairman), Peter Wardle (Chief Executive) and Carolyn Hughes (Director of Finance & Corporate Services) of the Electoral Commission joined the meeting.

7. Mr Viggers asked Mr Wardle how confident he was in the figure of £1.19m subsumed in the Estimate for 2008–09 for electoral and structural reviews. Mr Wardle said that he was confident, especially about the electoral reviews element, which had been a feature of their work for some years. Structural reviews were new. There were structural reviews being undertaken in Devon, Suffolk and Norfolk, which were to some extent similar to work that had been undertaken in North England in preparation for the referendum there, therefore the EC had some insight about the costs. The precise numbers were not 100% certain, and would depend on the size of the counties involved and the number of two-tier authorities involved. He was happy to have the costs of reviews ring-fenced, so that any underspending would not be used for other purposes within the EC.

8. Mr Viggers asked what the main levels of costs were. Ms Hughes said that out of a total of £1.2m, half were salary costs, £300K was consultancy and the rest was due to other expenses and publications. Mr Viggers asked what the range of additional cost was for 2009–10 reviews, and if the EC was confident about the extent of the level of activity to be undertaken, including for example single member ward reviews. Mr Wardle said he was confident; the prospect of five single member ward reviews was based on informal indications from local authorities. The additional cost would be in the range of £400–450K. He would not know the full extent of costs until after the local elections in May 2008.

9. Sir Gerald asked about the planning for a general election in 2009–10 and how confident the EC was of the £3m budget for the election. Mr Wardle said that £3m was for the worst-case scenario with a free-standing general election. There were two scheduled elections in 2009, local elections in May and European elections in June. If a general election was combined with one of the other elections the additional costs would be less than £3m, perhaps £1m or less. There was a plan to build up a pot of £3m. Sir Gerald asked if the aborted general election in the autumn of 2007 had cost the EC any money. Mr Wardle said that the election had been abandoned just before the EC would have incurred costs; another couple of weeks would have resulted in additional expenditure. Sir Gerald asked what would happen to any accumulated underspends that in the event are not needed for a general election. Mr Wardle said any underspend would revert to the Treasury. The EC would not draw down funds unless actually needed. Mr Viggers asked what would happen if there were two elections as in 1974. Mr Wardle said there would be additional costs—more than £3m—if there was a second general election shortly after the first, but the EC had not quantified that. It might be easier to meet the additional costs if the two elections were held in two separate financial years. It was complicated to look at all the potential scenarios.

10. Mr Healey said that he would like the EC to account separately for money for additional boundary work, and he wanted a fuller exposition in the EC's corporate plan of what tasks are undertaken under different specific pieces of legislation.

11. Mr Healey noted that there was a spiky profile of savings and asked why this was. Mr Wardle said the EC was planning to build a general election fund and having found significant savings for this in 2007–08, it could not find as much in 2008–09. Indeed, some of the savings in 2007–08 had been the result of stopping some tasks while the EC had prepared for a possible autumn 2007 general election. £200K would be put aside next year. There had been efficiency savings of £625K this current year, and there were planned firm

efficiency savings of £250K for next year, although there might be other savings found on top. There has been a build up of regulatory work—election finance and performance standards work—which will involve expenditure and make finding significant savings harder in 2008–09. Mr Healey asked what level of efficiencies had been identified for 2009–10. Ms Hughes said that there was an on-going 2½% increase in efficiency savings each year in the budget (it was anticipated this would be doubled this year). Beyond 2008–09, the budget implied a need for efficiency savings of £550,000 each year. Mr Wardle said that he would be prepared to send the Committee a costed efficiency plan, setting out the anticipated savings. He suggested that the EC should work with the Scrutiny Unit on this issue.

12. Mr Streeter said that some of the efficiency savings had resulted from staff vacancies, and there has been a high staff turnover. He questioned whether this had affected the ability of the EC to perform its work. Mr Wardle said turnover was high, and higher than he would like, however no areas were failing to fill posts. There had been no effect on the quality or volume of work that the EC was performing. There had been some impact on specialist areas. Mr Streeter asked why people were leaving. Mr Wardle said they had undertaken exit interviews. The reasons were not because of the job or pay, but were due to the lack of promotion prospects available to the EC because of its small size. There was no problem with replacing staff. They expected the Party & Election Finance directorate to be fully staffed by March 2008.

13. Mr Healey asked about expenditure under Section 13 of the Political Parties, Elections and Referendums Act 2000. He asked why the budget showed a decline in this element until 2008–09 and then a rise of 10%. He asked why there was an increase in participation and campaign spending, and what would be a steady state level of expenditure. Mr Wardle said that they had budgeted for work to support two scheduled elections in 2009–10: local and European. If there was also a general election in that year expenditure would be greater. There was a planned television advertising campaign, which was more cost-effective in a year of national elections, rather than regional elections. In 2007 £5–5.5m was budgeted for radio and press advertising. Expenditure was dependant upon the number and type of elections in a year. In June 2009 there would be European elections which would require UK-wide television advertising, which was more effective although more expensive.

14. Sir Gerald asked about the structure of electoral administration, what the EC expected from their current review and how this would impact on the budget. Mr Younger said that proposals were expected by the end of July 2008. It would be difficult to anticipate what the result of the review would be. Any significant change would require legislation, however, which would probably be enacted in the next Parliament. He questioned whether current structures would be sustainable. It was possible that there would be a need for long-term change at the end of the five-year period of the current Plan. There was a possibility of structural change which would take current funding away from the EC to another body. There might be a move to operate more at regional level. Mr Viggers asked who was managing the programme. Mr Younger said the EC role was advisory. The EC were now setting performance standards, as required by the Electoral Administration Act. They had returns now in from local authorities, and the EC would publish standards in 4–6 weeks. The need for the electoral administration review was in a sense a recognition that the

performance standards setting was not enough on its own to deliver a sufficient standard of electoral administration. The delivery of elections was of uneven quality.

Mr Younger, Mr Wardle and Ms Hughes withdrew.

15. In concluding the discussion Simon Fiander said that it would be helpful if an efficiency plan were developed by the EC with the aid of the Scrutiny Unit. Mr Viggers noted that underspending was in part due to vacancies. Mr Healey questioned whether there was a need for the EC to be fully staffed as it had coped in the past years with staff vacancies.

16. The Secretary reminded the Committee that under PPERA the Chief Secretary of the Treasury should write to the Committee about any issues relating to the Estimate. The letter had not yet been received, however the Secretary had been informed that no significant issues would be raised. The Committee agreed that the Estimate be accepted, subject to conditions which would be set out in a letter to the Chief Executive, and also approved the Corporate Plan with the caveat that for 2011–12 and 2012–13 the figures were (as the EC had said) only indicative at this stage, and that the Committee would want to review critically expenditure plans for those years in due course as part of any deliberation about a follow-on multi-year budget.

Mr Viggers thanked Simon Fiander and Aruni Muthumala for their assistance, and Mr Fiander and Ms Muthumala withdrew from the meeting.

Correspondence from the acting Chair of the Committee on Standards in Public Life

17. The Speaker had received a letter from Rita Donaghy further to the Government Response to the CSPL's Eleventh Report, Review of the Electoral Commission. It was agreed that the Committee would have further discussions when the Government brought forward recommendations on implementing the CSPL Report, which were expected in the next few weeks. It was anticipated that a Bill would be introduced later in the Session. Sir Gerald proposed that the Committee should write to Ministers endorsing the CSPL's opposition to the Government's suggestion that the EC should have an oversight role in relation to the review of electoral boundaries. The Secretary would circulate a draft letter to members of the Committee, to be sent, when agreed, by Mr Speaker (or by Mr Viggers, as Chairman of the meeting) to the relevant Minister, copied to the new Chair of the CSPL, Christopher Kelly, but not made public.

The Committee adjourned to a date and time to be fixed by the Speaker.

Minutes of the meeting of the full Committee on 3 June 2008 in Speaker's Chambers

Members Present

Rt Hon Mr Speaker, in the Chair

John Healey

Mr Gary Streeter

Mr Peter Viggers

Apologies for absence

Lady Hermon

Rt Hon Sir Gerald Kaufman

Rt Hon Jack Straw

Rt Hon Alan Beith

Mr Humfrey Malins

Report on progress in nominating a new Chairman of the Electoral Commission and discussion of next stages

1. Mr Speaker thanked members of the Committee for their contributions to drawing up the job description and person specification for the recruitment. He informed them that the non-statutory stages of the process had been completed on time by the Panel appointed by him on the advice of the Committee. Baroness Fritchie, who had chaired the Panel, had written to him and had briefed him on the Panel's work. Mr Speaker invited Mr Viggers, as the member of the Committee who also sat on the Panel, to say a few words.
2. Mr Viggers informed the Committee that the Panel, composed of Baroness Fritchie (Chair), David Norgrove (Pensions Regulator), Sir Neil McIntosh (former Electoral Commissioner), Cindy Butts (OCPA Assessor) and himself had started its work by recommending to the Commission the appointment of Rockpools as search and recruitment consultants. Rockpools proved to be an excellent choice; their work was thorough and of high quality.
3. The Panel had met on five occasions from February to May 2008. Advertising across the UK print media was carried out in March. A 'microsite' was set up on the internet to answer potential candidates' queries; this was visited more than 400 times. Rockpools also carried out searches for candidates who met the criteria considered by the Committee at its meeting in December. A total of 37 completed applications was received. On 15 April, the Panel drew up a long-list of 14 candidates to go forward to the next stage. One candidate withdrew, having accepted another position; the remaining 13 were interviewed by the consultants and full reports were prepared on each candidate.
4. From a very strong field, the Panel agreed a short-list of 5 candidates on 7 May. One subsequently withdrew (having been offered and accepted another position) so 4 candidates—2 men and 2 women—were interviewed on 14 May. All four took the opportunity a day or two before they were interviewed to meet the Chief Executive, Peter Wardle, in order to be briefed on the work of the Commission. All were questioned closely by the Panel on their understanding of the Commission, its current work and its future priorities as well as on their personal qualities.

5. The Panel agreed that any of the candidates would have been acceptable in the post. However, the Panel unanimously chose Jenny Watson, board member of the National Audit Commission and a former Chair of the Equal Opportunities Commission, on the basis that she was best equipped to lead the Commission through a forthcoming period of change.

6. Mr Viggers reported that the entire process was OCPA-assessed and the Panel was chaired by Baroness Fritchie with a meticulous regard for correct procedure. All members of the Panel played a full part in its work and he suggested that the Committee could have confidence in the outcome.

7. The Speaker asked whether Ms Watson had any political affiliation. Mr Viggers confirmed that she had not, and that she met the relevant criteria as set out in the Political Parties, Elections and Referendums Act.

8. The Speaker raised the question of the proposed salary of £150,000 for a 3-day week. Mr Viggers said that all the advice to the Panel from the consultants and others had confirmed the need to offer remuneration at this level. The Chief Secretary to the Treasury had been consulted and at the time had raised no objection. Since then, Treasury officials had asked the Secretary for a full justification. This had been provided.

9. The Speaker raised the possibility of Ms Watson's other commitments leading to a conflict of interest. Mr Viggers said that Ms Watson had confirmed that she would resign from all other positions, with the exception of her post on the Board of the Audit Commission, although she had undertaken to resign from that position too if any conflict of interest were perceived. Mr Healey saw no reason why keeping on the Audit Commission post should lead to any conflict of interest. It was noted that the NAO audits the Commission. Mr Streeter suggested this was an area to keep an eye on.

10. Mr Speaker confirmed that as required by PPERA he would write to the leaders of all the registered Parties, seeking their views on the recommended appointment. Once their approval was given, a motion would be taken on the floor of the House, hopefully before the Summer recess. Mr Speaker proposed that an announcement be made by him once the motion was tabled, asserting the thoroughness of the process that had produced the candidate and summarising the qualities that led to her selection. Meanwhile, Ms Watson's name would not be made public.

11. It was agreed that, once the announcement was made, Ms Watson could represent herself to the media, but that she should be encouraged to do so in a low-key manner. In due course, following her formal appointment, the Justice Committee might wish to invite her and the Commission's Chief Executive to give oral evidence.

The Committee adjourned to a date and time to be fixed by the Speaker.

Minutes of the meeting of the full Committee on 5 November 2008 in Committee Room 13

Members Present

John Healey

Mr Humfrey Malins

Rt Hon Jack Straw

Sir Peter Viggers

Apologies for absence

Rt Hon Mr Speaker

Rt Hon Sir Alan Beith

Lady Hermon

Rt Hon Sir Gerald Kaufman

Mr Gary Streeter

In the absence of the Speaker Sir Peter Viggers took the chair, pursuant to the decision of the Committee of 13 December 2005.

Report on progress in nominating a new Chairman of the Electoral Commission

1. The Committee noted that there was some urgency in putting the matter before the House as the current Chairman was due to retire at the end of the year. It was further noted that there would be a free vote on the appointment and remuneration motions and that there was a strong possibility that the House would not agree to the latter. The Committee agreed that the original decision on remuneration as set out in its First Report (15 July) had been well-founded on advice given at the time, but noted that subsequent developments meant that it could no longer be regarded as a realistic way of proceeding. The Secretary confirmed that the remuneration motion was debatable and amendable. It was agreed that the Speaker should be briefed on the Committee's discussion in advance of his meeting with the Leader of the House that afternoon. It was agreed that Sir Peter would contact the nominated candidate to inform her of the situation and to discuss it with her.

Political Parties and Elections Bill

2. The Committee considered a note from the Secretary. The Lord Chancellor briefed the Committee and highlighted the proposals in the Bill for the appointment of four political nominees as Electoral Commissioners. The Government was open to suggestions and was anxious to reach a consensus on the issue. The Committee agreed that in its opinion the three main party leaders should have the power to put forward one or more

nominees each, rather than two or more as proposed in Clause 5 of the Bill. It was suggested that there may be some difficulty in the arrangements for choosing the fourth nominee, who would be nominated by the minor parties. It was agreed that while each minor party leader should be able to make a nomination, the minor parties should be encouraged to reach an informal agreement with a view to nominating one person.

3. The Committee considered that the direct involvement in these appointments of the Speaker's Committee (as opposed to a panel appointed by the Committee) would be appropriate, particularly as the appointments would be political. It was suggested that if a nominee was not endorsed by the Speaker's Committee, the leader of the party concerned should be invited to nominate another individual. It was agreed that Sir Peter Viggers would write to the Minister in charge of the Bill.

Implementation of Recommendations 17 and 18 of the CSPL 11th report

4. Mr Healey briefed the Committee on the Government's plans to implement the 17th and 18th recommendations of the CSPL 11th Report, which suggested that the Boundary Commission for England be made independent of the Electoral Commission. This involved the establishment of a new Boundary Committee as a parliamentary body. The proposal would include an additional role for the Speaker's Committee in approving the Estimate and five-year plan for the new Boundary Committee and in selecting the Chairman (but not the other members). The Secretary indicated that the Scrutiny Unit may be able to support the Committee in the scrutiny work. The Committee agreed that it would take on this additional role if asked, but noted the difficulties in arranging meetings at a time which would secure good attendance. It was agreed that it would be preferable if a regular date and time could be set for the Committee's meetings.

The Committee adjourned to a date and time to be fixed by the Speaker.