

Committee on Standards in Public Life Inquiry into the Electoral Commission

Memorandum submitted by the Speaker's Committee

Introduction

1. The Speaker's Committee has a central role to play in ensuring the accountability of the Electoral Commission, to the House of Commons and beyond. Its composition and methods of working are designed to ensure that, in doing so, it does not compromise the Commission's independence and impartiality.
2. This memorandum expands on the background information given in the Issues and Questions Paper about the Speaker's Committee, and describes how it discharges the principal obligations placed on it by the Political Parties, Elections and Referendums Act 2000 (PPERA).

Background

3. The creation of an Electoral Commission was one of the proposals put forward in the Government's response in July 1999 (Cm. 4413) to the Committee on Standards in Public Life's Fifth Report (Cm. 4057) on the Funding of Political Parties. CSPL had recommended an independent and authoritative Election Commission, and the Government's proposals carried forward all the key features it had envisaged for such a body. In particular, the Government accepted that the Commission's budget should be set in such a way as to preserve its impartiality and independence, and built on the CSPL suggestion that the arrangements for settling the budget of the National Audit Office provided a suitable model. The Speaker's Committee was as a result modelled in large measure on the Public Accounts Commission.
4. There are, however, a number of significant differences between the Speaker's Committee and the Public Accounts Commission, each of which is intended to provide further reinforcement of the independence from political interference of the Electoral Commission. First the Bill was amended in its passage through Parliament to provide for the Speaker to be a member of the Committee, and its *ex officio* Chairman. Second, the Speaker has from the start exercised his power to nominate back-bench Members in a manner which ensures that, unlike the Public Accounts Commission, no individual party has an overall majority on the Committee. At the present time, the nine members of the Committee are drawn from four political parties.
5. As Cm. 4413 makes clear, the Government harboured some concerns that the absence of Ministerial or Departmental oversight might result in runaway expenditure on the part of the Commission. PPERA includes, as a result, a number of safeguards aimed at preventing this. The first is that the Committee must consult the Treasury on the Commission's Estimates and Corporate Plans; have regard to any advice the Treasury may give; and if it is not followed, give reasons in its next report to the House. The second is that the Committee must likewise have regard to the most recent of the Comptroller and Auditor General's 'value-for-money' reports on the Commission and again give reasons for not following any recommendation. To date, neither situation has arisen.

Accountability Arrangements

6. The Speaker's Committee has so far made six reports to the House. Besides reporting periodically on the exercise of its functions, the Committee uses these reports to publish the statutory 'value-for-money' reports made to it on the Electoral Commission by the Comptroller and Auditor General.
7. The Speaker's Committee first met on 14 February 2001. From the outset, there was a presumption that, as in the case of the Public Accounts Commission and the National Audit Office, Members of the House of Commons would be able to ask Parliamentary Questions of the Committee relating to its own work and that of the Electoral Commission. Initially only Written Questions could be asked, but from January 2002 the Government agreed, at the Committee's request, to add it to the 15 minute slot provided for questions to the Church Commissioners and the Public Accounts Commission. On average in the current Session, three of the ten questions printed have been addressed to the Electoral Commission. In addition 32 questions have been tabled for written answer so far this Session (as at 12 May 2006). Figures for past Sessions are set out in successive reports to the House.
8. The Speaker's Committee also publishes with its periodic reports to the House summaries of the discussions at its meetings, and details of the decisions it has taken.
9. PPERA gives the Speaker's Committee important statutory responsibilities in relation to ensuring that the Electoral Commission operates economically, efficiently and effectively. These are principally exercised through the requirement to approve the Commission's Estimate and five-year plan, amending these if necessary to make them consistent with the economic, efficient and effective discharge by the Commission of its functions.
10. The Committee exercise this function each year by examining both documents in detail, and questioning the Electoral Commission on them. Until the 2006-07 Main Estimate, there had been no occasion when the Treasury had commented substantively on the Main Estimate, but there had been several occasions when it made comments on the Plan, usually suggesting improvements for the next one. The Committee draws all such comments to the attention of the Electoral Commission, and monitors the response.
11. The Treasury sought a reduction in the Commission's initial bid for the 2006-07 Main Estimate on the grounds that, in a tight public expenditure round, an above inflation increase might be seen as excessive. Following discussions between the Committee and the Commission, a revised bid was made, for an inflation-only increase. Subsequently, a further submission was made by the Commission, to reflect the additional costs of new obligations that would arise from the Electoral Administration Bill. The Treasury's hopes that some of the increased provision sought might be absorbed by the Commission were met in the provision finally made by the Committee, which reflected a further revised proposal from the Commission.
12. The Speaker's Committee has been concerned to ensure that its judgements as to whether the Electoral Commission is operating economically, efficiently and effectively are soundly based. To that end, it commissioned a review by the House of Commons Scrutiny Unit with a view to enabling it to discharge its functions more effectively.

13. The Scrutiny Unit reported in January 2006, and made a number of recommendations, some addressed to the Electoral Commission and some to the Committee itself. The Commission has accepted all those addressed to it and is producing a plan to implement them.
14. The Speaker's Committee is considering the recommendations addressed to it. These are likely to lead to an increase in its workload. The Committee already meets at least three times a year, so it will therefore be examining whether the informal sub-committee it recently established might have a role in this context in preparing issues for decision by the full committee.
15. Overall, the Committee welcomes the Scrutiny Unit report, and believes that implementation of its recommendations will lead to improvement both in the way the Electoral Commission operates, and in its overall accountability.

Conclusions

16. The Electoral Commission occupies a unique position in the political life of the country. Its remit requires it to deal, independently and apolitically, with a wide range of matters central to politics, with the inevitable risk of conflict between the Commission and vested political interests.
17. It is essential for the independence of the Electoral Commission that oversight of its operations by the Speaker's Commission is not perceived as political control by the back door. The Committee's oversight of the Commission is thus exercised strategically, as PPERA requires, through seeking to ensure that it operates economically, efficiently and effectively. Subject to that, it is for the Commission itself to justify, both to Parliament and elsewhere, the case for particular policy stances and operational decisions, with the opportunity to ask Parliamentary Questions of the Speaker's Committee providing valuable opportunities for Members to seek information about its activities, and to press for action.
18. PPERA and the creation of the Electoral Commission represented a major change in the approach to electoral matters and the regulation of political parties, and both the Commission and the Speaker's Committee have been developing their respective roles from scratch. The Committee believes that it has hitherto acted effectively, in helping to ensure proper accountability on the part of the Electoral Commission, and that experience has proved that modelling it in large measure on the Public Accounts Commission was a sound decision. Also, experience of the 2006-07 Estimate has demonstrated that the Government's original concerns about the risks of runaway expenditure have been effectively met by the Committee's own approach, coupled with the consultation requirements placed on it by PPERA.

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