

Minutes of the meeting of the Electoral Commission held on Thursday 24 September 2009, London

Present: Jenny Watson (JW) Chair
Henrietta Campbell (HC)
Max Caller (MC)
Ian Kelsall (IK)
John McCormick (JMcC)
Karamjit Singh (KS)

In attendance Peter Wardle (PW)
Clare Ettinghausen (CE)
Carolyn Hughes (CH)
Stephen Rooney (SR)
Andrew Scallan (AS)
Bob Posner (BP)
Vera Markos (VM)
Kairen Zonena (KZ) minutes

Bola Bajomo (BB) – for item 8
Louisa Parry (LP) – for item 8

Elena Crini (EC) – observing item 8

Apologies
None

1 Declaration of Interests

- 1.1 For information, MC noted a general point that his consultancy work occasionally involved him in the appointment and mentoring of local authority chief executives, some of whom were also Returning Officers. If in future the contents of a report meant that his consultancy work was likely to pose a conflict of interest, he would declare an interest for that item. No such item was under consideration on the agenda for this meeting.

2. Minutes of Commission Board meeting on 8 July (EC75/09)

Agreed: That the minutes of the Commission Board meeting held on 8 July be approved as an accurate record and the Chair be authorised to sign them.

3. [Confidential] minutes of Commission Board meeting on 22 July (EC76/09)

Agreed: That the minutes of the Commission Board meeting held on 22 July be approved as an accurate record and the Chair be authorised to sign them.

4. [Confidential] minutes of Commission Board meeting on 28 July (EC77/09)

Agreed: That the minutes of the Commission Board meeting held on 28 July be approved as an accurate record and the Chair be authorised to sign them.

5. Update from the Chief Executive (EC78/09)

- 5.1 PW orally updated his report. In relation to paragraph 3.2, supplementary estimates (also on the agenda at item 4), he clarified that a second supplementary estimate would be submitted, in accordance with an established process, only in the event that a UK parliamentary general election (UKPGE) was called before the end of the 2009/10 financial year.
- 5.2 In relation to individual electoral registration (IER), paragraph 3.12, he responded to questions regarding the Commission's role on the Project Board led by the Ministry of Justice in providing expertise, influence and direction where it could. He agreed that there were risks for the Commission in such a large-scale project to which it was contributing rather than running, albeit as a significant partner. JW added that the October Board awayday included a session on IER.
- 5.3 In response to a question from IK LK reported that the PEF Online project was progressing: the latest version of the system had been delivered and would need to be reviewed before user testing began. Initial responses from political parties were positive, and every effort was being made to facilitate parties' interface to it, to maximise ease of use, and utility. PW emphasised again the importance to the project of the three largest parties accepting the system and working with it.
- 5.4 AS and MC provided a brief update on progress with the Stoke-on-Trent administrative review, which was under way. Public consultation

about the size of the Council had closed. MC said that work with the transition board on the council had started, although the Council itself appeared to be responding only slowly to the process. Media coverage of the Boundary Committee's role had been broadly positive.

- 5.5 The meeting of the Commonwealth elections bodies' network had proved useful, with one interesting point emerging that expert advice and guidance in preparing for elections was of more value in supporting electoral management bodies in developing democracies than election observation on the day. The message that good governance and sustainable government started with a well-managed electoral process was fundamental to the network's approach. Advice and guidance would be offered by those countries with established Electoral Commissions, some of it 'virtual' and supported by a web-site. JW undertook to keep Commissioners informed, in particular by circulating the conclusions of the meeting.
- 5.6 The Commission's position on overnight counting, additional to the update report, had been the subject of correspondence with Jack Straw, Secretary of State for Justice, and Eric Pickles, Chairman of the Conservative Party (circulated separately to Commissioners).

Agreed: That the report be noted, together with the Chair's undertaking to send Commissioners additional information about the Commonwealth elections bodies' network conclusions.

7. Financial Plan 2009-10 – Supplementary Estimate (EC79/09)

- 7.1 CH gave a brief introduction to the report which outlined the Supplementary Estimate for 2009-10 to be submitted to the Speaker's Committee by 30 September 2009.
- 7.2 The 2009-10 budget approved by the Commission Board in March had been for a total of £26.53m (£25.468m resource and £1.062 capital), with an anticipated requirement for a supplementary estimate of £2.285m (£2m resource and £285k capital). Today's supplementary proposal was now for a lower amount overall, and specifically for less resource, at £459,800, and increased capital, at £483,600.
- 7.3 The reasons for the changes, set out at paragraphs 4.2 to 4.5 of the report, were mainly: based on the continued use of the planning assumption that the next UKPGE would be held in May or June 2010, expenditure forecasts had been reviewed and reduced as a result of the Commission's decision to re-use advertising that was produced ahead of the 2009 European Parliamentary elections and had proved effective, and the decision to run the campaign for a shorter period of time; reduced requirement for funds in 2009-10 for implementation of the Political Parties and Elections Act 2009 (PPE Act) due to later than anticipated dates for provisions to come into effect; slightly increased

funding to complete the work of the Boundary Committee's review programme, and for the Suffolk litigation costs; increased set-up costs for the establishment of the Local Government Boundary Commission for England (LGBCE); lower than anticipated costs in this financial year associated with Individual Electoral Registration research; and reductions made in departmental budgets.

- 7.4 In the event of the UKPGE being held before the end of the 2009-10 financial year, the Commission could make use of approved procedures for submitting a further Supplementary Estimate for those costs.
- 7.5 In relation to set-up costs for the LGBCE, these would vary depending on the outcome of the review of available options in relation to accommodation and support services. If that element of the Supplementary Estimate was not agreed to, it would be difficult to meet the intended transition date of 1 April 2010. There was a brief discussion about the possibility of the Electoral Commission providing accommodation and support services to the LGBCE. PW pointed out that this was not considered a strong option for two reasons, firstly, it would militate against a clear separation of the two bodies, one of the benefits envisaged in creating the LGBCE, and secondly the Commission was not set-up to provide services to other organisations and to move down this path would be a significant undertaking on top of all the other things the EC had on its agenda.
- 7.6 On page 14 of the report in the section of the draft Supplementary Estimate that sets out the functions and duties of the Electoral Commission, a query was raised as to whether the wording in relation to the part of the Commission's activities described as 'promoting participation in and increased understanding of the democratic process' remained appropriate. Staff would check the section against the relevant legislation, as amended by the PPE Act.

Agreed: That:

- (a) subject to checking the wording of the provision in the PPE Act at page 14 of the report, the supplementary estimate set out in the report be approved for submission to the Speaker's Committee at the end of September; and
- (b) Commissioners be advised of options for the set-up arrangements of the Local Government Boundaries Commission for England as part of the discussion on the transfer programme at the next Board meeting (when Deputy Commissioners would also be present).

8. Draft Corporate Plans 2010-11 to 2014-15, and 2010-11 Estimates (EC80a/09 presentation and EC80/09, additional presentation, tabled)
 - 8.1 An additional presentation was tabled by CH, entitled *Funding the Electoral Commission and Local Government Boundary Commission for England corporate plans 2010-11 to 2014-15 – Additional analysis*.
 - 8.2 The report presented the Corporate Plans for both bodies, as the Electoral Commission was necessarily responsible for putting forward the first plan for the new LGBCE. The process had begun earlier than usual to enable budgets to be confirmed and forward spending commitments entered into for the new LGBCE.
 - 8.3 PW explained that there were now two Electoral Commission objectives, having lost boundaries, and rolled registration and management of elections into 'Well-run elections and referendums, supported by an effective registration process' (the other being 'Transparency and integrity of Party election finance'). In preparing the Corporate Plan staff had aimed to act on the decisions taken and views expressed at Board meetings and in Reference groups, and accurately reflect the priorities and approach to the future that had emerged over the past few months.
 - 8.4 The Board supported the two objectives, which accurately and succinctly embodied the Commission's work.
 - 8.5 Points were made in relation to the following:
 - There should be key performance indicators (KPIs) which enabled all staff to see where their work fitted in to the objectives, and to feel engaged
 - KPIs should have outcome-based qualitative measures, even though such measurement might well take place over longer periods
 - The difference between the terms 'United Kingdom', and 'Great Britain' was not always self-evident and should be explained, and include greater emphasis on the Commission's role as a UK-wide body
 - Greater clarity required between where the Commission was 'leading' or 'supporting' – with greater emphasis on the Commission's influencing and leadership role
 - References to referendums to be carefully checked to ensure that they are as 'future-proof' as possible, and at least consistent with latest knowledge
 - Para 6.1.3 (referendums) – drafting issues regarding who sets the framework in Wales, and 'National Assembly of Wales Government'
 - 8.6 PW briefly set out the process for submitting the plans and budgets to the Speaker's Committee, the period for review by the House of Commons Scrutiny Unit and the Treasury, and the likely date for a

Speaker's Committee – mid to late November – at which JW and MC would be present. JW would meet the Speaker in the week beginning 28 September and looked forward to getting a better impression of how the Speaker saw the Commission's role. She undertook to brief Commissioners.

- 8.7 With regard to the Local Government Boundary Commission for England's Plan, MC welcomed the views of Commission Board, especially on KPIs. He thought the best KPI would be a post-review or post-election question to test whether people had liked the practical effect of a boundary review.
- 8.8 Moving then to the question of the resources required for each of the Plans, CH presented her additional analysis on funding. PW said that careful consideration had been given to the sorts of reductions that could be required in the future, and how they might be achieved. The further implications of a change in administration would be looked into at the Commission Board event in October.
- 8.9 Discussion touched on the budget reductions of the last few years, the impact of further incremental reductions, and the point at which it would be judged that an irreducible minimum had been reached. Regarding planned savings, a request was made to know when research on Northern Ireland – which had been deemed not to be an immediate priority in 2010/11 - would be factored back in. Regarding savings both planned and suggested but not recommended, a query was raised about the wisdom of making relatively small but easy savings which might have a disproportionately negative impact on morale compared to potentially more significant changes over a longer period of time.
- 8.10 PW pointed out that more was being delivered in terms of profile and impact, for less money, than had been the case several years ago. There had been a cash-flat budget since 2007, equating to a substantial reduction in real terms. The savings implemented to date had been those that were relatively straightforward to implement. Additional options were being examined for 2011-12 and beyond and would be brought back before Commissioners.
- 8.11 Commission Board agreed that the Executive Team should be considering both alternative ways of achieving the Commission's fundamental objectives and how to use the resources available to the Commission more efficiently and effectively; and that the Board would want to give a steer on key priorities within which Executive Team should conduct their review of further savings options.
- 8.12 JW said that she would report back to the Commissioners after the Speaker's Committee.

Agreed: That:

- (a) the Electoral Commission's draft Corporate Plan 2010/11 – 2014/15, attached at Appendix A of the report, be approved for submission to the Speaker's Committee by the end of September 2009, together with its associated funding plan set out in the circulated presentation;
- (b) the Electoral Commission approved the Boundary Committee for England's draft Corporate Plan 2010/11-2014/15 and funding plan for submission to the Speaker's Committee, subject to any further changes agreed by the Boundary Committee at its meeting on 30 September 2009 being agreed with the Chief Executive; and
- (c) the Chair brief Commissioners on the outcome of her meeting the following week with the Speaker.

9. Commissioners' Performance Objectives (EC81/09)

- 9.1 JW encouraged as wide a dissemination of these objectives as possible, to aid in general understanding of Commissioners' roles.

Agreed: That the performance objectives, and their relation to the Commission's strategic objectives, be noted.

10. Performance, Risk and Finance Report 2009/10 – Quarter 1 (EC82/09)

- 10.1 CE introduced the report, and added that while this quarter's report, which covered the period to 30 June 2009, was by now quite old, Commissioners would in future be sent the up-to-date reports as they were produced.
- 10.2 There was general appreciation for the new style and approach of reporting, which was considered to be clearer and more coherent.
- 10.3 Questions were asked about:
- why there were no green risks on the strategic risk register
 - what constituted a strategic risk as opposed to an operational risk
 - how risk was weighted to take into account the degree of control or influence the Commission could bring to bear in managing the risk
 - what the mitigations were behind the red risks.
- 10.4 PW explained that strategic risks were generally those which were bigger than a single directorate, or external to the Commission, or mainly in one directorate but where the impact of it going wrong would be considerable. The strategic risk register had only been operational for six months. Based on the brief discussion on risk he thought more information on them could usefully be included in the future – it was easily available.

Agreed: That the quarter one performance, risk and finance information for April to June 2009 be noted.

11. Chair's Report (EC83/09)

11.1 In relation to her meeting on 16 July with a delegation from the Joseph Rowntree Charitable Trust, JW commented that they were a significant funder in the area of democratic research.

11.2 Regarding her meeting with Sir Christopher Kelly on 15 September, she hoped that it had helped underline the Commission's role in regulation as very separate from the sort needed to oversee MPs' expenses.

Noted

12. Draft Minutes of the Audit Committee 1 July 2009 (EC84/09)

12.1 JW noted that in view of a general move among similar public bodies towards independent chairs of Audit Committees, PW would include proposals on this in the annual review of the Commission's governance framework due to take place at the December Commission Board meeting.

Agreed: That the draft minutes of the Audit Committee meeting on 1 July 2009 be noted.

13. Minutes of the Boundary Committee meetings of 15 June, 22 June, 9 July, 10 July and 29 July 2009 (EC85/09, EC86/09, EC87/09, EC88/09 and EC89/09)

Agreed: That the minutes of the Boundary Committee meetings of 15 June, 22 June, 9 July, 10 July and 29 July be noted.

The meeting ended at 12.45 pm.

Chair