

Speaker's Committee on the Electoral Commission

Oral evidence: Main Estimates for the Electoral Commission & Local Government Boundary Commission for England

Monday 18 March 2019

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Members present: Sir Bernard Jenkin (Chair); Kirsty Blackman; Gloria De Piero; Andrea Jenkyns; Bridget Phillipson.

Questions 1-45

Witnesses

I: Sir John Holmes, Chair of the Electoral Commission; Bob Posner, acting chief executive, Electoral Commission; and Kieran Rix, director of finance, Electoral Commission.

II: Professor Colin Mellors, Chair, Local Government Boundary Commission for England; and Jolyon Jackson, Chief Executive, Local Government Boundary Commission for England.

Examination of witnesses

Witnesses: Sir John Holmes, Chair of the Electoral Commission; Bob Posner, acting chief executive, Electoral Commission; and Kieran Rix, director of finance, Electoral Commission, gave evidence.

Chair: I welcome our witnesses to this meeting of the Speaker's Committee on the Electoral Commission. I apologise on behalf of Mr Speaker that he is detained in the Chamber. He has asked me to serve in his place, which I am doing with the approval of the Committee.

Today, we are scrutinising the main estimates of the Electoral Commission and the Local Government Boundary Commission for England. Our first panel is from the Electoral Commission. Will each of our witnesses identify themselves for the record, please?

Sir John Holmes: I am chair of the Electoral Commission.

Bob Posner: I am interim chief executive.

Kieran Rix: I am finance and corporate services director.

Q1 **Chair:** Thank you very much for being with us. We are looking at your estimates; we are not going to scrutinise very widely, but we want to understand the purpose of your estimates. The Electoral Commission has identified significant areas of investment compared with its previous plans, including half a million pounds to strengthen internal, regulatory and legal teams and for new IT systems. The suggestion is that that creates an increase in the level of Electoral Commission spending but it is then broadly flat. First, will you explain in a little more detail what that is for, and why you are confident that similar increases will not be required in future?

Sir John Holmes: Do you mind if I make a couple of points of introduction to set the context? Bob might do the same. Then of course we are happy to answer your questions.

Chair: Okay, but—

Sir John Holmes: We will be brief. The first thing to say is that the Electoral Commission is facing multiple challenges, and those challenges have obviously been made more complicated by the rapid advance of digital technology, which affects political life as much as anything else. We have decided that, as we implement our five-year corporate plan, which the Committee agreed last year, we need to adapt our plans for next year in a measured but significant way, both to fulfil our basic remit and to contribute to the change that we think is necessary.

By way of context, we have had seven years of budgets that have risen by less than the level of inflation. The investment that we are proposing this time—Bob will say a little more about that—is to ensure that we remain fully fit for purpose in three key areas: first, to keep pace with digital

developments, because we think that electoral law and practice need to remain effective in a fast-moving context; secondly, to enable better regulatory compliance, because we want to help everyone understand the rules and to make compliance easier for parties and campaigners; and, thirdly, to respond to the new priorities of Governments and legislatures in the UK—for example, canvass reform across the UK, or new Scottish and Welsh electoral legislation.

I want to confirm to you that I and the rest of the Commission board have been closely involved in the development of the proposals to ensure that, on the one hand, we are properly resourced to help campaigners and voters alike in this digital world and, on the other hand, that we are also suitably prudent in the use of public money, which is why I commend the draft budget to the Committee.

Q2 Chair: Is the extra £0.5 million to strengthen internal, regulatory and legal teams and for new IT systems a one-off increase, and will spending then be flat? How can you be confident that you will not need further increases in order to cover more of the same in future?

Sir John Holmes: Perhaps I will start off, and then pass over to Bob. Obviously, we cannot be 100% certain. We do not know what is going to happen in one or two years' time, but the plan is that we are investing now to increase our own digital resources and tools, and to give us a few more key staff in some key areas to make sure that we can address these future challenges. We are confident that with those—again, depending on whatever developments there might be in the real world—we can then keep our budget, as we have done in previous years, to a less than an inflation increase. Bob, do you want to add to that?

Bob Posner: We can be confident—says I, confidently. Our budget is obviously based on scheduled polls. That is how it is structured together, and it is an increase of £1.77 million—roughly 10%. When one takes out the mandatory pension increases across the public sector it comes down to about 7.3%. If you look at the corporate plan over the five years, our trajectory remains in line with inflation and with the Government's Budget of last year, which is that aggregate day-to-day spending outside the NHS remains steady. We are within all those parameters still.

The half a million pounds, to be very specific about it, is very much about investment in digital technology and in certain new staff with the right skills. The digital technology is introducing systems that will benefit political parties, campaigners, voters and everyone, and it should have efficiencies. It is about investment in the online political finance system, so there is smoother and clearer reporting. Transparency is so important these days for digital campaigning—that people understand what is being spent by political parties and campaigners. It is investment in digital guidance. Currently, our guidance is in rather traditional, self-contained documents, but by digitising it all it will be online, it will cross-refer and it will be accessible.



The third strand to that is investing in, as it were, our shop-window website pages. At the moment, the information is all there, but it is not easy to navigate around. The third strand is that that will all tie in with the other two systems in order to get on to our website, and get straight to the information, search and availability. The three nicely tie together, and we are working really closely with political parties on that so that they get benefits as well, as will the electoral administration community. It is a strategy that invests upfront.

The other half of it is some staff. That is focused in the regulatory field. There are one or two other staff, but basically it is staff around investigators and lawyers. It is about strengthening those functions as we move forward. Once we invest in that, we will have increased our resources, and it will make us a more responsible organisation. I can talk a bit more about that if you want.

- Q3 **Chair:** In terms of your legal teams and their expenses, you have recently concluded some prosecutions that involved the attempt to prosecute a Member of Parliament for electoral fraud, which failed. What lessons have you learned from that, and what measures will you take to ensure better value for money, in terms of what you spend your money on in future?

Bob Posner: We did not prosecute—let's be clear. Our role was on the political party finances, and we found that the spending return was wrong. The police and the CPS took forward the prosecution. It is our job, when they take forward matters, to support them in their work, and we provide information to them, but it was not our prosecution. We agree that they were right to prosecute, and there was someone convicted, although I appreciate that for the other two defendants it was not easy. I have huge empathy with the other two defendants, but someone was convicted for what happened in that case in South Thanet.

- Q4 **Chair:** What lessons do you learn from this particular episode?

Bob Posner: What we would say is that we have made a number of recommendations. One of the things that has struck us for a quite a while is that for political parties we have a system of civil sanctions. That means that if someone gets something wrong they are not hauled through the criminal courts unless it is really serious. For candidates and for agents, that does not exist. There is the cliff face of having to take them through the criminal courts. There is no civil sanctions regime.

One of our recommendations—it is a matter for Parliament—is that one could extend the civil sanctions regime to candidates. Where you get candidate returns that are not quite right, maybe that needs to be pointed out and maybe there needs to be a fine of a reasonable size. That is very different from hauling people through the criminal courts, unless they have done something very seriously wrong. That is one of our key recommendations.

- Q5 **Chair:** When you bring in further expertise, what assessment have you made of the likelihood that further issues are going to be uncovered requiring further resource, and increased staffing to deal with those

further issues?

Sir John Holmes: As a general point, it is worth saying that we are not anticipating more investigations and more sanctions necessarily. That depends on what happens in the real world, of course, and what electoral events there are. What we are trying to do, having gone through a period of investigations and sanctions in some cases, is more proactively to go out to the parties and other campaigners to ensure that they understand how they can best comply. We can help them to do that so that we are not faced with those kinds of things. The kinds of resources we are investing in will help us to do precisely that. They have a dual function: they would have investigatory responsibility if necessary, but they would also try to make sure that does not happen.

Q6 **Andrea Jenkyns:** In the letter to the Committee, the Electoral Commission suggested that it had budget savings of 4.2% of the core pay bill through team efficiencies. How long does the Electoral Commission believe that is sustainable? I know we had a similar conversation last year.

Bob Posner: This is something we have built into our budget in recent years as part of efficiencies across the public sector. We have achieved it so far. It seems sensible to us: if one sets that internal target and sets the budgets without that funding, it really makes people pay attention and achieve that. We have been successful so far. At the moment I see no reason why we do not carry on doing that. It seems a really good way to drive efficiency in the organisation.

Kieran Rix: We used to say that that had to be met from staffing budgets, but that created some incentive to leave posts vacant. We have opened that up to more general efficiencies, so that budget commissioners can read it however they like. That increases the ability for people to meet it by trading different budget lines off against each other. We are seeing that starting to happen in practice.

Q7 **Andrea Jenkyns:** There is a contingency budget for European Parliament elections, but no contingency budget for any general election or referendum due to the different legal standing of those events. Although there is no contingency budget, is the Electoral Commission undertaking any contingency planning for unexpected events?

Sir John Holmes: The reason we put a contingency budget in for the European Parliament elections is they are legally scheduled until the legislation that makes sure we leave is through. That is why we put that in the budget. We do not have budgetary provision as such for genuinely unscheduled electoral events. We are always planning in case of unscheduled events, and in case there was an unscheduled general election and an unscheduled second referendum. We are not spending any money on those—we are just making sure internally that we are as well prepared as we can be in case those things happen.

Bob Posner: As an organisation, it is a bit like the 2017 snap general election: we had plans on the shelf, we got them out and we dealt with it.



We constantly revisit those plans. At the moment, we are being a bit more active with everything that is going on, just in case.

Q8 **Chair:** We hear that you have already notified potential participants in the European elections that they might take place. Is that true?

Sir John Holmes: No, what we did was put guidance on the website for parties and campaigners, which would apply if there was a decision by Parliament and Government to have European parliamentary elections, so that it is there. We did not proactively send it out to them. We are not making any assumptions about what happens—that is not our decision. We are simply providing minimal preparations just in case they happen. If the time for them to happen—if they do happen—gets closer, we need to do a little bit more. We have been very careful not to spend money on that unnecessarily.

Q9 **Gloria De Piero:** In the event of that snap general election, which you refer to, the Electoral Commission was able to submit a revised main estimate prior to the event. If an unexpected poll were called after the main estimate had been agreed, would you be able to operate until the supplementary estimate was submitted?

Bob Posner: What we would do immediately is look at the business plan. We would ask what things we have to carry on and what things can we reschedule. Hopefully, that would create a little bit more flexibility in our current funding, but inevitably we would have to come to you, the Speaker's Committee, and say, "Therefore, we need this amount of extra money." We have those plans on the shelf, as it were, if we had to do that.

Kieran Rix: We would probably need to request a supplementary now rather than waiting until close to year end and it doing it in the normal routine.

Q10 **Kirsty Blackman:** Can I just ask a supplementary to that? In the event that there is a snap general election, MPs are no longer MPs, so the Speaker's Committee on the Electoral Commission no longer exists because none of us is here. Do you have things prepared enough that you could bring something forward in very short order should there be a snap general election?

Bob Posner: That is exactly what we do, yes.

Q11 **Gloria De Piero:** Moving on, the cost of elections of police and crime commissioners is £0.764 million. The cost of local elections is £0.679 million. Why is the cost of running police elections next year higher than for locals?

Bob Posner: That line in our budget is misleading. They have not gone up.

Chair: I am sure it is not.



Bob Posner: I will try to explain why. Effectively, one has a number of polls—elections—on certain days, and we run one campaign. Where there are multiple elections—local elections, mayoral elections or whatever—on one day, we run one campaign; we do not run separate campaigns. If you look at 2016, when there were European elections last, there were also Scottish Parliament elections, Welsh Assembly elections and local elections. We ran one campaign, and it was about £3.56 million in total. That was across two years, because it goes across the end of a financial year into a new year. If you look at 2020, again, it is a similar scenario—it goes across two years. There are fewer elections—there are locals, there are elections in London and there are the PCCs—and over the two years it would actually cost about £1.5 million. So I think the description in that budget line is very misleading. It is fair to say we are a bit embarrassed about that.

Kieran Rix: Yes, it is the budget for the local, the police and crime commissioner and the other elections happening on the same day. What happened was we picked the description up from our planning system and put it in the document without thinking. It is actually all the local elections. We will correct that from the draft to the final plan.

Q12 **Bridget Phillipson:** You mentioned that you are increasing spending on guidance for the political finance system to make sure that it can be more easily updated in future. Have enough of the previous violations been due to genuine misunderstandings as opposed to intentional acts to warrant that level of investment?

Bob Posner: We have fantastic rules in this country for transparency in political finance, which are something to be really proud of, but it is a complex system. It is our job to make it straightforward for political parties, campaigners and candidates. I do not pretend it is always easy for them. I think there is an element of people doing their best but not quite getting it right sometimes, so we do need to raise our game.

One of the tools for doing that is to have the sorts of systems—digital systems these days—that really help people. Our current platform is not intuitive. These days, when you go on to a system to do returns and all that, it does not let you go on to the next stage until you have done the stage before right, and all those sorts of things. The current platform is 10 years old. The new platform will do all those things we all expect. It will be available and you will be able to look at information on your mobile and other platforms as well, so it will feel very modern and very up to date. This is all being done working closely with the main political parties and campaigners so we produce what people want. That will bring efficiencies not only for us—a lot of people are unnecessarily chasing a lot of paper and so forth—but for the main political parties and campaigners. We are really hoping it will be win-win for everyone.

Sir John Holmes: It is worth adding that we also have codes of practice for some of these key things, especially where there are difficulties of clarity between candidate and party spending, which also involves other kinds of spending, such as digital spending, where the categories have

been unclear. They will have to be agreed by Parliament, and that process of consultation is going on. All that will help to clarify the guidance we give, as well as increasing the number of examples we give of where the areas are difficult.

Q13 **Chair:** How much would clarification of the law help you contain the costs of all this?

Bob Posner: It clearly would. I think everyone would agree that clarification—well, you say clarification of the law. I think there is a danger in picking out just one part of very complex legislation and trying to amend it. There is always the risk of unintended consequences in what is a very complex system. If one wanted to look at the whole thing, or whole parts of it, in the whole, one could sensibly amend and clarify, but I do not underestimate that. It is not an easy thing. It would need to be done carefully and thoroughly if there were not to be unintended consequences.

Sir John Holmes: We welcome the review that the Public Administration and Constitutional Affairs Committee is going to be doing into this.

Chair: I should have declared a conflict of interest.

Q14 **Gloria De Piero:** You talked a bit in your introductions about digital campaigning. I just wonder whether you have anything to add about how your priorities and budget for this year have been influenced by the report on digital campaigning.

Bob Posner: It has informed us. We published our report on digital campaigning in June last year, and clearly there have been a lot of other reports and recommendations, from the DCMS Select Committee and all sorts of other people. Those have informed our approach. We are very proactive at the moment—we have been for some while—in talking to social media platforms and Government Departments, working really closely with the Information Commissioner, and internationally reaching out to what other countries are doing as well. A lot of work is going on. A driver for the budget, and partly why the cost has gone up slightly, is definitely responding to that agenda. We do not pretend that we have all the answers, but we do think we can contribute and help.

Q15 **Kirsty Blackman:** I want to ask about disinformation in a moment, but first, on the changes that you are making in relation to the IT provision that you have internally and externally for people to access, will it work, will it be on time, and will it be on budget? You can just say yes and that is fine.

Sir John Holmes: Yes.

Kirsty Blackman: Grand. I just wanted to get that on the record.

Sir John Holmes: These are not massive one-off IT projects. They are using off-the-shelf products and they are incremental changes, so we are confident that they will be on time and on budget, and that they will work. Is that right, Kieran?

Kieran Rix: Yes.

Kirsty Blackman: As I said, I just wanted to get that on the record. In relation to disinformation, we had the DCMS Committee report on disinformation that specifically said that, "Electoral law is not fit for purpose". Does that have any implications for the work that you are doing?

Sir John Holmes: We strongly agree that electoral law is not fit for purpose; we have been saying that for quite a long time. The Law Commission, of course, produced recommendations, in 2016 I think, on changing, refining and consolidating electoral law, and we hope that those recommendations will be taken forward when there is parliamentary time. Some elements were not covered by that, which are particularly about the financial side of reporting, and candidate and party reporting, which also need looking at, so we are in favour of a very serious look at legal reform. Bob, you are the expert on this.

Bob Posner: Yes, there are a number of recommendations that we would make to Government Departments, and we do not pretend that they have to agree with every recommendation or anything like that. It would be disappointing, as we come up to more and more major tests of elections, if some of those things had not happened and were not put in place, otherwise we will be faced with the same difficulties as everyone—the same concerns will just keep repeating themselves, which would not be a good thing. We think the time has come. It is difficult—the time is difficult and the energy is difficult to do electoral law reform—but we think something needs to happen.

Q16 **Chair:** Turning to your staff engagement survey, we had your 2017-18 survey in March last year when you came before us. I do not think we have your staff survey now. Have you actually published one?

Bob Posner: You had it last year because it was part of a National Audit Office value-for-money report on us. They did a helpful headline page, which you had, which was excellent. We do not normally publish that, because it is personal data—what you had was headline data in the NAO report—but there is no reason why we cannot do something like that again at that headline level, which would not cut across personal data.

What we have done since then is, obviously, a survey at the end of 2018 as well. We are just looking at the results of that. We have a pretty good picture of the direction of travel of what we have been doing in the year between that last survey and where we are now. Most of the indicators are good, because most of them are going in the right direction by percentage points—the direction that you would want them to go in. I can give you more detail if you want. Like all these things, however, it would not be worth doing if there were not things to improve on. There are always one or two things that we need to address and improve on as well, but we are looking at that currently.

Q17 **Chair:** Last year, you showed a decline from 71% to 68% in your overall

performance. Can you give us an indication of what your performance is in your new survey?

Bob Posner: That is the overall engagement score I think.

Chair: Yes.

Bob Posner: The overall engagement score—I am being slightly cautious, because these are not the final figures—is around 65%, which is still slightly less, but it is still well above average for the civil service. We have been asking ourselves why that is. We have a theory that when that high figure was done, going back two years now, it was a particular time when there was a lot happening and people were working in one direction, as it were—there was one thing to do with the referendum and so forth.

Actually, we are seeing really good direction around the staff: staff opportunities to contribute to views has gone up by four percentage points; confidence in senior leadership has gone up by three percentage points; confidence in the commission board has gone up by four percentage points; and people wanting to say that they are proud to work at the Commission has gone up by two percentage points. We have lots of indicators that are going upwards, although we are still struggling to hit the peak that we hit a number of years ago.

Q18 **Chair:** Which ones are going downwards?

Bob Posner: When we ask people about motivation in their job, we have gone down four percentage points. People are feeling very busy in the Commission. They are feeling a lot of pressure, and that could be a factor. I am not going to pretend for one moment that we have cracked or solved completely people's concerns about bullying and harassment. Again, compared to the wider public sector, it is a low percentage, but we still have a concern about that in the Commission. Things have gone in the right direction, but it still there and we should have zero tolerance for bullying and harassment.

Q19 **Chair:** What are the principal factors that have depressed your overall engagement score?

Bob Posner: I think we have to theorise about that partly—I can't give you an absolute answer. It is a time of uncertainty and pressure. It is a time when the Commission is in the news a lot; some is good, and some is critical. Working at the Commission is quite demanding at the moment.

Sir John Holmes: I think there is a point about 2017, which was a time of restructuring staff of the Commission to different directorates. People were moving around, and of course that produced a certain amount of dissatisfaction compared with 2016, which as Bob says was a peak year of activity. For 2017 that is probably the explanation; in 2018 we were in a more stable implementation phase, and the numbers went up accordingly, but obviously not as high as we would like.

Q20 **Chair:** Why does the Electoral Commission not participate in the civil service scheme? Why is it better value for money to have your own staff



survey, as opposed to being part of the civil service survey?

Bob Posner: I am not necessarily against that in principle, but there is always the underlying factor of us being independent from government, and separate, so we always try to do things separately. It is an interesting thought.

Kieran Rix: I do not know if it applies to this specific point, but we have had difficulties in the past getting into civil service things, because we are not part of the civil service. That's certainly been the explanation for other things that I have come across in my year—the Government keeps them to the civil service very deliberately.

Sir John Holmes: It mirrors very much what the civil service ask; I think it is basically the same survey.

Q21 **Chair:** Do you use the same company?

Bob Posner: I don't know offhand.

Q22 **Chair:** Last year you indicated that the Electoral Commission business model was changing so that it had more core, central staff with experience and therefore reduced churn. How well are you achieving that?

Kieran Rix: Our turnover statistics have come down very slightly, but it is a rolling year, so we are just starting to see some of the high turnover. Some of the fresh data from the last quarter of the last financial year is just starting to drop out as it is a year old. It is a little bit too early to see that big spike drop out of the data. There is some evidence to suggest that it is improving, but we will need to run it for another quarter to be sure.

Sir John Holmes: But there is a second answer, which is that we are trying to rely less on fixed-term contracts and temporary staff, and more on permanent staff who are easily redeployable between things, depending on how events work. That is one of the things we are doing. I am not sure that I have a statistic to illustrate it.

Bob Posner: Our working assumption now is that we employ staff permanently unless there is a very good business case as to why we would appoint someone temporarily. Sometimes there is a clearly such a case, such as where there are temporary electoral events, but there really has to be a good business case. That is a clear change from where we were previously, when there was a certain caution. We were taking some people on temporary contracts in a very cautious way and not adding to the core staff. Where we are currently is that we feel we know our core business and we know we can take on certain staff who we will want longer term.

Q23 **Chair:** Could I ask you to undertake to put information about your staff survey and staff churn into your annual report, so that when we review your annual report we will be properly informed and able to scrutinise it?

Kieran Rix: The board has already asked for that.

Chair: Great minds think along the same lines.



HOUSE OF COMMONS

Are there any further questions? In that case thank you very much indeed for coming here.

Examination of witnesses

Witnesses: Professor Colin Mellors, Chair, Local Government Boundary Commission for England; and Jolyon Jackson, Chief Executive, Local Government Boundary Commission for England gave evidence.

Q24 **Chair:** Welcome to our two new witnesses from the Local Government Boundary Commission for England. Could you each kindly identify yourself for the record please?

Professor Mellors: I am the chair of the Local Government Boundary Commission for England.

Jolyon Jackson: I am the chief executive.

Q25 **Chair:** Thank you for being with us this afternoon. Do you wish to make any opening comment? You do not have to.

Professor Mellors: I will do if you want, but I am conscious of your time.

Q26 **Chair:** We will bash on then. Your corporate plan explains that the additional £55,000 in the budget for staff and commissioners this year is to cover the higher employer pension contributions required of the organisation, which other bodies are having paid directly by the Treasury. The £13,000 appears to fall within the ring-fenced depreciation budget. Can you explain what the additional depreciation budget is for? I think there are two questions in there. Why is the Treasury paying other people's pension shortfalls but not yours?

Jolyon Jackson: Because you give us our funding, so they do not give it to us directly—they give it to Departments. They give funding with the permission of the Speaker's Committee. The Electoral Commission also put a provision on their budget.

Q27 **Chair:** And £13,000 appears to fall into the ring-fenced depreciation budget. Can you explain what the additional depreciation budget is for?

Jolyon Jackson: Yes, that depreciation is depreciation of capital, and because we made a supplementary estimate this year to move some revenue into capital because we moved buildings, the depreciation goes up. Then it falls away again and falls back.

Q28 **Chair:** What items are now in the balance sheet as capital that were not previously?

Jolyon Jackson: In our supplementary estimate, we had to refurbish the building we went into.

Q29 **Chair:** So you capitalised the refurbishment?

Jolyon Jackson: We capitalised the refurbishment.

Q30 **Chair:** And therefore you—right, okay.

Jolyon Jackson: Correct.



Q31 **Chair:** So it does not make any difference to your cash requirement?

Jolyon Jackson: No.

Q32 **Chair:** Your funding profile suggests that you are expecting business costs and services to increase in the next two years before stabilising again. Can you explain that profile and why costs cannot be contained in the immediate future?

Jolyon Jackson: The real difficulty with our budget, which I think we have been talking about for five years, is that we reduced for five years on the trot, we have flatlined for the last three years and we are very near the bottom of the barrel. We have made a lot of efficiencies; we have given money back each year, which we are quite proud to do. There are 21 of us, so we are very tight on personnel, and there are six commissioners. We have very few areas where we can obviously look for further efficiencies or savings.

Q33 **Chair:** What is the extra money actually going to be spent on?

Jolyon Jackson: The extra money is inflation costs; it is change of contracts in the business costs and services.

Q34 **Chair:** Facilities services and things like that?

Jolyon Jackson: Yes.

Professor Mellors: The headline figure for the Commission since it was formed in 2010 is that our budget has gone down by 25% in cash terms and about 40% in real terms. What we are really pleased about is that while the unit costs for a review vary very much between a big county and a small district, the average cost has gone down by about 58%. At the same time, we think their robustness is just the same. As with other organisations, we will continue to try to press for efficiencies, particularly in terms of IT, some aspects of which we will bring back in-house, and with the use of SharePoint, but it gets ever harder to achieve that. We are very concerned that we do not do anything that will reduce the robustness of what we do. The nature of our business is very labour-intensive, so one thing we are doing is trying harder and harder to get more people to feed into our reviews. Inevitably that probably intrinsically increases the labour cost, but we think it is worth doing.

Q35 **Chair:** Thank you. The Commission has come in under budget in the past few years, as you indicated, due to staff turnover and delays in appointing new commissioners, principally. You expect to be spending the entire budget again from this year. Were there any cost-saving lessons from the experience of those previous years?

Jolyon Jackson: In cost-saving terms for staffing, I think we are as low as we can get. We have staff turnover. We have two posts that we specifically select graduate, first job people for, because we believe that people need a start. We are not terribly resilient. We have quite a few single points of failure, because there are only 21 of us doing reviews and the governance. It is a very difficult balance.

Professor Mellors: The scale of the operation does make this quite difficult. By the nature of the job, it is the sort of job that you would do for a period of time, and then—we think this is very good—our employees springboard into some very impressive jobs. It is a flat organisation, so the prospects within the organisation are limited. When people go, half of you feels really rather sad at losing some very talented people, but half of you feels—as you should do as a good employer—pleased that they are springing into other good jobs. Churn and resilience are an issue for us.

Q36 **Andrea Jenkyns:** Your organisation was under judicial review last year and is now including provisions against future costs. Can you explain what happened and why you think only budgeting for two such incidents is adequate?

Professor Mellors: Can I deal with that in two halves—why it happened and then why we think that figure is appropriate? Interestingly, the barrister who advised us—I should say that we won unambiguously and comprehensively at the first possible stage—made two comments about the case. One, he was a little surprised that we did not have more challenges, given the nature of what we do, and secondly, he was rather complimentary about the rigour with which we do it. In essence, the complaint was someone who wished to substitute their boundary divisions for the ones we came up with. Had we lost, not only would it have been difficult in that particular case, but actually it could have undermined the whole basis of our impartiality, where we use our judgment, draw on the evidence and synthesise it to come up with a reasoned, balanced and reasonable conclusion.

In this case, a particular individual—a particular councillor—did not wish to go with our recommendation, so took up the review. I do not want us to spend any of that money, but it seems prudent to have it, and Jolyon will explain why the figure comes about. One of the other things we have done is look at our own internal guidance for how we deal with grievances. Ideally, we want to stop them getting to that stage for everyone's sake, including the person bringing the case.

Jolyon Jackson: We picked two. We had not had one in 10 years. I suppose it could be like London buses and three could come along. We went for two, conscious of the fact that it is only provision and we will not draw on it if we do not have any judicial reviews. If we have two or more that go the full circuit, we would have to come back with a supplementary estimate.

Q37 **Andrea Jenkyns:** Why are you no longer providing the information on average cost per review? Do you have estimates of the current cost?

Jolyon Jackson: That will be in our end-of-year review—our accounts. It is difficult to know how much will be in the main estimate, which is just for one purpose. Our report to the Committee, which is a much fuller document with the NAO Report in it, comes in June or July.

Andrea Jenkyns: June or July.

Q38 **Gloria De Piero:** You changed your key performance indicators in April 2018. Are the indicators proving more informative?

Professor Mellors: We think they are. There is a lot more than we have shared with you, because we did not want you to be bombarded with minutiae and statistics. The main thing about KPIs in this kind of activity is that they often give you meaningful questions to ask yourself, rather than straightforward measures of how you are doing. The fundamental KPI that we have is whether we are doing the reviews we need to do, whether we are completing them on time and to proper requirements and whether they go through Parliament. As with anything else, we continue to review them, and there are some that feel to us to be much more important than others.

One difficult one is always the satisfaction survey of people with whom we deal. We think 80%—the figure that you will see set out—is pretty good, because by definition people tend to complain when they don't get what they want. We have rephrased this on a number of occasions to try to disentangle people's comments on how they are dealt with, the process that we run, and the fairness with which we run it, from the outcome. If people get the outcome they want, that's what they will cast their views on, rather than what it is we are looking for. In fact, some of the most useful material that we get is the qualitative responses rather than quantitative ones.

Q39 **Chair:** I was going to ask about this. You publish these KPIs, but we don't really know what good looks like. I remember that last time you gave evidence, you attached great importance to them. You said, "There will be some orange and even some red signs," but I don't sense from the information that we have that there are orange or red signs against these KPIs. What are the targets?

Professor Mellors: Each of these KPIs—I have forgotten what the target is. It's about 70—

Jolyon Jackson: It's about 76% on this KPI—on satisfaction levels.

Professor Mellors: Which is often a linear one—seeing where you are. We are trying to improve it year on year. It's very difficult to define what satisfaction is. Ideally, satisfaction would be 100%, but we are never going to achieve that, so we are looking for linear improvement. But there is a difference, we think, between using it as a benchmark to see where we are going and the absolute "Have we made where we would want to be?"

Q40 **Chair:** It's something that perhaps you could flesh out in your annual report, so that the information has more meaning for us.

Professor Mellors: Sure.

Q41 **Chair:** It is not that we are wanting to hold you to hard targets to punish or reward you on that, but just so that we understand the quality of what you are doing.

Jolyon Jackson: So that you can see the direction of travel.



Q42 Chair: Indeed. Let me go back to your planned reviews. Each year, what you do seems to change quite dramatically. In 2018-19, there was a very much larger quantity of reviews than there are in 2019-20, for example, and they were very different types of review; there are more intervention reviews in '19-20. How does that affect your costs, and how do you plan for that?

Professor Mellors: I will let Jolyon answer on the cost. In terms of the reason why that happens, to some extent it is planned; to some extent we are the recipients of other people's requests. Increasingly, local authorities are coming to us because they want to change some aspect of their governance that requires them to have an electoral review. My own view is that we will never turn their request down where they have a good reason for doing it and where they have the capacity to do it; I think that would be negligent of us. We need to allow room for that. Over the last year—I am sorry the Minister is not here—we have worked very closely with CLG to try to support the aspirations of five local authorities, new local authorities: mergers in the case of a couple of pairings in Suffolk and one in Somerset, and the new unitary authorities in Dorset. So we made room for those to come along.

The legislation requires us to do reviews from time to time. Helpfully, it does not define what time to time means. We think it means about every three or four electoral cycles. But we prioritise those where there is blatant inequality because new developments have taken place; we put our emphasis on those. That does have implications for how we plan our arrangements. I don't know whether Jolyon wants to say something here.

Jolyon Jackson: Most of the cost is in the staffing time. The CLG reviews were done using exactly the same process, but we managed to do them a bit quicker, so it all sort of pans out. The real difficulty with last year is that the staff were working incredibly hard because we were doing more reviews and we can't sustain that pace with the staff we have.

Q43 Chair: I am looking at the bar chart that appeared in your corporate plan. That is just indicative, really.

Jolyon Jackson: Sorry?

Chair: The further ahead you go, it's a more indicative forecast.

Jolyon Jackson: Yes.

Q44 Chair: Because you don't actually know what you are going to have to do in each year.

Jolyon Jackson: The plan is that we start 25 each year, for which the Commission will decide, a year before, the balance of intervention, request and anything else—the type of review that it will do. Providing all reviews march on exactly the same schedule, we will finish 25, although sometimes we go for further limited consultation or we take longer in some bits, and we have to go back to councils to talk, in which case, they stretch.



Q45 **Chair:** How helpful is it to measure how many reviews you are doing as a measure of your performance?

Jolyon Jackson: That is a very good question. We have agreed with this Committee to do 25 a year. That is what we are delivering at the moment. We have over-delivered this year, but we believe that 25 is sustainable.

Professor Mellors: It is quite difficult, because they don't fall neatly into financial years. At any time, we probably have about 50 reviews going on in the office. As Jolyon says, some of the more complicated ones will run into an extra phase, and we will need to do some extra consultation as a requirement. The one thing I am keen that we do not do is say "No" to a local authority that wants to come along—particularly for some of the small authorities it is quite an important task—nor will we say "No" to a local authority wishing to drive some locally led reorganisation. That is why we accommodated those five last year, which puts some extra stretch on us. I think we did them in a way that was consistent with the rigour that we would apply to any review, but it was able to be done over a shorter period, because legally we cannot get involved until the order has been passed in Parliament to create a new authority.

Chair: Thank you very much. I do not think there are any further questions. Please thank your staff for the work that they do. I use this opportunity to record my thanks to the Electoral Commission and their staff, which I failed to do at the end of that session. We appreciate the extremely important work that you do to keep the wheels of democracy turning—whatever we are doing in here.

Professor Mellors: Thank you for your time, courtesy, wise counsel and good ideas.

Chair: Thank you very much indeed.