

House of Commons

Political and Constitutional
Reform Committee

# Fixed-term Parliaments: the final year of a Parliament

Thirteenth Report of Session 2013–14



## House of Commons Political and Constitutional Reform Committee

## Fixed-term Parliaments: the final year of a Parliament

## **Thirteenth Report of Session 2013–14**

Report, together with formal minutes relating to the report

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#### The Political and Constitutional Reform Committee

The Political and Constitutional Reform Committee is appointed by the House of Commons to consider political and constitutional reform.

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## Summary

Following the passage of the Fixed-term Parliaments Act 2011, the date of the next general election has been fixed by statute for 7 May 2015. This means that for the first time ever, as the final year of the Parliament approaches, the date of the next general election is reasonably certain.

Greater certainty about the date of the next general election has created a unique opportunity to consider how best this final year can be spent, and we have heard that there is scope both to enhance the quality of public policy debate, and also to better prepare for the next Parliament.

#### Our key recommendations are:

- That this final year be used by the Government, Parliament and political parties to consider some of the long-term issues that will need to be addressed in the next Parliament. We have set out how this could be achieved.
- That, in light of greater certainty about the date of the next election, arrangements for pre-election contacts between the Civil Service and Opposition be formalised. We believe these contacts should be authorised automatically in the final year of a Parliament, and that the Cabinet Manual should be updated to that effect.
- That parties work to develop a consensus, before the next general election, on how party policy could most effectively be costed ahead of future general elections. This would improve both policy formation and debate ahead of a general election.

Achieving this will require active engagement from the Government, parliamentarians and political parties, and we hope they will all appreciate the potential for a constructive year ahead of the next general election, and support our recommendations.

### Introduction

#### Fixed-term Parliaments Act 2011

1. Following the 2010 general election, the Coalition's programme for government pledged to establish five-year fixed-term Parliaments, as part of its commitment to political reform.1 Explaining the reasons behind legislating for fixed-term Parliaments, the Government's written evidence states:

The introduction of Fixed-term Parliaments was intended to improve certainty and stability in Government, and to increase the fairness of the electoral process by removing the Prime Minister's ability to determine the date of poll.<sup>2</sup>

- 2. The Fixed-term Parliaments Act 2011 came into force in September 2011 and provides for the next general election to be on 7 May 2015, with subsequent general elections to be held on the first Thursday in May every five years. There are two provisions that trigger an election other than at five year intervals. These are:
- a motion of no confidence is passed in Her Majesty's Government by a simple majority and 14 days elapses without the House passing a motion of confidence in Her Majesty's Government, or
- a motion for a general election is agreed by two thirds of the total number of seats in the Commons (currently 434 out of 650) including vacant seats.

The Act makes a number of other provisions, including:

- allowing the Prime Minister to propose delaying the date of the election by up to two months, in which case a draft statutory instrument proposing the delay must be laid before and approved by both Houses, and
- requiring the Prime Minister to make arrangements in 2020 for a Committee to carry out a review of the operations of the Act, and consider making recommendations for amendment or appeal, if appropriate.

#### **Previous work**

3. We previously looked at the impact fixed-term Parliaments would have on Government as part of our larger inquiry into the role and powers of the Prime Minster, and produced a Report in June 2013.3 We concluded that greater certainty about the date of the next election facilitated better planning, but noted that it was too early to provide a

The Coalition: our programme for government, May 2010

Written evidence from the Government [FTF 19]

The role and powers of the Prime Minister: The impact of the Fixed-term Parliaments Act 2011 on Government, Fourth Report of Session 2013-14, 25 July 2013

comprehensive evaluation of the impact of the Fixed-term Parliaments Act 2011. The same is true now. Indeed, Lord O'Donnell, former Cabinet Secretary, told us:

If you are trying to assess how fixed-term Parliaments work, it would be a bit like asking a six-months pregnant woman, "How did the childbirth process go?" We have not had one single fixed-term Parliament yet, so we need that caveat.4

That said, we felt that as we approached the final year of this first fixed-term Parliament, there was an opportunity to consider how the final year of a Parliament—and particularly this Parliament—could best be spent, and it is on that question that we have focused. We have also looked again at the impact of the Fixed-term Parliaments Act 2011 on Government, and considered for the first time how the change has affected the work of Parliament. The full terms of reference are appended to this Report.

#### **Fixed-terms and coalitions**

4. Our previous Report noted that the impact of fixed terms is currently difficult to separate from the impact of coalition government, and that a single-party Government might be better placed to take advantage of greater certainty about the date of the next general election. Lord O'Donnell highlighted that coalition government interacted with fixed-term Parliaments, and conclusions should be made with that caveat.<sup>5</sup> The written evidence from the Government states: "Whilst the first test of the Act on the work of Government has been under a coalition, it will be tested in different ways in the event of a single party government". We have made our conclusions and recommendations in that context.

Q44 [Lord O'Donnell GCB]

Qq 2, 8[Lord O'Donnell GCB]

#### Planning and debate in the final year 2

5. Our evidence has overwhelmingly argued that the greater certainty about the length of a Parliament provided by the Fixed-term Parliaments Act 2011 is a positive development, and in particular has created opportunities for better planning by the Government and Civil Service. When we looked at the effect of fixed-term Parliaments on governmental planning previously, we found that the greater certainty about the date of the next general election did facilitate better strategic, financial and legislative planning by Departments.<sup>6</sup> This has been largely confirmed during our present inquiry. For example, the Government's written evidence states:

Government Departments have already begun to identify the potential benefits to planning afforded by Fixed-term Parliaments [...]. In particular, short and medium term delivery objectives can benefit from the increased certainty afforded by a fixed Parliamentary term. Whilst it is important to recognise that other factors, such as the policy programme of the Government of the day will continue to define Departmental planning and priorities, the fixed Parliamentary term can influence the delivery of that programme.7

Sir Jeremy Heywood, Cabinet Secretary, also reaffirmed our previous evidence that fixedterm Parliaments had been positive for Government and Civil Service planning, stating:

As you know, we think it has definitely brought some stability. It has made it easier to plan, as you said earlier, personnel issues, financial issues, legislative issues. It has definitely brought a lot of advantages, I would argue probably more so in years three and four of the Parliament than year five, but until we have been through the whole five years it will be difficult to give a completely comprehensive assessment. It has definitely led to a net improvement in planning, long term-ism, sequencing, and so on so we definitely support it.8

- 6. Several witnesses made the point that the Fixed-term Parliaments Act 2011 largely removed speculation about when an election might be called, which meant that there was greater scope for at least four years of effective Government. Caroline Slocock, Director of Civil Exchange, told us: "It creates at least four years in which you can get on with the business of government, which must be a good thing."9
- 7. Further to the formal proceedings of the Committee, the Chair, Graham Allen MP, has also met informally with several Permanent Secretaries to discuss the impact of fixed-term Parliaments. In these meetings it was noted that, without the Fixed-term Parliaments Act

Para 20, The role and powers of the Prime Minister: The impact of the Fixed-term Parliaments Act 2011 on Government, Fourth Report of Session 2013–14, 25 July 2013

Written evidence from the Government [FTF 19]

Q180 [Sir Jeremy Heywood]

Q5 [Caroline Slocock]

2011, by the second half of 2013 there would have been uncertainty and speculation about the date of the next general election. This lack of speculation was regarded as a positive development. The opportunities for multi-year planning in light of greater certainty about the length of a Parliament were discussed—amongst the comments made were that the predictability of the policy planning framework had been a powerful change, meaning that Departments could plot out plans for programmes over the full five-year Parliament, and that it was also possible to get better value for money in the context of a five-year planning framework. The fact that legislative planning was more straightforward with fixed-term Parliaments was also discussed

#### Identifying best practice in departmental planning

8. In our previous Report, we stated that we were keen that Departments maximise the benefits arising from greater certainty about the length of a Parliament, and share best practice with one another. We recommended that the impact of the Fixed-term Parliaments Act 2011 on Departmental planning be added as an agenda item for discussion at the meetings of Permanent Secretaries, to provide an opportunity to share best practice. When we asked Sir Jeremy Heywood to what extent this had occurred, he told us:

We do have not particularly frequent but regular discussions. I think the last one was probably last summer and I wrote to you, Mr Chairman, following that. We are probably due to have another one. It is definitely an issue that we are interested in as a set of permanent secretaries. In individual departments, a lot of thought is given to this, but in a sense we are just getting on with the business of supporting the Government rather than spending a lot of time thinking about relatively abstract issues. We are very happy to keep the dialogue going and make sure we are all learning from each other.10

The Government's written evidence also addresses this point, stating:

The Government agrees with the Committee that Departments should continue to be alive to the strategic advantages afforded by the fixed Parliamentary term, and any benefits identified which could have wider application should be shared across Government.

[...]

Further, Permanent Secretaries will meet with the Committee to assist in further thinking around the Committee's current inquiry into the impacts of Fixed-term Parliaments on the final year of a Parliamentary term. 11

9. We welcome the Government's agreement that Departments should be alive to the advantages afforded by fixed-term Parliaments. It is important that these are given active consideration over the coming year, and that lessons learnt are carried forward

<sup>10</sup> Q179 [Sir Jeremy Heywood]

<sup>11</sup> Written evidence from the Government [FTF 19]

to the next Parliament. We also welcome the statement that Permanent Secretaries are willing to meet us to discuss these issues further, and look forward to holding a seminar with Permanent Secretaries so that we can make progress on the recommendations set out in this Report.

#### **Considering long-term issues**

10. There are many issues that require consideration over a longer timeframe than five years, but there is some evidence that the establishment of five-year fixed-term Parliaments could improve the ability of a Government to plan for the long-term. In its response to the Committee's 2010 Report on the Fixed-term Parliaments bill, the Government stated:

A Parliament limited to five years will allow a full four years for action, and the consequences to become clearer, allowing both better accountability, and a stronger incentive to sustainable long-term decision making.<sup>12</sup>

11. Speaking to the Lords Constitution Committee as part of their inquiry into the constitutional implications of coalition government, Rt Hon Oliver Letwin MP, Minister for Government Policy at the Cabinet Office, said:

the general assumption that you are trying to govern for quite a long period encourages one important form of behaviour in which this Government have tried to specialise, and in which all governments, whatever their persuasion, should try to specialise. That is, trying to do what one thinks is the right thing for the country in the long term, knowing that we will be judged on how far the public agree with you that the country is heading in the right direction five years later, rather than trying to take a series of steps that will look good three months or nine months later, enabling you suddenly to launch a general election campaign and score a great victory. If Britain were endlessly governed by short-term manoeuvres designed to create popularity on a short-term basis, it would be very badly governed. 13

12. Caroline Slocock, the Director of Civil Exchange, cited several positive steps the current Government had taken in relation to long-term planning. In particular, she praised the establishment of the Office for Budget Responsibility and the commissioning of "some important reports looking at some of the big long-term issues" such as early intervention and social mobility. 14 However, she also acknowledged that fixed-term Parliaments had not in themselves enabled better long-term planning, stating:

A fixed-term Parliament has some benefits, as we have just been discussing, but really this question of planning over the longer term is a wider issue that needs a different solution. There is a real danger of leaving a cliff edge. If you have firm five-year plans, you have just left a cliff edge for everybody as you

<sup>12</sup> Para 24, Government response to the report of the Political and Constitutional Reform Committee on the Fixed-term Parliaments Bill, November 2010

<sup>13</sup> Q133, The constitutional implications of coalition government, Lords Constitution Committee, 11 December 2013

<sup>14</sup> Q2 [Caroline Slocock]

get towards the end of that five years as to what is going to happen in the future. 15

In order to address this, it might be possible to have a rolling Spending Review—as we have recommended previously—or to produce a draft Spending Review for the next Parliament.

13. Addressing the extent to which the Government could plan for the future, Rt Hon Oliver Letwin MP told us:

Clearly, this is a balancing act. On the one side, there is very considerable advantage in stability of expectations so that people can plan against that, can invest for savings that may not materialise for a year or two, and can optimise the way that they deliver services to the public and investments in infrastructure and so on, knowing the path that will be followed rather than short, sharp, jerky movements of funding, which inevitably engender considerable diseconomies.<sup>16</sup>

14. Our evidence clearly shows that the establishment of fixed-term Parliaments makes it easier for Governments to plan for the medium-term. It might also facilitate better planning over longer timeframes than a single five-year Parliament.

#### Opportunities for public debate on long-term issues

15. As the final year of the Parliament approaches, for the first time ever the date of the next general election is reasonably certain, and has been known for some time. This has created a unique opportunity to consider how the final year before the next general election, and before future general elections, can best be spent. We have taken evidence from several witnesses who have told us there is scope for improving the quality of public policy debate ahead of the next general election, and we have considered several ways in which that might be achieved.

16. Caroline Slocock outlined the opportunities increased certainty about the date of general elections provided for greater planning and involvement of the Civil Service ahead of an election, telling us:

If you put it in a more constitutional framework of better planning, longerterm planning and using the fixed-term framework to full advantage, because it does give that special planning year that we do not normally have, and put some parameters around it, so that civil servants knew what they were doing—for example, the Treasury might produce an analysis of the main drivers of spending and the potential benefits of investment in early action, and make that available to all parties—that is quite a contained exercise that is slightly different to just having more informal discussions. 17

<sup>15</sup> Q6 [Caroline Slocock]

<sup>16</sup> Q186 [Rt Hon Oliver Letwin MP]

<sup>17</sup> Q31 [Caroline Slocock]

She told us there was an opportunity for Parliament to play a role in the debate ahead of the next election, stating:

I think it could and should. There is some very interesting potential here to do so. [...] That is a very positive thing. It is very interesting to reflect on how you could improve the public debate over that key year, and how you could ensure that politicians were better informed and better able to set their own manifestos and political priorities, and to talk about them.<sup>18</sup>

She went on to say that "to have a quite considered and open period of discussion and planning for the future, in which all parties were given good information and able to think ahead" would be a really interesting development. 19

17. When we spoke to former Cabinet Secretary Lord O'Donnell, he told us:

experienced parliamentarians have an opportunity now and Parliament gives them a platform, both in the Commons and the Lords, to start setting out, "I think the challenges for the next five, 10 years are the following. Here are the kinds of issues we should be debating and here are my proposed solutions to those." I think that is something Parliament could spend a lot of time on. 20

Lord O'Donnell told us that it "would be nice to get the evidence base out there" and have a "debate about how we tackle these big issues for society" so that parties can think about what policies they want to include in their manifestos. Some of the issues that witnesses suggested could be debated in the final year of this Parliament include:

- an ageing population;
- childhood obesity;
- climate change;
- mental health issues, and
- social care.

18. A number of witnesses also gave a view on what having a debate on some of these issues in the final year of Parliament might look like. Suggestions included:

- the Government commissioning studies to report on options for dealing with certain long-term issues;
- Committees holding inquiries to gather an evidence base and present options to be considered during the next Parliament;

<sup>18</sup> Q19 [Caroline Slocock]

<sup>19</sup> Q29 [Caroline Slocock]

<sup>20</sup> Q53 [Lord O'Donnell GCB]

- Parliamentary debates—Lord O'Donnell referenced a debate in the House of Lords on the future of the Civil Service;
- allowing more time for Private Members' Bills, and
- HM Treasury looking at opportunities for early action and potential benefits.<sup>21</sup>

Other possibilities could include making more time available for Backbench Business Committee debates, allowing individual MPs to hold debates on matters of import arising from constituency issues, and making more effective use of adjournment debates.

19. We also heard that greater certainty about the date of the next general election creates opportunities for the Civil Service to start preparations for the next Parliament. Peter Riddell told us:

It is also an opportunity within Government to look at options for preparation. [...] This is a really big opportunity to look at options, particularly cross-cutting ones. I mean an area you know about, early intervention, where you champion. In other areas, too, there is an opportunity and time to do that below the radar, for the civil service and Government to do that.<sup>22</sup>

20. When we asked Oliver Letwin MP how the final year of this Parliament could be used, he responded:

I think that, in the course of this final year, we have the advantage that we know it is in all probability the final year. We are not all spending an enormous amount of time guessing whether there is going to be an election next week or the week after. That is an advantage to everybody. It is an advantage to Government because it can pursue its business. It can pursue its fourth term legislative programme. There will be a serious legislative programme announced at the Queen's Speech. We all know that there is time to carry through a serious legislative programme and to debate it properly. One does not have all the apparatus of sudden election wash-up and so on and so forth. That is all an advantage.

In the course of that year, because people are not feverishly trying to work out when the next general election is going to be, it gives both the Government—in fact, in this case, both of the parties of Government—and the opposition parties the time to set out their stall, to work out very carefully and clearly what it is they are going to put to the electorate, to reveal as much of it as they choose to reveal at each moment during that period, and to conduct a public debate in a serious way. I am a real believer in democracy. I think that that process helps educate the public about the choice it is going to make at the next general election. Of course, some of it is done at a higher

<sup>21</sup> Qq 19, 37 [Caroline Slocock], Q 11 [Lord O'Donnell], Q 158 [Akash Paun] and Q 162 [Peter Riddell]

<sup>22</sup> Q170 [Rt Hon Peter Riddell CBE]

level than others, but in general I think the longer people have to set out their stall in a coherent fashion the better for democracy and for our country.<sup>23</sup>

- 21. A number of our witnesses argued that, in light of the greater certainty about the date of the next general election, the final year of the Parliament could be spent having a constructive debate on long-term issues so as to inform policy formation.
- 22. As the final year of this Parliament approaches, for the first time ever the date of the next general election is reasonably certain. In light of this, we believe the Government, Parliament and political parties should come together to consider—as outlined above some of the big issues that will need to be addressed in the next Parliament. We propose that the Government and parliamentarians of all parties consider how they can engage with the measures we have outlined. It may be possible for a consensus to be arrived at in certain areas, and it will at least facilitate public debate and create an evidence base on which future policy can be founded. We will be writing to the leaders of the three main parties asking them to respond to the positive recommendations set out in this Report.
- 23. We have previously called on the Government to honour its commitment to establish a House Business Committee, so as to enable Parliament to set its own agenda to a greater extent. 24 This would be particularly beneficial in the final year of a Parliament, when such a Committee could consider some of the possibilities outlined above. However, the Government has gone back on its promise and stated that it "does not plan to pursue the establishment of a House Business Committee at the present time."25
- 24. A House Business Committee would have come into its own in the final year of a Parliament, by providing a clear forum for consideration of how best House time could be spent in the year ahead of a general election. Although the Government has gone back on its promise to establish such a Committee, if the Government could relax its control over House time in the final year of the Parliament, it would be possible for there to be a resurgence of debate in the House, led by backbenchers. We accept of course that backbenchers will want to spend time in the final year of a Parliament campaigning in their constituencies, but we believe there would still be interest in attending debates, particularly if backbenchers were able to have a greater say over the topics chosen.

#### Legislative planning

25. Our previous Report on the impact of fixed-term Parliaments stated that the main benefit for Departments was the greater certainty the change brought to the legislative process, in that primary legislation could be planned more efficiently because the time available for the passage of bills was more predictable. We noted in particular that greater certainty that the final two sessions of a Parliament will run their full-length meant there

<sup>23</sup> Q191 [Rt Hon Oliver Letwin MP]

<sup>24</sup> Revisiting Rebuilding the House: the impact of the Wright reforms, Third Report of Session 2013-14, July 2013

<sup>25</sup> Revisiting Rebuilding the House: the impact of the Wright reforms: Government Response to the Committee's Third Report of Session 2013–14, Third Special Report of 2013-14, December 2013

was less risk of bills being lost in the process known as the "wash-up"—the period between the announcement of a general election and the dissolution of Parliament, when unfinished business must be dealt with very quickly, and bills are often shortened or lost altogether.

26. The benefits to legislative planning of greater certainty about the length of a Parliament were referred to by a number of witnesses. The main benefits cited were:

- the ability to plan the legislative programme over a full five years, and
- the ability for the Government to plan a full legislative programme for the final session of the Parliament.26

Peter Riddell told us that one of the best uses of the final year of a Parliament would be to have a "realistic Queen's speech" that could be implemented,27 and Lord O'Donnell said that he expected the final Queen's speech of this session to be "lighter", but that this was a "good thing" and should result in better legislation.28

27. When we asked Oliver Letwin MP about the possibility of having a lighter but better programme of legislation—supported by more scrutiny by Parliament—he told us:

It is always the case that Governments can benefit from thinking through their legislative programme in such a way that there is maximum opportunity for scrutiny and that it is elaborated properly and carried through properly so that there are no regrets. That is always the case; no legislative programme has ever been perfect in that respect and I am sure they never will be perfect.<sup>29</sup>

28. The Government has announced that state opening for the final session of this Parliament will be on 4 June 2014,30 and following the initial announcement that state opening would be in June, Oliver Letwin MP told us "I think you will find—in fact, I know you will find—that it is a very serious and very full programme of the legislation."

29. The establishment of fixed-term Parliaments means that the Government can plan its legislative programme over a full five-year term. This should mean that there is no need for legislation to be rushed through Parliament in the first year, and that Parliament is able to scrutinise legislation in the final year without being held hostage by the threat of a general election. The Minister for Government Policy told us that we would find the legislative programme for the final year of this Parliament "very serious and very full", while others witnesses predicted that the programme might be lighter. We believe that having a lighter legislative programme in the final year of the

<sup>26</sup> Q236 [Lord O'Donnell GCB], written evidence from Mark Ryan [FTF 02], written evidence from the Government [FTF

<sup>27</sup> Q162 [Peter Riddell]

<sup>28</sup> Q27 [Lord O'Donnell GCB]

<sup>29</sup> Q197 [Rt Hon Oliver Letwin MP]

<sup>30</sup> Hansard, col 61WS, 6 March 2014

Parliament should not be considered a bad thing. If there is a lighter legislative programme, the Government could usefully spend the time on implementation and review.

- 30. We have previously stated that pre-legislative scrutiny should be an integral and mandatory part of the consideration of every bill, unless there is an accepted and pressing need for immediate legislation. The ability of a Government to plan its legislative programme over a full five years means that in future Parliaments there will be no excuse for not submitting legislation for pre-legislative scrutiny, unless there is an accepted and pressing need for immediate legislation. The presumption should be that legislation is published in draft for pre-legislative scrutiny, and the Standing Orders should be amended to that effect.
- 31. We recommend that the Government take advantage of having a full final year in which to pursue its legislative programme by publishing new legislation in draft for prelegislative scrutiny, and ensuring there is sufficient time in both Houses to examine in detail the legislation set out in the Queen's speech.

#### Financial planning

#### Spending Reviews

- 32. Our previous Report identified the possibility of aligning Spending Reviews more closely with the fixed-term of a Parliament, and recommended that the Government produce a rolling five-year Spending Review, aligned more tightly to the fixed term, so that Departments could plan as effectively as possible. 31 Responding to this recommendation, the written evidence from the Government states that it is "not attracted to the idea of a 'rolling' five year Spending Review" and "believes there are real advantages in establishing clear budgets for several years ahead and then sticking to them."
- 33. Professor David Heald stated in his written evidence that the greater certainty about the length of a Parliament was likely to change the duration and frequency of Spending Reviews.<sup>32</sup> Professor Colin Talbot suggested one way in which this could happen in his written evidence, proposing that an incoming Government could produce a Spending Review in the Autumn following a general election, covering three financial years, then a second Spending Review in the third year of the Parliament covering the last full financial year of the Parliament, and the financial year which begins ahead of the next general election.33
- 34. Caroline Slocock outlined some more substantial changes that could be made to the current format of Spending Reviews, and suggested the possibility of producing 10-year financial plans, which are reviewed periodically. She stated:

<sup>31</sup> Para 18, The role and powers of the Prime Minister: The impact of the Fixed-term Parliaments Act 2011 on Government

<sup>32</sup> Written evidence from Professor David Heald [FTF 13]

<sup>33</sup> Written evidence from Professor Colin Talbot [FTF 07]

What we had in mind with the 10-year perspective is a period within the 10 years that is relatively fixed but is reviewed on a rolling basis. It could be three years. In my view, it probably ought to be about three years and no longer, because I think it is very difficult to set five-year fixed plans. There are too many uncertainties; too many things change. It could be three years. You could set relatively fixed three-year plans, but within that, two years would be absolutely fixed, subject to any change of Government.<sup>34</sup>

She told us that planning on this basis would encourage Governments to consider the long-term impact of policy decisions. Making a similar case, the Fabian Society has recommended that Governments should:

Publish a 'long-term expenditure statement', setting out a 'direction of travel' for spending over future decades, against which immediate decisions can be scrutinised.35

They state that this would "provide a reference point to show how a department's budget and objectives contributed to long-term strategy."

35. The written evidence from the Government states that the fixed parliamentary term had "provided a context for [financial] planning, and the Government has taken several steps to increase the ability of Departments to plan over the longer term". These steps are:

- "Conducting a four year spending review in 2010, and conducting a further spending round in 2013 to allocate spending well in advance for the first year of the next Parliament:
- Setting out a long-term plan for capital spending to 2020 and beyond at Spending Round 2013, by committing to more than £100bn of investment in specific infrastructure projects over the next Parliament. The details were set out in 'Investing in Britain's Future', published in June 2013.
- Providing more certainty on spending allocations at the local level, by continuing to provide allocations for Local Authorities over two years and setting two-year allocations for NHS England and Clinical Commissioning Groups from 2014-15; and,
- Committing at Autumn Statement 2013 to work with departments to give other local services the same long-term indicative budgets as departments from the next Spending Review."36

36. We continue to recommend that the Government should produce rolling five-year Spending Reviews, more closely aligned to the term of a Parliament. By this we mean that the Government should produce a firm Spending Review in the autumn following the general election, covering the next three financial years, together with an indicative

<sup>34</sup> Q26 [Caroline Slocock]

<sup>35</sup> Written evidence from the Fabian Society [FTF 15]

<sup>36</sup> Written evidence from the Government [FTF 19]

spending review for the following two financial years. In the third year of the Parliament, the indicative spending review for the remaining two financial years should be replaced with a firm Spending Review.

#### Civil Service preparations

37. Outlining the work the Civil Service will be doing ahead of the next general election on the next Spending Review, Sir Jeremy Heywood, Cabinet Secretary, told us:

Of course, the civil service will be working on financial projections, financial options, policy options that may be relevant to whichever Government takes office after the election. As far as we are concerned, this is not a wasted year at all. A lot of preparations go on in terms of at least understanding the financial drivers of policy and so on. One of the issues I would expect to be raised by opposition shadows when the pre-election contacts eventually start would be from the opposition's perspective what their plans would be. Part of it is to inform the civil service of issues that they may not wish to make public at that point so the civil service can get on with, when the election starts, preparing for that possibility as well. I would not want people to think that this was a year of inactivity by the civil service; far from it.<sup>37</sup>

#### Reports on fiscal sustainability

- 38. Professor David Heald's written evidence stated that, although it would be possible to spend the final year of the current Parliament undertaking "a systematic review of future public expenditure and tax options", this was unlikely to happen for political reasons. However, he cited some activities that could be undertaken in the final year, including the production of an "End of Parliament Fiscal Report" to provide a more secure basis for fiscal debate.<sup>38</sup> He noted that consideration would need to be given to whether such a report was produced by the Treasury, or an independent body such as the OBR.
- 39. The OBR currently produces biannual five-year forecasts for the economy and public finances, and annual fiscal sustainability reports, which analyse the sustainability of public finances by assessing the impact of past public sector activity and looking at how public sector spending and debt might evolve over the next 50 years.
- 40. We have been told that there needs to be a secure basis for fiscal debate, especially in the final year of a Parliament. We note that the OBR currently produces biannual fiveyear forecasts for the economy and public finances, and annual fiscal sustainability reports.

<sup>37</sup> Q191 [Sir Jeremy Heywood]

#### Transparency of financial planning

41. A number of witnesses highlighted the benefits of transparency in relation to financial planning, and also the benefits of discussions being evidence-based. Caroline Slocock told us:

I think it is a very good thing to have a more transparent and discussed set of priorities based on evidence. Just because there is more discussion does not necessarily mean that it is based on evidence, or even that it is more transparent, but I think it is certainly helpful if the civil service machine, and hopefully the wider public to a certain degree, is discussing the real issues in an evidence-based way in order to inform those priorities.<sup>39</sup>

She also praised the What Works centres—an initiative intended to improve the use of evidence in Government decision-making-for providing greater analysis of where investment could be most useful. 40 Professor Colin Talbot argued that fixed-term Parliaments provided an opportunity to have a "more ordered, predictable and open decision making process for public spending and fiscal policy."41

#### Costing party policy ahead of a general election

42. Several of our witnesses told us that some system of costing party policies or manifestos ahead of a general election would be a positive change. 42 For example, Peter Riddell stated:

One thing we would say, and it is quite an interesting issue, is the degree to which plans could be costed and looked at for feasibility. Some of that may happen privately in the discussion between parties and the civil servants, but consider whether the Office of Budget Responsibility should, as do the equivalent bodies in many other countries, have a remit to cost plans of parties, whether that should happen in the period so the voters are better informed.43

43. The Treasury Committee held a one-off evidence session on 12 March 2014 with the Chairman of the Office for Budget Responsibility, Robert Chote, looking at the possibility of costing pre-election policy proposals. When asked if he supported, in principle, the OBR having a role in the costing of political parties' manifestos in the run-up to an election, he stated:

Yes, I do. I think that if Parliament wishes us to go down this route then it does offer the prospect of improving the quality of policy development for

<sup>39</sup> Q12 [Caroline Slocock]

<sup>40</sup> Q2 [Caroline Slocock]

<sup>41</sup> Written evidence from Professor Colin Talbot [FTF 07]

<sup>42</sup> Q 19 [Caroline Slocock], Q 54 [Lord O'Donnell GCB], written evidence from the Fabian Society [FTF 15]

<sup>43</sup> Q162 [Rt Hon Peter Riddell CBE]

individual parties and it potentially improves the quality of public debate in the run-up to an election period.<sup>44</sup>

- 44. Shadow Chancellor Rt Hon Ed Balls MP has made it clear he would support a change in the remit of the OBR so that they could provide independent scrutiny of Opposition policy costings. However, when Robert Chote gave evidence to the Treasury Committee, he said he had spoken to the Chancellor of the Exchequer, Rt Hon George Osborne MP, and that "it remains his position that it is probably not a desirable thing to do it for this election."45 It is therefore unlikely that the OBR will be given this task ahead of the 2015 election.
- 45. It is in everyone's interests that the policy of any party which might potentially form part of the Government is properly thought through and preferably costed. We therefore welcome the possibility of party policy being costed by an independent body ahead of general elections. This would better inform the electorate and should improve both the quality of debate in the pre-election period, and policy formation itself. We note that in the absence of a political consensus on this point, it is unlikely that arrangements will be put in place ahead of the 2015 election.
- 46. We will be writing to the leaders of the three main parties urging them to come together to discuss how party policy could most effectively be costed ahead of future general elections. It would be desirable if a consensus on how this process should work could be reached ahead of the next general election, so that any necessary legislation can be presented early in the next Parliament.

#### Risk of an early election

- 47. It is important to note that, although the Fixed-term Parliaments Act 2011 does create greater certainty about the date of the next election, and future elections, there are circumstances in which an early election can be called—in the event of a vote of no confidence where the Government is subsequently unable to pass a vote of confidence within 14 days, or agreement by two thirds of the House of Commons to a motion calling for an early election.
- 48. The written evidence from Dr Petra Schleiter and Dr Sukriti Issar provides some comparative data on the prevalence of "regular elections" in countries where parliamentary terms are fixed by legislation, as compared with countries where the date of the election is the prerogative of the Prime Minister. Their data show that, although fixing the term of a Parliament does increase the extent to which elections are "regular", the effect is a matter of degree, and elections still often occur because a Government fails, for any number of reasons. Noting the potential for future elections to result from failing Governments, their written evidence states that "a rise in government failures can seriously disrupt

<sup>44</sup> Q1, Treasury Committee evidence session, The costing of pre-election policy proposals, 12 March 2014

governmental and parliamentary planning and generate political and economic uncertainty".46

49. It is likely that the benefits of greater certainty about the date of the next general election will only materialise if Parliaments do, in practice, last full five-year terms. Although it is essential that it is possible for early elections to be held in certain circumstances, it is generally desirable that early elections be avoided for this reason.

#### 3 Pre-election contacts between civil servants and the Opposition

50. There is a convention that ahead of a general election the Prime Minister allows parties in Opposition access to the Civil Service for private briefings. The purpose of these contacts is set out in the Cabinet Manual, which states:

These discussions are designed to allow the Opposition's shadow ministers to ask questions about departmental organisation and to inform civil servants of any organisational changes likely to take place in the event of a change of government. Senior civil servants may ask questions about the implications of opposition parties' policy statements, although they would not normally comment on or give advice about policies.<sup>47</sup>

The Cabinet Office's directory of civil service guidance, published in 2000, gives greater detail on the arrangements, stating:

In the course of these contacts, the Opposition parties, in preparing for major changes in the machinery of government, may also wish to let senior departmental officials have some idea of their plans, so as to enable the changes to be made as smoothly as possible if the Election results in a change of Government. In the nature of things the number of people concerned, either in the Opposition parties or in the Civil Service, will be very limited.<sup>48</sup>

#### The role of the Prime Minister

51. When we last looked at the impact of fixed-term Parliaments, the then Minister for Political and Constitutional Reform, Miss Chloe Smith MP, told us:

it is still the Prime Minister's prerogative to arrange for Opposition access to the civil service in what has historically been, in the last 18 months or so, a non-fixed Parliament and, of course, it is for him now to make arrangements for that in a new fixed-term context. 49

52. The written evidence from the Government confirms: "It is for the Prime Minister to determine the timing for the start of pre-election contacts between the civil service and the opposition."50 Sir Jeremy Heywood, Cabinet Secretary, expanded on the Prime Minister's role in authorising these contacts ahead of the 2015 election, saying:

Once the Prime Minister has settled the detailed implementation in this particular Parliament, then I as Cabinet Secretary will co-ordinate and

<sup>47 2.21,</sup> The Cabinet Manual, October 2011

<sup>48</sup> Cabinet Office, <u>Directory of civil service guidance</u>, <u>Volume 2: collected guidance</u>, 2000

<sup>49</sup> Q 248, The role and powers of the Prime Minister: The impact of the Fixed-term Parliaments Act 2011 on Government, Fourth Report of Session 2013–14, 25 July 2013

<sup>50</sup> Written evidence from the Government [FTF 19]

oversee the process. I think a degree of political judgment is required; for example, on when the contact starts, which parties to involve, and so on. That is a decision for the elected Government rather than the civil service.<sup>51</sup>

#### When pre-election contacts should start

53. As the details of arrangements for pre-election contacts are currently a matter for the Prime Minister, there is no set time at which pre-election contacts start. In relation to the timing of pre-election contacts, the Cabinet Manual currently states:

At an appropriate time towards the end of any Parliament, as the next general election approaches, the Prime Minister writes to the leaders of the main opposition parties to authorise pre-election contacts with the Civil Service.52

No guidance is given on what constitutes an "appropriate time", although reference is made to when pre-election contacts were authorised ahead of previous elections. When we questioned Cabinet Secretary Sir Jeremy Heywood about the timing of pre-election contacts, he told us:

The norm, as you know, has been 1st January before the first plausible spring election time, which sometimes has meant four to five months, sometimes has meant 16 months or so, depending on whether it is a four-year Parliament or a five.53

54. The written evidence from Dr Andrew Blick argues that now there is a clearer idea of when an election will take place, it would be appropriate to fix a precise time at which preelection contacts start, rather than making do with the current reference in the Cabinet Manual to an "appropriate time".54

55. Lord O'Donnell thought that there was a case for formalising the arrangements whereby civil servants had contact with the Opposition ahead of the election. In relation to the timing of these contacts, he told us:

My suggestion would be that we go for a year and we say, "Let's start this process on 7 May 2014". At the moment that is for the Prime Minister. Prime Ministers have agreed that there will be that engagement but it is varied in length. It is the kind of thing that if everybody agreed you could put into the Cabinet Manual.55

He took the view that a year was the right time to start this process on the basis that 18 months before an election the Opposition "didn't want to talk very much", and that "when

<sup>51</sup> Q173 [Sir Jeremy Heywood]

<sup>52 2.21,</sup> The Cabinet Manual

<sup>53</sup> Q204 [Sir Jeremy Heywood]

<sup>54</sup> Written evidence from Dr Andrew Blick [FTF 06]

<sup>55</sup> Q75 [Lord O'Donnell GCB]

you have just three months, it is very rushed and they are getting into that campaigning mode all the time so you don't have their attention."56

56. Peter Riddell also supported formalising arrangements, in light of greater certainty about the date of the next general election. He told us:

it should be an automatic matter, as long as you have a Fixed-term Parliaments Act, that it happens about a year before the election. I think that should be formalised.<sup>57</sup>

#### Scope of pre-election contacts

57. The Institute for Government have suggested that there is a strong case for considering a more integrated system of civil service support for political parties, stating in their written evidence: "it is in the public interest that all parties that may hold power after an election have the ability to test and refine their policy thinking in advance of an election."58 They note that "major reforms are unlikely between now and May 2015", but state that the question could be considered further in the long-term.

58. The written evidence from the Institute for Government also argues that previous guidance about pre-election contacts "has been unclear, confused and it should be recognised that discussion may cover likely costs and potential implementation challenges of planned policies." However, they do note that the scope of pre-election contacts would have to be limited by the principle that the civil service only provides advice to the Government of the day.<sup>59</sup> When we took evidence from the Institute for Government, Senior Fellow Akash Paun stated:

I think there is a question about the narrowness and, to some extent, deliberate vagueness in the current guidance about those contacts. The way it is written in the Cabinet Manual is there is a phrase that, for the most part, is supposed to be about machinery of government changes. The opposition can ask questions about the organisational structure of the department. The officials can ask questions about the implications of policy announcements that the opposition have made but should not normally offer advice about those policies. It is all drafted in this very ambiguous way and I think there is a case for being a bit clearer. What is the legitimate scope for this important dialogue? I think a lot of people recognise that pretending it is to be restricted just to machinery of government questions is not how it works in practice and neither is it how it ought to work. Getting into questions of costs and implementability, as we have talked about, is surely in the interests of all sides.60

<sup>56</sup> Q76 [Lord O'Donnell GCB]

<sup>57</sup> Q157 [Rt Hon Peter Riddell CBE]

<sup>58</sup> Written evidence from the Institute for Government [FTF 17]

<sup>59</sup> Ibid

<sup>60</sup> Q155 [Akash Paun]

#### Pre-election contacts ahead of the 2015 general election

59. Speaking specifically about when these contacts should begin ahead of the 2015 general election, Peter Riddell told us:

we think these contacts should begin after the European and local elections, which is actually 10 months before the election campaign, which is not very much time. When you take into account recesses, the party conference break, Christmas and all that, there is not very much time to do it. It has to start then.61

60. Cabinet Secretary Sir Jeremy Heywood told us on 6 March 2014 that no decision had yet been taken about the timing or parameters of the pre-election contacts to take place in the final year of this Parliament, but that he would expect such a decision should "be taken fairly soon".62 In terms of timing, he told us:

Having a fixed-term Parliament gives us an opportunity to set out what I think will become a new precedent, although obviously any future Prime Minister would be able to change it.<sup>63</sup>

- 61. Following the evidence we heard from the Government, it was reported that the Prime Minister had written to the Leader of the Opposition, Rt Hon Ed Miliband MP, confirming that pre-election contacts between the Opposition and Civil Service will be authorised from October 2014. This is substantially later than was recommended by both the Institute for Government and former Cabinet Secretary Lord O'Donnell, and will mean both the Opposition and Civil Service have only seven months to prepare for the possibility of a change in Government.
- 62. We wrote to Rt Hon Oliver Letwin MP asking him to confirm what arrangements had been authorised for pre-election contacts ahead of the 2015 general election. He replied on 30 April 2014, stating:

The Prime wrote to the Leader of the Official Opposition at the end of last month [March 2014], stating that he was content for contact to begin from 1 October 2014.

 $[\ldots]$ 

The introduction of Fixed Term Parliaments removes the previous uncertainty and has allowed the Prime Minister to fix a start date that allows for effective and meaningful contact. Starting contacts from 1 October 2014

<sup>61</sup> Q155 [Rt Hon Peter Riddell CBE]

<sup>62</sup> Qq 171, 201

<sup>63</sup> Q204 [Sir Jeremy Heywood]

will allow a full seven months of pre-election contacts, which we believe is consistent with the spirit of the convention.<sup>64</sup>

63. Pre-election contacts between the Civil Service and Opposition are essential to ensure that both the Civil Service and any parties that might be involved in forming a Government after a general election are prepared for the possibility of a change in Government. Now that the Fixed-term Parliaments Act 2011 has abolished the Prime Minister's prerogative to call an election, there is no reason that the authority to decide when, to whom, and in what way these contacts are conducted should be retained by the Prime Minister. It is disappointing that the Prime Minister has decided to limit preelection contacts to the final seven months of this Parliament, and that he did not wait to consider either our views, or those of the Institute for Government, before coming to this decision.

64. In light of the greater certainty provided by the Fixed-term Parliaments Act 2011 about the date of the next general election, we recommend that the arrangements for preelection contacts between the Civil Service and Opposition ahead of a general election be formalised. After 2015 these contacts should be permitted automatically in the last year of a Parliament, and the Cabinet Manual should be updated to this effect. Ahead of the 2015 general election, we suggest that further consideration be given to the possibility of allowing pre-election contacts to begin immediately after the European and local elections in May.

#### **Points for clarification**

65. Our inquiry has also identified a number of areas where current information regarding pre-election contacts is unclear, or should otherwise be revised in light of changes brought in by the Fixed-term Parliaments Act 2011. These are:

- Who initiates the process—The Cabinet Manual states: "the Prime Minister writes to the leaders of the main opposition parties to authorise pre-election contacts with the Civil Service", but goes on to state that the Cabinet Secretary has responsibility for coordinating the process "once a request has been made and authorised by the Prime Minister".65 It is therefore unclear whether the Prime Minister initiates the process, or responds to a request from the Opposition.
- Which parties are involved in these contacts—The Cabinet Manual references "the main opposition parties", but given there is currently a Coalition Government it is arguable that there is only one main Opposition party at present, although the possibility of other parties being involved in this process was raised in oral evidence. 66

<sup>64</sup> Further written evidence from the Government [FTF 20]. The letter from the Prime Minister to Rt Hon Ed Miliband MP authorising pre-election contacts from 1 October 2014 is appended to the Government's further written evidence.

<sup>65 2.21,</sup> The Cabinet Manual, October 2011

<sup>66</sup> Written evidence from Dr Andrew Blick [FTF 06]

- Further guidance on contact—The Directory of civil service guidance states that "When an Election has been called further guidance may be issued." 67 Now that the date of the next general election is set by statute, this reference would appear to be out of date.
- 66. Our inquiry has identified several points where the guidance on pre-election contacts is either unclear or is in need of revision as a result of both the Fixed-term Parliaments Act 2011 and coalition government. The Cabinet Manual and Civil Service Guidance should be updated in light of the points we have outlined.

#### The impact on Select Committees 4

67. In addition to looking at the effects of the Fixed-term Parliaments Act 2011 on Government, our inquiry also considered how greater certainty about the date of the next general election is likely to affect the work of Parliament, and in particular of House of Commons Select Committees, in the final year before an election.

68. To inform our inquiry, we wrote to each Select Committee Chair asking for their views. We received responses from 11 Committee Chairs,<sup>68</sup> with the vast majority of respondents agreeing that greater certainty about the length of the Parliament would enable Committees to better plan their programmes, particularly in the final year of the Parliament. Committee Chairs noted the following benefits of fixed-term Parliaments for the work of Select Committees:

- it better enables Committees to plan their programmes during the final year of the Parliament;
- it may allow Committees the time late this year or early in 2015 to reflect on what they have achieved over the course of a five-year Parliament;
- there may be greater scope for better strategic planning, right at the start of a Parliament, on what the Committee wants to achieve over five years;
- it may allow Committees to cover the full span of their remit more effectively within a parliamentary term, and
- it may be possible to pass the fruit of a Committee's work forward to the 2015 Parliament.

69. Mark Ryan, a Senior Lecturer in Constitutional and Administrative Law at Coventry University, also made the point that Select Committees "will [...] be able to plan and coordinate the gathering and marshalling of written and oral evidence in the light of a more organised and predictable legislative programme."

70. Additionally, the Institute for Government proposed that Select Committees could consider conducting more post-legislative scrutiny in the final year of the Parliament, 69 a proposal that was welcomed by Rt Hon Oliver Letwin MP.70 We also heard a suggestion

<sup>68</sup> The Select Committee Chairs to respond were: Bernard Jenkin MP, Chair of the Public Administration Select Committee, Anne McIntosh MP, Chair of the Environment, Food And Rural Affairs Committee, Rt Hon Sir Alan Haselhurst MP, Chair of the Administration Committee, Dame Anne Begg MP, Chair of the Work And Pensions Committee, Laurence Robertson MP, Chair of the Northern Ireland Affairs Committee, Rt Hon Sir Alan Beith MP, Chair of the Liaison Committee, Tim Yeo MP, Chair of the Energy And Climate Change Committee, Clive Betts MP, Chair of the Communities and Local Government Committee, Andrew Miller MP, Chair of the Science and Technology Committee and Rt Hon Margaret Hodge MP, Chair of Committee of Public Accounts.

<sup>69</sup> Q158 [Rt Hon Peter Riddell CBE], and Q198 [Rt Hon Oliver Letwin MP]

<sup>70</sup> Q198 [Rt Hon Oliver Letwin MP]

that Committees could encourage the Government to look at some other big issues in the same way it has looked at health and social care.<sup>71</sup>

- 71. However, a number of Chairs made the point that fixing the term of a Parliament would not remove the risk that the focus of select committee members would shift away from committee work towards constituency and party matters as the 2015 election nears. One Chair also raised the concern that the ability to achieve consensus in Committee reports may be eroded as a general election nears.<sup>72</sup>
- 72. Greater certainty about the date of the next general election should enable Select Committees better to plan their work over the course of a Parliament, and assess their effectiveness as a Parliament comes to a close.
- 73. As the final year of the current Parliament approaches, we will be considering what we have achieved to date this Parliament, and what we hope to do in the time remaining. Other Committees may wish to do the same, and also consider how their work could be passed forward to their successors in the next Parliament.

#### Conclusion 5

74. Our evidence has overwhelmingly argued that the implementation of fixed-term Parliaments is beneficial for Government planning, and that greater certainty about the date of the next general election has also created an opportunity to use the final year of a Parliament more constructively, both to prepare for the next Parliament and reflect on what has been achieved during the current one.

75. Although this inquiry has focused primarily on how the final year of a Parliament can best be spent, it is also important that consideration is given to how the benefits of fixed terms will be taken advantage of in the next Parliament. After the 2015 general election the Government, Parliament and everyone else will, for the first time ever, be reasonably confident from the very beginning of the Parliament about the date of the next general election. This means that the Government can consider its policy and legislative agenda within the context of a full five-year term. Select Committees will also be able to consider what they intend to achieve over the course of the Parliament, and undertake programmes of work with a reasonable degree of confidence that they will not be interrupted by an early general election.

76. We recommend that the next Government considers at an early stage how it can make most effective use of greater certainty about the length of the Parliament. This should include consideration both of the recommendations set out in this Report, and of the operation of the Fixed-term Parliaments Act 2011 in the final year of this Parliament. Such consideration could usefully inform the next Government's plans for the 2015–20 Parliament, and also serve as a prelude to the Committee the Prime Minister is required to appoint in 2020, which will be tasked with reviewing the operation of the Fixed-term Parliaments Act.

## Annex-Terms of reference

The Committee invited evidence on any aspect of the impact of the Fixed-Term Parliaments Act 2011, but in particular stated it would look at:

- What improvements could be made to the arrangements within the civil service for briefing the Opposition ahead of a general election, in light of the greater certainty about the date of the general election?
- The Spending Review announced in June 2013 covers the 2015/16 financial year only. What discussions can take place in the final year of the current Parliament to prepare for the next Spending Review?
- What scope is there for future Spending Reviews to more closely mirror the term of a Parliament?
- What can the Government do to ensure there is a substantive legislative programme for the final year of the Parliament?
- How is greater certainty about the date of the next general election likely to affect the work of Parliament, and in particular of Select Committees, in the final year before that election?
- To what extent, if any, have the effects of the Fixed-Term Parliaments Act 2011 been different because there is a Coalition Government?

## Conclusions and recommendations

#### Planning and debate in the final year

- We welcome the Government's agreement that Departments should be alive to the 1. advantages afforded by fixed-term Parliaments. It is important that these are given active consideration over the coming year, and that lessons learnt are carried forward to the next Parliament. We also welcome the statement that Permanent Secretaries are willing to meet us to discuss these issues further, and look forward to holding a seminar with Permanent Secretaries so that we can make progress on the recommendations set out in this Report. (Paragraph 9)
- 2. Our evidence clearly shows that the establishment of fixed-term Parliaments makes it easier for Governments to plan for the medium-term. It might also facilitate better planning over longer timeframes than a single five-year Parliament. (Paragraph 14)
- A number of our witnesses argued that, in light of the greater certainty about the date 3. of the next general election, the final year of the Parliament could be spent having a constructive debate on long-term issues so as to inform policy formation. (Paragraph 21)
- As the final year of this Parliament approaches, for the first time ever the date of the next general election is reasonably certain. In light of this, we believe the Government, Parliament and political parties should come together to consider—as outlined above—some of the big issues that will need to be addressed in the next Parliament. We propose that the Government and parliamentarians of all parties consider how they can engage with the measures we have outlined. It may be possible for a consensus to be arrived at in certain areas, and it will at least facilitate public debate and create an evidence base on which future policy can be founded. We will be writing to the leaders of the three main parties asking them to respond to the positive recommendations set out in this Report. (Paragraph 22)
- A House Business Committee would have come into its own in the final year of a 5. Parliament, by providing a clear forum for consideration of how best House time could be spent in the year ahead of a general election. Although the Government has gone back on its promise to establish such a Committee, if the Government could relax its control over House time in the final year of the Parliament, it would be possible for there to be a resurgence of debate in the House, led by backbenchers. We accept of course that backbenchers will want to spend time in the final year of a Parliament campaigning in their constituencies, but we believe that there would still be interest in attending debates, particularly if backbenchers were able to have greater say over the topics chosen. (Paragraph 24)
- The establishment of fixed-term Parliaments means that the Government can plan 6. its legislative programme over a full five-year term. This should mean that there is no need for legislation to be rushed through Parliament in the first year, and that Parliament is able to scrutinise legislation in the final year without being held hostage by the threat of a general election. The Minister for Government Policy told us that

we would find the legislative programme for the final year of this Parliament "very serious and very full", while others witnesses predicted that the programme might be lighter. We believe that having a lighter legislative programme in the final year of the Parliament should not be considered a bad thing. If there is a lighter legislative programme, the Government could usefully spend the time on implementation and review. (Paragraph 29)

- 7. We have previously stated that pre-legislative scrutiny should be an integral and mandatory part of the consideration of every bill, unless there is an accepted and pressing need for immediate legislation. The ability of a Government to plan its legislative programme over a full five years means that in future Parliaments there will be no excuse for not submitting legislation for pre-legislative scrutiny, unless there is an accepted and pressing need for immediate legislation. The presumption should be that legislation is published in draft for pre-legislative scrutiny, and the Standing Orders should be amended to that effect. (Paragraph 30)
- 8. We recommend that the Government take advantage of having a full final year in which to pursue its legislative programme by publishing new legislation in draft for prelegislative scrutiny, and ensuring there is sufficient time in both Houses to examine in detail the legislation set out in the Queen's speech. (Paragraph 31)
- 9. We continue to recommend that the Government should produce rolling five-year Spending Reviews, more closely aligned to the term of a Parliament. By this we mean that the Government should produce a firm Spending Review in the autumn following the general election, covering the next three financial years, together with an indicative spending review for the following two financial years. In the third year of the Parliament, the indicative spending review for the remaining two financial years should be replaced with a firm Spending Review (Paragraph 36).
- 10. We have been told that there needs to be a secure basis for fiscal debate, especially in the final year of a Parliament. We note that the OBR currently produces biannual five-year forecasts for the economy and public finances, and annual fiscal sustainability reports. (Paragraph 40)
- It is in everyone's interests that the policy of any party which might potentially form 11. part of the Government is properly thought through and preferably costed. We therefore welcome the possibility of party policy being costed by an independent body ahead of general elections. This would better inform the electorate and should improve both the quality of debate in the pre-election period, and policy formation itself. We note that in the absence of a political consensus on this point, it is unlikely that arrangements will be put in place ahead of the 2015 election. (Paragraph 45)
- We will be writing to the leaders of the three main parties urging them to come together to discuss how party policy could most effectively be costed ahead of future general elections. It would be desirable if a consensus on how this process should work could be reached ahead of the next general election, so that any necessary legislation can be presented early in the next Parliament. (Paragraph 46)

13. It is likely that the benefits of greater certainty about the date of the next general election will only materialise if Parliaments do, in practice, last full five-year terms. Although it is essential that it is possible for early elections to be held in certain circumstances, it is generally desirable that early elections be avoided for this reason. (Paragraph 49)

#### Pre-election contacts between civil servants and the Opposition

- Pre-election contacts between the Civil Service and Opposition are essential to ensure that both the Civil Service and any parties that might be involved in forming a Government after a general election are prepared for the possibility of a change in Government. Now that the Fixed-term Parliaments Act 2011 has abolished the Prime Minister's prerogative to call an election, there is no reason that the authority to decide when, to whom, and in what way these contacts are conducted should be retained by the Prime Minister. It is disappointing that the Prime Minister has decided to limit pre-election contacts to the final seven months of this Parliament, and that he did not wait to consider either our views, or those of the Institute for Government, before coming to this decision. (Paragraph 63)
- In light of the greater certainty provided by the Fixed-term Parliaments Act 2011 about the date of the next general election, we recommend that the arrangements for preelection contacts between the Civil Service and Opposition ahead of a general election be formalised. After 2015 these contacts should be permitted automatically in the last year of a Parliament, and the Cabinet Manual should be updated to this effect. Ahead of the 2015 general election, we suggest that further consideration be given to the possibility of allowing pre-election contacts to begin immediately after the European and local elections in May. (Paragraph 64)
- Our inquiry has identified several points where the guidance on pre-election contacts is either unclear or is in need of revision as a result of both the Fixed-term Parliaments Act 2011 and coalition government. The Cabinet Manual and Civil Service Guidance should be updated in light of the points we have outlined. (Paragraph 66)

#### The impact on Select Committees

- Greater certainty about the date of the next general election should enable Select Committees better to plan their work over the course of a Parliament, and assess their effectiveness as a Parliament comes to a close. (Paragraph 72)
- As the final year of the current Parliament approaches, we will be considering what we have achieved to date this Parliament, and what we hope to do in the time remaining. Other Committees may wish to do the same, and also consider how their work could be passed forward to their successors in the next Parliament. (Paragraph 73)

#### Conclusion

19. We recommend that the next Government considers at an early stage how it can make most effective use of greater certainty about the length of the Parliament. This should include consideration both of the recommendations set out in this Report, and of the operation of the Fixed-term Parliaments Act 2011 in the final year of this Parliament. Such consideration could usefully inform the next Government's plans for the 2015–20 Parliament, and also serve as a prelude to the Committee the Prime Minister is required to appoint in 2020, which will be tasked with reviewing the operation of the Fixed-term Parliaments Act. (Paragraph 76)

## **Formal Minutes**

#### Thursday 1 May 2014

Members present:

Mr Graham Allen, in the Chair

Mr Jeremy Browne David Morris Tracey Crouch Chris Ruane Mr Andrew Turner Mark Durkan Paul Flynn

Draft Report (Fixed-term Parliaments: the final year of a Parliament), proposed by the Chair, brought up and

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 76 read and agreed to.

Annex and Summary agreed to.

Resolved, That the Report be the Thirteenth Report of the Committee to the House.

Ordered, That the Chair make the Report to the House.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

[Adjourned till Thursday 8 May at 9.45 am

## Witnesses

The following witnesses gave evidence. Transcripts can be viewed on the Committee's inquiry page at <a href="http://www.parliament.uk/fixed-term-parliament-inquiry">http://www.parliament.uk/fixed-term-parliament-inquiry</a>

Thursday 16 January 2014	Question number
Caroline Slocock, Director, Civil Exchange	<u>Q1-43</u>
Thursday 6 February 2014	
Lord O'Donnell GCB, former Cabinet Secretary	Q44-91
Thursday 13 February 2014	
Julian Kelly, Director, Public Spending, HM Treasury	<u>Q92-129</u>
Professor David Heald, University of Aberdeen	Q130-147
Thursday 6 March 2014	
<b>Rt Hon Peter Riddell CBE</b> , Director, Institute for Government, and <b>Akash Paun</b> , Fellow, Institute for Government	<u>Q148-170</u>
<b>Sir Jeremy Heywood</b> , Cabinet Secretary, Cabinet Office, and <b>Rt Hon Oliver Letwin MP</b> , Minister for Government Policy, Cabinet Office	Q171-208

### Published written evidence

The following written evidence was received and can be viewed on the Committee's inquiry web page at http://www.parliament.uk/fixed-term-parliament-inquiry. INQ numbers are generated by the evidence processing system and so may not be complete.

- 1 Dr Petra Schleiter and Dr Sukriti Issar (University of Oxford) (FTF 0001)
- 2 Mark Ryan (FTF 0002)
- 3 Anne McIntosh MP, Chair of the Environment, Food and Rural Affairs Committee (FTF 0003)
- Bernard Jenkin MP, Chair of the Public Administration Select Committee (FTF 0004) 4
- 5 Rt Hon Sir Alan Haselhurst MP, Chair of the Administration Committee (FTF 0005)
- Dr Andrew Blick (FTF 0006) 6
- Professor Colin Talbot, Professor of Government, University of Manchester (FTF 0007) 7
- Rt Hon Sir Alan Beith MP, Chair, Liaison Committee (FTF 0008) 8
- Laurence Robertson MP, Chair, Northern Ireland Affairs Committee (FTF 0009) 9
- Dame Anne Begg MP, Chair, Work And Pensions Committee (FTF0010) 10
- Clive Betts MP, Chair, Communities and Local Government Committee (FTF 0011) 11
- Tim Yeo MP, Chair, Energy And Climate Change Committee (FTF 0012) 12
- 13 Professor David Heald (FT F0013)
- 14 David TC Davies MP, Chair, Welsh Affairs Committee (FTF 0014)
- 15 Fabian Society (FTF 0015)
- 16 Andrew Miller MP, Chair, Science and Technology Committee (FTF 0016)
- 17 Institute For Government (FTF 0017)
- Rt Hon Margaret Hodge MP, Chair, Committee of Public Accounts (FTF 0018) 18
- 19 Government (FTF 0019)
- 20 Further written evidence from the Government (FTF 0020)

## List of Reports from the Committee during the current Parliament

The reference number of the Government's response to each Report is printed in brackets after the HC printing number.

Session 2010–12		
First Report	Parliamentary Voting System and Constituencies Bill	HC 422
Second Report	Fixed-term Parliaments Bill	HC 436 (Cm 7951)
Third Report	Parliamentary Voting System and Constituencies Bill	HC 437 (Cm 7997)
Fourth Report	Lessons from the process of Government formation after the 2010 General Election	HC 528 (HC 866)
Fifth Report	Voting by convicted prisoners: Summary of evidence	HC 776
Sixth Report	Constitutional implications of the Cabinet Manual	HC 734 (Cm 8213)
Seventh Report	Seminar on the House of Lords: Outcomes	HC 961
Eighth Report	Parliament's role in conflict decisions	HC 923 (HC 1477)
Ninth Report	Parliament's role in conflict decisions: Government Response to the Committee's Eighth Report of Session 2010-12	HC 1477 (HC 1673)
Tenth Report	Individual Electoral Registration and Electoral Administration	HC 1463 (Cm 8177)
Eleventh Report	Rules of Royal Succession	HC 1615 (HC 586)
Twelfth Report	Parliament's role in conflict decisions—further Government Response: Government Response to the Committee's Ninth Report of Session 2010-12	HC 1673
Thirteenth Report	Political party finance	HC 1763
Session 2012–13		
First Report	Recall of MPs	HC 373 (HC 646)
Second Report	Introducing a statutory register of lobbyists	HC 153 (HC 593)
Third Report	Prospects for codifying the relationship between central and local government	HC 656(Cm 8623)
Fourth Report	Do we need a constitutional convention for the UK?	HC 371
Session 2013-14		
First Report	Ensuring standards in the quality of legislation	HC 85 (HC 611)
Second Report	The impact and effectiveness of ministerial reshuffles	HC 255
Third Report	Revisiting Rebuilding the House: the impact of the Wright reforms	HC 82 (HC 910)
Fourth Report	The role and powers of the Prime Minister: the impact of the Fixed-term Parliaments Act 2011 on Government	HC 440 (HC 1079)

Fifth Report	Pre-appointment hearing: The Chair of the House of Lords Appointments Commission	HC 600
Sixth Report	Introducing a statutory register of lobbyists: Government Response to the Committee's Second Report of Session 2012-13	HC 593
Seventh Report	The Government's lobbying Bill	HC 601
Eighth Report	Parliament's role in conflict decisions: an update	HC 649
Ninth Report	House of Lords reform: what next?	HC 251
Tenth Report	The Government's lobbying Bill: follow up	HC 891
Eleventh Report	Impact of Queen's and Prince's consent on the legislative process	HC 784
Twelfth Report	Parliament's role in conflict decisions: a way forward	HC 892