

## **SIR GEORGE YOUNG Bt MP - Parliamentary Reform: Year One Report**

First, I should begin by thanking the Constitution Unit for their patience; I was due to address you some weeks ago but was at the last minute pressed into front line service on behalf of the Government defending a former Cabinet colleague in the House. Having had no impact on the career prospects of that colleague, some might conclude that I should have simply stuck to my schedule – but I am delighted to be here this evening instead.

Can I also welcome the Constitution Unit's continued engagement on issues of parliamentary and wider political reform, under the very able leadership of Professor Robert Hazell. The Unit has been doing sterling work over the last 18 months, lifting the bonnet of the Coalition, examining the machinery underneath and suggesting where we need to apply a little more oil – and the Government is very grateful for their alertness and experience.

I'd like to start with a sobering reminder. Just over two years ago, Parliament returned from a fraught summer recess. The economy was in recession. Unemployment was on the rise. There were big issues that the country had to confront; and big choices, too, with an election just months away. Yet even against this backdrop, there was only one subject that consistently dominated the headlines: MPs' expenses.

And despite the best efforts of MPs, it wasn't going away. The autumn session of 2009 was dominated by the Legg Audit, the winter by the conclusions of the Kelly Inquiry. By November 2009, over 100 MPs had announced their decision not to stand at the election. Most commentators dismissed the whole institution, indeed the whole political system, as broken.

The truth was more complex. There was never any doubt that the public were angry – and rightly – at the revelations that emerged in the *Telegraph*, despite the worst efforts of the House to cover them up. Every MP had uncomfortable encounters with constituents that year, whether on the doorstep or in public meetings; and whether or not they had personally transgressed. Associations and party activists, who were trying to run campaigns during an election year, felt badly let down and made their disappointment clear.

The scandal exacerbated particularly a worrying trend: the perception that Parliament itself was increasingly irrelevant to people's lives. Of those questioned by the Hansard Society in 2009, less than a third thought that Parliament was one of the top three institutions that had the most impact on their lives. Another survey conducted at the height of the expenses scandal indicated that only one in five people were satisfied with 'the way the Westminster Parliament is doing its job these days'. This was less than half the proportion of the public that expressed satisfaction when asked exactly the same question in 2001.

This revealed that the issue for the public wasn't just about what some viewed as endemic wrong-doing among MPs, but also about the continuing ability of our central democratic institution to speak effectively on their behalf. The brisk trading in political futures had not only led to a fall in MPs' stock; it also led to an unsustainably low share price in Parliament itself.

For me, that meant Parliament faced two pressing tasks. First, we had to restore financial probity to the House of Commons. That meant ripping up the Green Book and ending the unacceptably cavalier, and in some cases fraudulent, way with which MPs had treated public money. Second, we had to change radically the way that Parliament worked: refashioning the relationship between Parliament and the public based on the principles of accountability and greater

transparency. First, restoring MPs' reputations; second, recapitalising the institution. Let me deal with these in turn.

On expenses, the key reform has been the establishment of an independent body to determine and regulate the main flow of money from the public purse to MPs' and their offices. Taking MPs' remuneration out of MPs' hands, something my party had called for long before the scandal broke, was the only real answer to what was a fatal lack of transparency and accountability. An independent regulator provides both, which is why all the major parties supported the creation of IPSA.

Although the system is still too bureaucratic to use and too expensive to run – both of which IPSA are trying hard to resolve – it has undoubtedly helped to restore some sanity to the debate on parliamentary expenses. Now confrontation is being replaced by cooperation and dialogue. MPs have almost stopped talking about IPSA in the tea room; although that is because they have started worrying about the Boundary review.

Expenses are just part of the picture. Before the election, there was a feeling that Westminster nests were overly feathered. It wasn't just the revelations about moats and duck-houses – it was also the sight of MPs voting on their own pay; collecting a generous final salary pension; being eligible for a substantial resettlement grant on retirement – often when they were beyond retirement age; and eating and drinking in taxpayer-subsidised bars and restaurants.

In Government, we have recognised that politicians need to lead from the front when we are asking the public to make sacrifices.

That's why we have cut and frozen ministerial pay; as well as ensuring that MPs had the opportunity to freeze their pay for two years and vote for long-term

reform of MPs' pensions. This also means that MPs' pay, pensions and expenses will for the first time be determined independently.

Cutting the cost of politics is also about the costs of Parliament. We have passed legislation to cut the number of MPs by 50 – one manifesto commitment that I found generated rather unsettling amounts of approval on the doorstep last year. In addition, the House of Commons Commission – of which I am a member – is also bearing down on the costs of the administration of the House: cutting the catering subsidy, reducing the budget for select committee travel and cancelling a New Voters' Guide – at a saving of £600,000 – which had little interest even (or perhaps particularly) for new voters.

Of course, none of these savings will eliminate the deficit by themselves – and we must remember that there is a price that we have to pay for a well-functioning democracy. But helping both Members and the House administration rediscover the virtues of fiscal discipline will help to reassure our constituents that we live in the real world.

I'd like to turn now to the second and perhaps more ambitious task that Parliament faces – creating a more effective, responsive and open institution. In taking this agenda forwards, I am fortunate to have behind me the reforming zeal of my Deputy, David Heath. David has always been a strong advocate for a stronger Parliament – and indeed before the general election last year we hunted as a pack on the Wright reforms. It is a pleasure to have the opportunity to put into practice in government many of the things that we spoke about in Opposition.

I want to start by addressing a characteristically challenging question that Meg Russell put to me after a speech I made at the Hansard Society last year: what business is it of yours to reform the House? As ever, it's a perceptive point.

Parliament is a constitutionally sovereign body, there to hold the government to account. How Parliament chooses to do so should be a matter for Parliament.

However, an effective Parliament is also crucial component of good government. A strong Parliament works for the benefit of the people by careful scrutiny of government business; a weakened Parliament is unable to restrain the excesses of the executive, leaving authority unchecked. It is therefore entirely in the Government's interests to ensure that the House is robustly and effectively discharging its functions. So we won't shy away from engaging in the reform debate and even trying to shape it. How the government chooses to deliver that is an interesting question, which I will aim to address at the end of my speech. I simply say at this point that it goes without saying that the Government's reform agenda will always require the support of the House.

The Coalition Government's record on parliamentary reform is strong. It is recognised that we have instituted the most radical changes to how Parliament operates since 1979, when Margaret Thatcher's government introduced the system of departmental select committees. We don't take all the credit – and I pay tribute to the previous government for agreeing to establish the Wright Committee and for making some big concessions on the election of the select committee chairs and members; important reforms, which we helped to bed down at the beginning of the Parliament. I equally welcome the approach that the Speaker has taken in supporting backbenchers and applying some lubrication to our procedural gears, ensuring more MPs are able to contribute to questions and debates. And we should also celebrate the impact of the class of 2010, whose energy and fresh approach have had a real influence on proceedings both inside and outside the Chamber.

There is no doubt in my mind, however, that the Government has so far played a central role in strengthening the House of Commons. Our guiding principle has

been to ensure that the best way to restore voters' faith in Parliament is by allowing MPs to demonstrate that they are doing the job they are meant to be doing. As I've said before, this means Parliament needs to be less of a poodle, and more of a bulldog.

One of our first acts in government was voluntarily giving up our power to control all business in the Commons, by establishing a Backbench Business Committee – something that was consistently ducked by the outgoing Labour administration. Over the last few decades, almost all parliamentary time was chosen and scheduled by the government, leaving backbench MPs powerless to debate issues that the government viewed as off-limits. For the first time in a century, we have voluntarily given away a huge chunk of parliamentary time to backbenchers – the equivalent of a whole day every week in the Chamber – giving them the right and responsibility to schedule debates on matters which are relevant to their constituents.

Now we have regular debates, and votes, on substantive issues which are often challenging to the Government's agenda – such as on compensation for victims of blood contamination, high speed rail, votes for prisoners and Europe. This is in our constituents' best interests; it is the sign of a healthy and dynamic democracy.

It has not all been plain sailing. The Committee, while imaginatively chaired by Natascha Engel, is still getting to grips with the tough task of scheduling business in the Commons, which involves juggling the many competing demands and expectations of Members, Select Committee chairs and Ministers. Perhaps not every call they've made has been the right one – we've still not had a backbench day on defence, European Council, or Welsh issues; debates that were regularly scheduled by the government in previous parliaments but were explicitly marked out as backbench territory under the Wright recommendations.

It will also soon be time to start considering the implications of a House Business Committee, which the Coalition Agreement commits the Government to establishing in the third year of this Parliament. I favour an evolutionary rather than a revolutionary approach. We need to think seriously about the problem that we are trying to fix and achieve a balance between creating a more transparent process for government business, while at the same time protecting the ability of the government to get its business through – something that the voters expect.

Freeing up the agenda to backbenchers has had a significant impact on Parliament's profile. But we have also worked hard to make the House more topical – not just better aligned to what's in the media, but also regularly setting the news agenda. We have made over 160 oral statements this session – considerably more than the previous government, including from the Prime Minister, who has been on his feet for 30 hours of Q&A this session.

But it's not just ministers who should have the opportunity to make statements. I am currently working with the Liaison Committee on my proposal to allow Select Committee Chairs to make statements on the floor of the House to launch their reports. Currently, Select Committees tend to send out their reports in embargoed press notices. Occasionally these generate media interest the next morning, but often they disappear without trace. These new sessions will ensure that they have the chance to make a bigger splash and, importantly, give Members the opportunity to cross-examine the select committee on their report before it goes outside for wider circulation.

Legislative scrutiny is one of Parliament's core tasks. Yet it has often found it difficult to perform this role when governments have produced too many badly drafted Bills requiring multiple amendments, while not providing the Commons with adequate time to debate them. I can't stand here and say that we have transformed this process within our first session. But our approach has been

significantly different from the previous government, both upstream – i.e. within government – and also downstream – within Parliament. I will deal with each of these in turn.

First, and most fundamentally, we are tightening our grip on the ideas factory in Whitehall. By the next Queen's Speech in spring 2012, we will have introduced fewer Bills than in the first sessions of Blair and Thatcher. This is a discipline that will continue over the next four years. We have moved to strengthen the role of the Parliamentary Business and Legislation Cabinet Committee, which I chair. We are committed to less legislation – and better legislation - and both I and my Cabinet colleagues are determined to deliver that.

We are also ensuring that in the next session more Bills will be published in draft and scrutinised by Select Committees. A new government has no lead time for drafting Bills for pre-legislative scrutiny – but even despite that, we will be publishing nine Bills in draft in this session: more than double the number published in the first session of the last Parliament. To the outsider, pre-legislative scrutiny can sound like a superficially highly technical exercise, but it has tangible benefits – both in improving the drafting of the Bill and also in bringing to the government's attention any political problems with a Bill before it is introduced. In other words, it can not only produce better quality law, it can also assist its passage through Parliament.

Within Parliament, the scrutiny of legislation is conducted in a completely different atmosphere than under the previous administration. The last parliament was dogged by continual rows over process. So far, we have not seen those arguments repeated. We have provided more than adequate time for the House to scrutinise Bills, both at Committee stage and by regularly scheduling two days at Report stage – something unheard of in the last Parliament.

We are also experimenting with ways in which we can widen the sphere of influence on the House beyond the tightly-knit circle of parliamentarians and interest groups to include the wider public. This session, we piloted a Public Reading Stage for the Protection of Freedoms Bill, allowing members of the public to comment online on legislation once it has been introduced to the House and allow the Public Bill Committee to consider their suggestions. Following this test of the system, we are looking at how we can open up more legislation to this level of scrutiny, improving not only the quality of legislation, but also the public's trust in it.

But perhaps the most widely-publicised reform that we have introduced this Parliament has been the new system of e-petitions. This has generated huge volumes of interest from the public. Over 2.6 million people have signed an e-petition, with over 10,000 e-petitions created on the site. Through this simple website, the Government has connected with a remarkable number and range of people – for many of whom, this may have been their first experience of engaging with the Parliament.

The key factor has been to fuse, for the first time, the e-petitions website with the parliamentary process. Those petitions that receive significant levels of support are eligible for debate within the House. Of the six e-petitions which have reached over the 100,000 threshold, four have been debated in the Chamber or Westminster Hall, with the other two awaiting debates that are likely to be scheduled in the near future. The debate on Hillsborough, in particular, was a powerful and poignant example of Parliament's responsiveness to the people, enabled by the Government and the Backbench Business Committee, and showing a Parliament and Government more willing to listen and respond to the public than ever before.

There has been some concern, primarily voiced by Natascha Engel, that the Government has inflated public expectations of what can be achieved through e-petitions, without properly resourcing the Backbench Business Committee, who are responsible for scheduling time for e-petitions. I reject that. We have always been clear that there is no automatic link between e-petitions and a debate in the Commons. Regardless of that, it's clear that Parliament has actually leapt at the opportunity to schedule debates when they are supported by significant numbers of the public. I'm sure that record will be kept up over the months and weeks ahead.

So our reforms have had a visible impact on the shape of the new Parliament. Under the Coalition, I think Parliament is not only livelier - what happens here is beginning to matter again. Since the last election, many of the biggest political moments are taking place in the Chamber and on the Committee floor – votes for prisoners, the debate on the Libyan intervention, the aftermath of the riots, the debate on the European referendum, and of course the continued investigation into phone-hacking. We may not have completely resuscitated MPs' reputations – but we have certainly helped to revitalise the institution itself.

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