

# Background

This paper is presented as part of a wider party consultation regarding Spring Conference and cost-neutral options for its future.

It does not represent a formal decision with regards to Spring Conference. It is designed to stimulate debate and discussion within the Party; based on the response generated, on the deliberations of an inter-committee Spring Conference Working Group, and on decisions of the Federal Executive and Federal Conference Committee, changes to the way in which Spring Conference operates may be either proposed or agreed.

The paper has been drawn up by a working group appointed by the Federal Executive and chaired by James Gurling. Members of the group are prepared to speak on the paper to individuals and discussion meetings organised within the Party.

Comments on the paper, and requests for speakers, should be addressed to: James Gurling, Email: [springconf@libdemocrats.org.uk](mailto:springconf@libdemocrats.org.uk), or c/o Rachael Clarke, Party Governance and Membership Experience Manager, Liberal Democrats, 8-10 Great George Street, London, SW1P 3AE.

Comments should reach us as soon as possible, and no later than 4<sup>th</sup> October 2013.

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# Context

- 1.1 Article 6.10 of the Federal Constitution states that *“The Conference shall be organised by the Federal Conference Committee, which shall be subject to the control of the Federal Executive in matters of financial and other resources.”*
- 1.2 As part of discussions on the 2013 Budget of the Federal Party, following representations from the FFAC, the FE agreed to set up a working group with FCC to look at the financial implications of spring conference.
- 1.3 After the group reported back, the FE resolved to enter into discussion with the wider party with a view to making spring conference, at worst, a break-even event. Finances of the existing Spring Conference are therefore a key basis for discussion.
- 1.4 In order to move towards a more cost-neutral position, three broad options have been discussed, and are detailed in this consultation:
  - Continue with a two day Spring Conference
  - Reduce the length of Spring Conference
  - Abolish Spring Conference entirely.
- 1.5 Any changes to Spring Conference are anticipated to be implemented from Spring 2016 – allowing for Spring 2014 to continue as planned, and for a General Election-focused Spring 2015 event.
- 1.6 In addition FE and FCC were asked to look at other ways for members to become more involved in conference.

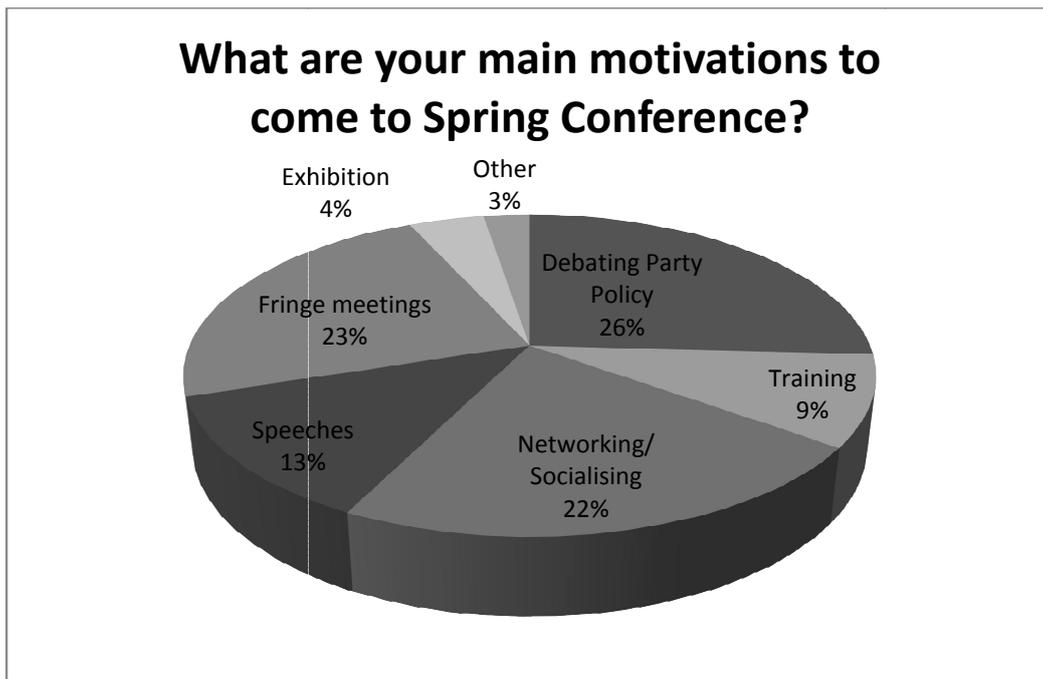
## Financial Background

- 2.1. Conference is a large contributor to Federal Party Accounts. FFAC's Report to Autumn Conference in 2012 showed that 27% of Federal income comes from Conference – 3% more than membership income. Conference income in 2012 stood at £1,463,792.
- 2.2. However, this income derives primarily from the autumn conference. There are a number of reasons for this: (amongst others)
  - Increased attendance from members – particularly from Scotland and Wales
  - Increased interest in autumn conference from outside companies
  - Reluctance from outside companies to attend an additional conference for one political party, when neither of the other main parties have a comparable event they could attend
  - Increased media interest and attendance in autumn conference
- 2.3. Conference Office budgets show that the past four spring conferences (pre-election, onwards) have operated at significant losses, with a deficit of not less than £37,971. In the last decade, no Spring Conference has produced a profit.
- 2.4. In addition to Conference Office costs, there are substantial costs for HQ staff – in terms of travel, hotel accommodation, and subsistence. These are not included in Conference Office figures, and so the deficits noted are not a full picture of the true costs involved. HQ staff attendance is, however, essential to running a full conference – as they are needed for onsite meetings, training, registration, member support etc. These costs will usually amount to between £20,000 and £25,000.
- 2.5. In addition to staff time in the Conference Office spent on producing a loss-making Conference, there is also significant staff time expended throughout the Party in preparation for Spring Conference.
- 2.6. The Federal Party Accounts for 2012 showed a £410,951 deficit, partly owing to increases in campaigning expenditure. In the run up to 2015, FE will not be proposing that spending on campaigns is reduced.

# The Wider Role of Conference

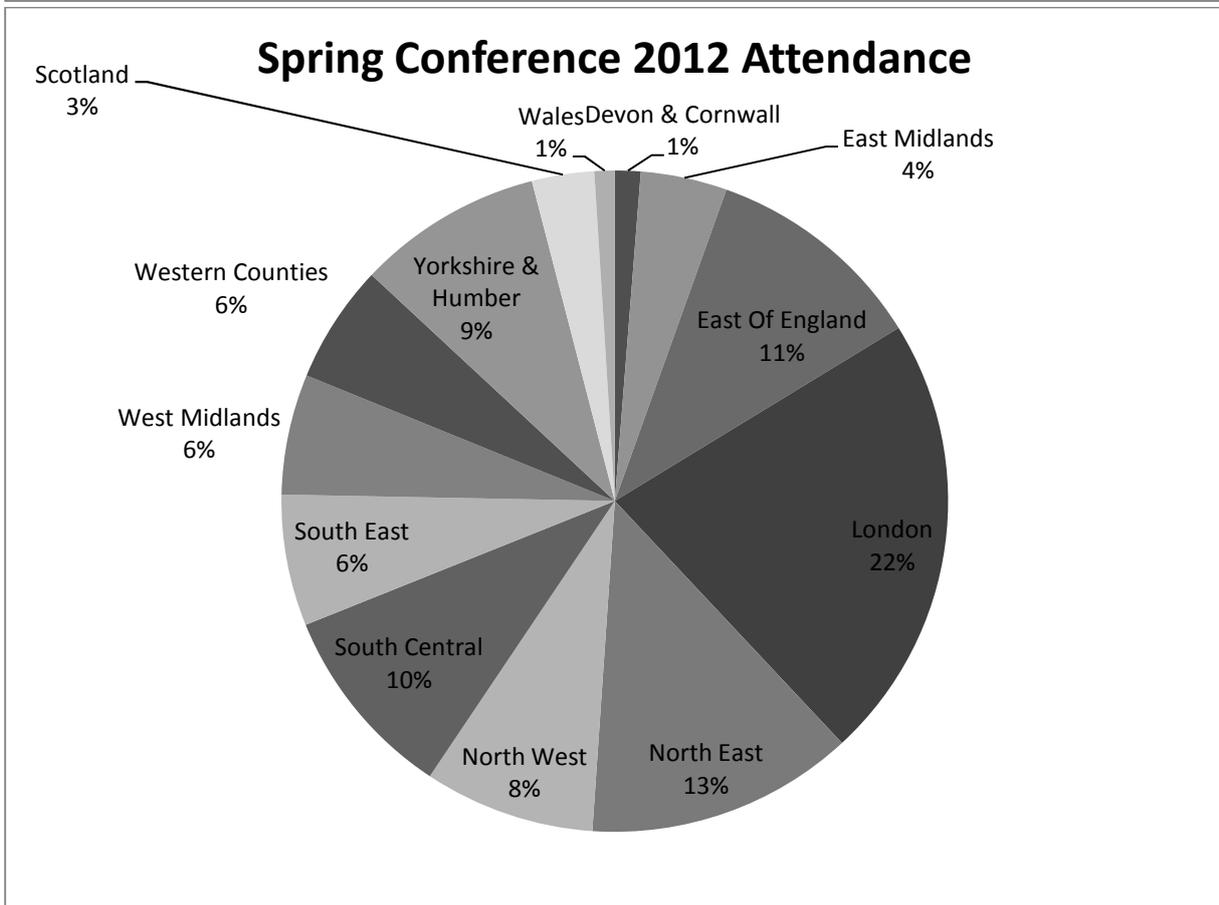
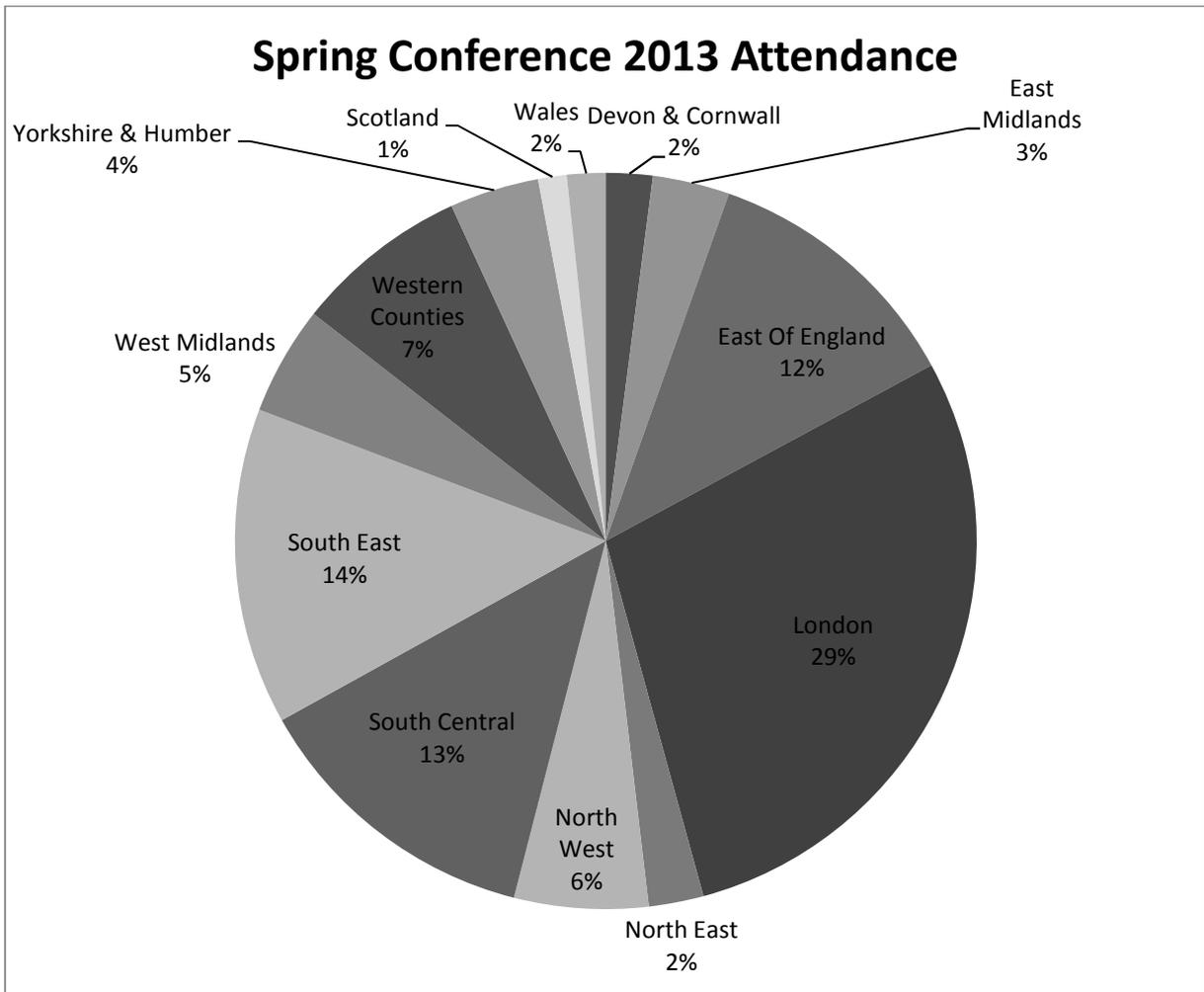
## Reasons for Attending Conference

- 3.1 Federal Conference is the legislative body of the Liberal Democrats. All Federal policy is decided on the floors of autumn and spring conference. There is currently no option to attend or vote at Conference remotely.
- 3.2 FCC has also endeavoured to ensure that policy-making is not the only draw to the conference hall. Spring Conference continues to host speeches by leading party figures and ministerial Q&A sessions, in addition to a full fringe, exhibition, and training programme.
- 3.3 As a group, we have also been reminded that policy-making and discussion are not the only (or even primary) reasons why representatives might attend Conference. Responses to the member survey conducted after Spring Conference 2013 were as follows:



## Attendance at Spring Conference

- 3.4. Spring Conference is mandated in the Federal Constitution, and is so designed to be a Federal event. As Federal Policy is discussed and decided upon, it would be hoped that attendance is roughly reflective of membership figures/Conference Rep entitlements.
- 3.5. Anecdotally, concerns have been raised that Scottish and Welsh members may choose not to attend Spring Conference, as their main State Conferences fall around the same time. Attendance figures are included below for 2013 (Brighton) and 2012 (NewcastleGateshead).



## Spring Conference: Cost-Neutral Options for the Future

- 3.6. As the attendance figures show – changing venue between north and south England has a minimal effect on attendance from Scottish and Welsh colleagues.
- 3.7. Scotland and Wales, on average, account for roughly 10% of Party membership, but consistently only account for 3-4% of Spring Conference attendees. Similarly, other regions are disproportionately under-represented at Spring Conference, such as Devon & Cornwall who average 5% of members, but only between 1% and 2% of Spring Conference attendees.

### Questions

1. Are the Working Group right to consider not only the importance of delivering a cost-neutral spring conference, but also producing an attractive event for members?
2. Do you consider 'social' aspects of spring conference, such as fringe, to be important?
3. Do you believe that Spring (as opposed to Autumn) Conference has a fundamental role to play in party democracy – by setting policy and holding elected officials to account?
4. Are you concerned by the seeming lack of 'Federal representation' at spring conference?
5. Do you believe that the Party should address the under-representation of certain regions in Federal Policy decisions?
6. If you do not, or seldom, attend conference (particularly if you are a member of the Scottish or Welsh parties), what would encourage you to attend?

## Options for the Future

- 4.1. This is a full consultation on all options listed below and any other suggestions which may arise. The Federal Executive, having seen a shortened version of this paper, preferred the option of reducing the length of Spring Conference to a single day, or other means of making spring conference break even.
- 4.2. All options below are based on the fundamental decision to make spring conference, at worst, a break-even event.

### Option 1 - Continue as at Present

- 4.3. As it stands, Spring Conference cannot run at anything but a loss. Losses have been sustained consistently for at least the last decade – numbering up to £63,000 (without including around £20,000 of staff costs, time, and conference office overheads).
- 4.4. Overall, while greater efficiencies and cost reduction continues to be possible, they are unlikely to be sufficient in themselves to ever deliver a break-even scenario.
- 4.5. Efficiencies and cost reduction, in this case, would need to focus on aspects of Conference without return. For example, the stage set, lighting, projection and sound in the Conference Hall (roughly £20,000), exhibition provision, and subsidised rates on fringe and exhibition bookings for party bodies (Federal/State Committees, (S)AOs etc). These options would largely not be supported by either FE or FCC.
- 4.6. In order to continue as at present, therefore, registration costs would need to be increased. Spring Conference registration in 2013 cost between £52 and £84 (and significantly less for claimants). Significant increases to these prices could not be avoided if a two day conference were to be retained. To cover paper losses, average registration fees may potentially have to rise to around £100.
- 4.7. Whilst the loss made at spring conference is clearly compensated by the surplus generated by the autumn conference, there is also evidence to suggest that the opportunity cost of preparing for both conferences during the course of one calendar year reduces the potential to expand still further commercial income generated in the autumn. For example, time spent chasing leads at spring conference rarely comes to fruition and that time would return a better investment if all efforts were aimed at autumn conference. In essence, spring conference potentially has a doubly poor effect on conference income – by itself making a loss, and by reducing resources and staff time spent on further increasing the profitability of autumn conference.

## Spring Conference: Cost-Neutral Options for the Future

- 4.8. Media coverage for spring conference remains minimal, owing to the other two parties having cut back on their spring ‘conferences’. It is generally accurate to describe spring conference as covering one news cycle – with coverage focused on the Leader’s Speech.
- 4.9. As noted previously, there is a consistently negligible attendance from Scotland and Wales owing to their main conferences being in spring, and from certain English regions owing to the travel time involved. This unbalances the policy discussion and decision making process, meaning that Spring Conference is not a truly federal conference

## Option 2 - Reduce the Length of Spring Conference

- 4.10. There is potential to reduce the length of spring conference from a day and a half to one day (probably a Saturday). FE is currently awaiting a ruling from the Federal Appeals Panel as to whether such a reduction would require a Constitutional change.
- 4.11. Currently, staging spring conference requires four days of venue and equipments hire, and event staff pay (pay is by the hour) and accommodation. Reducing the length of spring conference would reduce this to three days. There would also be scope for scaling back eg. Stage sets for a one day conference – resulting in associated savings. Regardless, certain production values would have to be maintained, even on a daily basis.
- 4.12. The reduction in length of spring conference would require compromises on certain aspects of the conference experience. Training provision may no longer be part of the core offer of spring activities. Fringe events could be conducted, but with two slots – lunchtime and evening. The exhibition would also likely become purely party-focused.
- 4.13. Location may also be a necessary compromise. One particular suggestion would include spring conference being held in London on a recurring basis. This would entirely remove the need for staff accommodation and travel costs, as well as reducing logistical arrangements.
- 4.14. Given that even in NewcastleGateshead, 49% of attendees were from South East, South Central, East of England, and London regions, this possibility would also likely provide significant savings to a great number of ordinary members.
- 4.15. Travel from areas further afield is also easier to London. There are direct flights and sleeper trains from Scotland, already used by Scottish reps on Federal Committees. Trains from Cardiff take just over two hours to reach London. Travel

## **Spring Conference: Cost-Neutral Options for the Future**

from the full complement of English Regions is also easier to London than anywhere else.

- 4.16. If this was seen as a suitable approach, there would, of course, need to be additional commitments to ensure that autumn conference would be held somewhere more accessible to members not based in London.
- 4.17. Another suggestion raised is that, similar to the Welsh and Scottish conferences, a shorter Federal Spring Conference may allow English Regions to expand their spring conference to become their main conference. This would allow members to be involved at a more local level, in addition to helping them build relationships with regional representatives and MEPs.
- 4.18. The time allowed for policy-making would also need to be reduced. Rough estimates on this suggest that hall time could be reduced by between 20% and 60%. Depending on conference-goers' preferences, there is potential that this could fall more heavily on speeches, Q&A sessions, and reports to conference, whilst preserving the bulk of time for policy debates.
- 4.19. It is worth noting that recent feedback from Spring Conference attendees has shown that 22% of them would prefer more debating time –and that 75% consider the current balance to be appropriate. A reduction to one day would, necessarily, make an increase in debating time impossible.
- 4.20. There is a potential knock-on effect for the holding of consultation sessions on policy papers – where to accommodate as many as are held currently, there may be no option but to overlap with events in the hall.
- 4.21. A one day conference could potentially, therefore, continue to provide an opportunity for accountability to the wider membership, a vehicle for federal policy development, constituency motions etc, and a platform for the Leader.

## **Option 3 - Abolish Spring Conference**

- 4.22. From a cost perspective, this would, quite obviously, solve any budget deficit. As previously noted, there is also potential for it to have a positive impact on the budget for autumn conference
- 4.23. There is also substantial evidence (as noted above) that the current spring conference is struggling in its delivery of its Federal duties. Abolition would require a commensurate increase in profile and size of English Regional conferences, where, potentially, Federal bodies could be held to account through members reporting back at that level.

## Spring Conference: Cost-Neutral Options for the Future

- 4.24. While this option provides the only guaranteed means of achieving the financial objectives laid out, the group believes that the negative impact on morale, training, and policy development would make abolition a less palatable course of action for Party members. We therefore did not consider it to be a viable option, although members are welcome to inform us otherwise.

### Questions

7. Which option do you prefer, or how would you amend the options given?
8. Would you consider further cost reduction on the existing spring conference desirable?
9. If the registration fee was increased, would you consider attending/continue to attend a two day spring conference?
10. Which option would you consider to have the greatest effect on increasing the federalism of spring conference?
11. If a one day conference were to be proposed, what would you want to see retained?
12. If you do not currently attend spring conference, would a one day conference in London encourage you to attend?
13. If a one day conference were to be proposed, would a better option to be to include a second day focused on local government (LGA/ALDC) or, for example, English Council?
14. Would you like to see a higher profile for spring Regional Conferences in England?
15. Are there additional functions which could be undertaken by regional conferences, and if so, which?
16. Other similar organisations hold campaign-focused conferences - for instance, on local government or women – with associated increases in outside interest. Would this be a viable approach for Spring Conference?
17. Do you believe that there needs to be a spring conference?
18. How could we help members who are not physically attending spring conference get involved?