

TONBRIDGE & MALLING BOROUGH COUNCIL

OVERVIEW AND SCRUTINY COMMITTEE

11 June 2014

Report of the Chief Executive

Part 1- Public

Matters for Recommendation to Cabinet

1 USE OF THE URGENCY PROCEDURE TO APPROVE A NEW CAPITAL PLAN SCHEME TO SUPPORT THE INTRODUCTION OF INDIVIDUAL ELECTORAL REGISTRATION

In accordance with the Council's constitution this report seeks retrospective approval to the addition of a new Capital Plan scheme to purchase hardware necessary for the implementation of Individual Electoral Registration. Scheme costs are met in full by government grant.

1.1 Background

- 1.1.1 Members will be aware that Individual Electoral Registration (IER) launches on 10 June 2014. This introduces considerable change in the way in which residents will register to vote, and represents a new way of working at every level and in every part of the process.
- 1.1.2 The Government, through the Cabinet Office, have committed to fully fund the transition to IER. This includes funding for 2014/15 to cover the additional costs associated with the new processes, which are considerable.
- 1.1.3 In December 2013, the Minister announced that the new statutory forms for registering to vote must be printed on A3 rather than the current A4. As a result, they are releasing funds to cover the additional costs associated with the change in paper size. This was expected initially to cover printing and scanning.
- 1.1.4 However, within this authority we undertake all printing and mailing for all electoral processes in-house. This gives a greater level of security, control and accountability than outsourcing major statutory mailings to third parties.
- 1.1.5 As a result, we advised the Cabinet Office that our hardware requirements will include a folding and an enveloping machine. Having discussed with the supplier of the machines currently in use within TMBC, the existing units do not meet the required hardware specification.
- 1.1.6 Under IER, we are required to send out a hugely increased volume of paperwork. This will include forms to households and to individuals, as well as reminders,

each with a business reply-paid envelope. The legislation requires that all the forms will be A3 in size, which we will fold down to fit in A5 envelopes (saving postage costs). Through IER, we will also be required to send acknowledgment letters at various stages of the process, resulting in yet more paperwork being posted to residents.

- 1.1.7 In order to facilitate the work, we will require a number of pieces of equipment – to help with the mailings out, and the processing of forms when they return. The Council's Management Team considered the hardware requirements on 18 March 2014, and agreed that these purchases are necessary and that they constitute a new capital scheme.
- 1.1.8 As a new capital scheme, it is recognised that formal Member approval is required. Given the timing of the purchases urgent approval was sought pursuant to section 14.2 of the Financial Procedure Rules from the Leader and the Chairman of the Overview & Scrutiny Committee. In addition, for greater transparency, the Cabinet Member for Finance, Innovation & Property, the Chairman of the FIP Advisory Board and the Leader of the Opposition Group were also invited to consider the request. Approval was granted by all recipients, noting that the Chief Executive would subsequently report the approval to this Committee. A scheme evaluation template has been completed and is provided at **[Annex1]**.

1.2 Hardware required

1.2.1 2 x A3 scanners

- These will be used for scanning all forms. The make and model have been recommended by our software supplier. These will be needed in place before the elections start this year, to enable postal vote scanning to take place on a stable platform. Two scanners are required to ensure resilience should one fail. The existing MFDs are not able to scan to our software and, given the volumes of scanning involved, would be ineffective for the work.

1.2.2 1 x Folding machine

- This machine will take the A3 forms and fold down to A4. This is required as no single machine can fold direct from A3 down to A5 and then insert into an envelope. For major mailings, such as the one due in July 2014, the printroom will be involved in the printing and folding. However, on a daily basis where smaller volumes will be printed locally, folding will take place locally within electoral services.

1.2.3 1 x Inserter

- This machine will take the pre-folded sheet and fold again to A5, insert into an outbound envelope along with a business reply envelope and

information sheet or second form where required. This will be required both for the major mailouts and for daily use. The existing machines within TMBC cannot undertake these tasks.

1.2.4 1 x Opener

- Until this year, the traditional canvass has allowed us to send A4 forms to each household. Where returned on paper, we used a 'fold-and-tuck' option, so the returned forms only needed to be unfolded to be opened. However, under IER the forms are larger (A3) must follow the statutory design, and must be supplied with a business reply envelope. Therefore, returned forms will be returned in envelopes. The existing envelope opener cannot handle the volumes expected during busy periods, and a new machine will dramatically reduce the time taken to manually open envelopes. As an indication, the most recent canvass (completed in February 2014) saw 22,000 folded paper forms returned, and there is no indication this will reduce under IER.

1.2.5 By way of context, the equipment will be used both for the major mailings of 50,000 to 100,000 items once per year and reminders (up to 30,000 items per mailing), and on a daily basis for smaller mailings.

1.2.6 By comparison, the cost for outsourcing the work to a major print and mailing company is 3-5 times the cost of producing the materials in-house and so would cost at least £20,000 more per year.

1.3 Costs

1.3.1 The list price of the hardware procured is £34,800. Through supplier discounts and negotiation, we were able to purchase all the necessary items including a three-year maintenance agreement for £30,000. It is expected that the hardware will require replacement every six years at a cost of £25,850 (£4,300 per annum to be provided for within capital renewals provisions) and a new maintenance agreement will be required from year four at an estimated cost of £1,400 per annum (to be provided for within future revenue budgets).

1.4 Cabinet Office contribution

1.4.1 As noted above, the Government committed to fully fund the cost of the transition to IER. However, at the time of obtaining approval from the Leader and Chair of Overview & Scrutiny, the Cabinet Office had not formally approved our bid. This was due to this authority undertaking major mailings in-house and therefore being more unusual than other authorities. However, I am pleased to advise that after presenting our business case to them, the Cabinet Office have approved our bid and have met the costs in full.

1.5 Legal Implications

- 1.5.1 Tonbridge & Malling Borough Council is legally required to provide the Electoral Registration Officer (ERO) with any resources required to enable her to complete the job of registering electors in accordance with the legislation. The implementation of Individual Electoral Registration represents a significant change in electoral registration processes, and the introduction of a large increase in the number, type and size of mailings the ERO must send out. As such, the hardware identified in this report is necessary for the delivery of IER.

1.6 Financial and Value for Money Considerations

- 1.6.1 The purchase of new hardware at an effective annual cost of £5,700 per annum including maintenance represents good value for money compared to out-sourcing the mailing work, which would cost around £20,000 per year. In addition, the initial purchase of hardware has been funded by the Cabinet Office.
- 1.6.2 Consideration was given to sharing equipment with neighbouring authorities. However, the business processes and software in place in those organisations is significantly different to those in place at TMBC, and the timings of major mailings will coincide in all authorities, making the sharing of equipment and resources in this area unviable.

1.7 Risk Assessment

- 1.7.1 There is a risk that, without the identified hardware, we would not be able to deliver IER.

1.8 Equality Impact Assessment

- 1.8.1 The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

1.9 Recommendations

- 1.9.1 That the purchases required for the implementation of Individual Electoral Registration documented above are endorsed and Cabinet is invited to add the grant funded scheme to the Capital Plan.

Background papers:

contact: Richard Beesley

Nil

Julie Beilby
Chief Executive