

# **Report to Constitution and Members' Services Scrutiny Standing Panel**

**Date of Meeting: 3 July 2006**



**Subject:** Elections - May 2006

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## **Recommendations:**

- (1) To note this review of the Elections held in May 2006;**
- (2) To express views on the arrangements for the counts for future local elections (paragraphs 36-38); and**
- (3) To note the reasons for the budget overspend for elections for 2006/07, action to budget on a different basis in future and that the Returning Officer will seek approval to a supplementary estimate of £22,000.**

## **Electronic Electoral Pilot**

1. Members will be aware that the Council has participated in various electronic pilots for past elections and has a good track record for delivering these according to Government requirements. Past pilots involved touch-screen voting, electronic counting and other elements of the election process. These pilots have been funded by Central Government. The contracts have been between the supplier and the Government with the Council and the Returning Officer acting as facilitator.
2. The Council was first approached about this year's round of pilots in September 2005 by an official of Idessa, one of the Council's preferred contractors for the delivery of electronic electoral pilots. For 2006, the Government planned to test a wide range of new procedures via pilots of various kinds. Some of these pilots were in fact not electronic at all, but related to administrative procedures and supply of information to the public. Others, reflected public concerns about postal voting and therefore related to security arrangements for verifying such applications. There were also plans for electronic counting and remote (or mobile) voting.
3. After these initial approaches, it became apparent that the Department for Constitutional Affairs (which was responsible for the national programme) was keen to see this Council involved again. Preparations then proceeded through the autumn and winter of 2005/6 and several meetings were held with the supplier to prepare an application for Government approval (to which funding was linked), and to begin the process of planning for the electronic pilot. The application listed Demsoft as the supplier.

4. The Constitutional Affairs Panel of Overview and Scrutiny was consulted about this electronic pilot and on one occasion the supplier attended to answer questions after making a presentation about the project. After some discussion, members supported the Returning Officer in pursuing the electronic counting option, electronic verification of postal votes and the pre-poll information on postal voting and on elections generally. Members had reservations regarding the remote voting option which was being contemplated at one stage and this was subsequently dropped from the Council's bid.
5. A full bid was submitted with the assistance of Demsoft and this was approved by the Department for Constitutional Affairs in the spring of 2006. By that stage, planning of the electoral pilots was well advanced with the contractor primed to begin ordering hardware for the pilot to match the software that the company had developed for the purpose.
6. Fairly late in the process, it became apparent that the contractual basis for this pilot would differ from those that had gone before. The Department for Constitutional Affairs specified that the contract should be between Councils and the relevant contractor. This was queried with the Department by the Returning Officer and the reason given was that it was to ensure that the pilots were seen to be run by local authorities and not by the Government. No change was proposed in the arrangements for reimbursement by Central Government, although it was expected that under the contract, the Council itself would fund the cost (approximately £90,000) with reimbursement to follow after the election.
7. Demsoft sought an advance on the contract sum of £90,000 in order to complete the purchase of necessary hardware. The payment of that invoice was being linked to the signing of a contract with the company. The matter was discussed at a meeting with Demsoft in February 2006 when demands were made for the immediate payment of the first invoice (for half of the contract sum) and the execution by the Council of the contract. The Returning Officer did not sign the contract on that day, neither did he authorise the payment of the first invoice.
8. About two days later, the Returning Officer received a call from Idessa who had become aware of the negotiations which had been going on with Demsoft. The Returning Officer was advised that Demsoft and Idessa were likely to be involved in High Court proceedings in the near future regarding IT products. The Returning Officer after discussing this with Demsoft and having taken legal advice decided not to pay the invoice and not to execute the contract.
9. The outcome of the High Court case was said by Idessa to have been the winding up of Demsoft. Although the Council has not seen High Court judgements, it is known that proceedings did happen and that there has been no further contact from Demsoft.
10. Planning for the electoral pilots had proceeded to a point where the Council had incurred approximately £9,000 in costs. These costs related to the production of two leaflets which were part of the pilot, one relating to election awareness and the other to the postal voting procedure. As these referred specifically to the electoral pilot, the Returning Officer had to make a decision about whether these leaflets were still to be produced, in which case they would need to be amended, or whether they should be dropped entirely. The Returning Officer decided not to proceed with the general leaflet but produced an amended copy of the postal voting leaflet for which funding was identified within the election budget. This leaflet proved to be a considerable success in reducing the number of telephone queries about postal voting.

11. The Returning Officer visited the Department for Constitutional Affairs to discuss the abortive costs incurred by the Council. The Returning Officer expressed his concerns about the difficulties caused to the Council by Demsoft not being a preferred Government supplier. The Department for Constitutional Affairs was sympathetic to the Council's position and the way in which these problems had arisen and there was agreement that the DCA would meet the costs for the abortive leaflet on postal voting and other incidental expenses. The Department would not accept liability for the cost of the replacement postal voting leaflet unrelated to the pilot.
12. The Department for Constitutional Affairs confirmed that Treasury approval was required for reimbursement of the £9,000 abortive costs and a formal request has been made. The outcome is still awaited.
13. It is clear that the Department would wish the Council to participate in future electronic pilots. However, there are some aspects of this particular experience which gives grounds for concern. Firstly, the contractual basis for these pilots which with hindsight can now be seen as placing the risk with the District Council rather than the Department for Constitutional Affairs as the funding agency. Secondly, the information available to local authorities regarding approved contractor status and expectations that competitive tendering exercises to ensure best value should take place. The Returning Officer feels that before any recommendation can be made to the Council in future about pilots, there needs to be clarity on these issues.
14. As a result of the electronic pilot not proceeding, the election reverted to a traditional style. There was the need to increase the number of counting assistants at the centralised count. Under the electronic voting arrangement, the number of count staff was approximately 12. However, for a traditional count, approximately 80 additional staff were needed. This has had an impact on the cost of the election which is dealt with later in this report.

### **Turnout**

15. There was an average turnout in 2006 of 41.48%. The highest turnout was in respect of the Theydon Bois Ward (49.76%) and the lowest related to the Waltham Abbey Paternoster Ward (29.48%).
16. In May 2003, average turnout in the 18 wards up to that year was 29.31%.
17. The average turnout for the District Council elections in 2006 compares favourably with the turnout for the Parliamentary election for the Epping Forest Constituency in 2005 (62.88%).

### **Polling Stations**

18. No complaints were received about the location or suitability of the buildings used as polling stations. However, it was necessary to use portacabins at Chimes Nursery for the Riverside Polling District of the Lower Nazeing Ward of the District Council and at Breach Barns, Galley Hill for the Waltham Abbey Town Council election. The cost of hiring a portacabin (approximately £3,000) is considerably more than the cost of the most expensive building used as a polling station.

19. Officers will continue to look for alternatives at these locations for future elections. It may be possible to negotiate the use of a building at Chimes Nursery but the only alternative for Breach Barns appears to be directing those electors to the other polling station in the Ward, i.e. the Community Centre at Saxon Way. This is not within walking distance but the cost of a portacabin can no longer be considered value for money. The costs of hiring have increased considerably in recent years due to the need to comply with stricter health and safety and access requirements. There are 396 electors at Breach Barns and if the only option is to direct them to the Community Centre, this could be combined with a suggestion that those who might find it difficult to visit that polling station should consider a postal or a proxy vote.
20. The same situation applies at Lower Steering where there is no suitable building for a polling station and electors vote at the polling station in the adjoining Ward at Sheering Village Hall.

### **Postal Votes**

21. The total number of postal votes issued was 5,414 with 3,788 returned. The number of postal votes rejected was 86. There was no evidence of any postal vote fraud. The number of postal voters continues to rise and more resources were employed than in previous years for the issue and opening sessions. Also, additional resources had to be diverted to opening postal votes at the count in order to ensure that ward counts were not delayed by the counting of postal votes handed in to polling stations during the hours of poll.

### **Spoilt Papers**

22. There were fewer papers rejected this year because they did not bear the official mark.

### **Police Liaison**

23. The Police response to the security aspects of the May 2006 Elections was very satisfactory. Early discussions were held with Police representatives about possible concerns and the Police showed a particular interest in matters relating to postal votes and any allegations of irregularities. A dedicated policing team was established on Election Day and this resulted in Police teams touring key sites during the day with a presence at the Count.

### **Complaints**

24. Very few complaints were made by candidates, agents or electors. Those that were received were referred to the appropriate authorities. The vast majority of telephone calls made to the Elections Officer were from electors complaining that they had not received poll cards. These were from people in the wards, which were not up for election, but having seen publicity about the elections they have assumed that they would be voting.
25. A number of complaints were made from people who were not on the electoral register because they had not completed electoral registration forms.
26. On the day of the election representations were made about the tellers at one polling station being located in the lobby of a hall rather than outside the building. Where there is a separate lobby from a main hall it has always been the practice to allow tellers to use the lobby if it is sufficiently remote from the polling station staff.

27. This year for the first time, the guidance from the Electoral Commission was to allow tellers to ask electors for their details either on their way into or out of the polling station. Previously it had only been possible to request such details from electors leaving the polling station. No complaints were received from electors about this aspect.
28. One letter was sent to the local newspapers which was critical of the arrangements for the count. However, it is clear that the writer of that letter was under the impression that only the Theydon Bois Ward was being counted at the Theydon Bois Village Hall and not all wards across the District.
29. Officers attended a post election seminar with colleagues from other authorities in the Eastern Region who had elections in May. Generally most elections in the Eastern Region went satisfactorily. However, some authorities experienced problems in relation to printing errors on ballot papers, failure to count all postal votes and candidates who were employees of the authority. There were also some complaints about non-delivery of poll cards. These problems did not arise in this District. The different covers on books of ballot papers made it easier for checking and we did not suffer the problem, which arose last year.

## **Count**

30. When the decision was made about the venue for the count, the Council was proceeding with an electronic pilot scheme, which included electronic counting. It was necessary, therefore, to have one central count and Theydon Bois Village Hall was chosen. This venue had been used successfully for the Parliamentary and County Council election counts in 2005 and the European election count in 2004.
31. When the decision was made not to proceed with the electoral pilot scheme in March of this year it was too late to revert to having a number of local count centres, as had been the case in the past for District Council and local council elections.
32. Whilst it is considered that the count was run efficiently and was completed within three hours there were some problems, which will need to be addressed for future years.
33. Due to the size of the Village Hall it was necessary to impose a restriction on attendees having regard to the need to accommodate sufficient counting staff and space for the movement and storage of materials and equipment.
34. The only people permitted to attend the count are as follows:
  - (a) the returning officer and his staff;
  - (b) candidates and their partners;
  - (c) election agents;
  - (d) counting agents; and
  - (e) persons permitted by the Returning Officer to attend.

35. There was a total of 75 candidates for the District Council elections and it was not possible to make any provision for the general public and the arrangements for the media were not ideal.
36. Members are asked to express views on count venues for future local elections, not involving electronic counting. The options are:
  - (a) a central count for all wards at the Theydon Bois Village Hall accepting its limitations;
  - (b) a central count at another location where there is larger accommodation, e.g. Debden Park High School, Loughton; St Johns School, Epping; and
  - (c) a number of devolved count centres, e.g. counts at Loughton, Epping, Waltham Abbey, Ongar.
37. In making a decision, members should be aware that options (b) and (c) will be more expensive than option (a). For instance, the rental fee for Debden Park High School in 2005 was £825 as opposed to £210.50 for the Theydon Bois Village Hall.
38. Members are also asked for their views on when the Counts should take place in years where there is a third of District Council seats up for election and a half of the local councils (the situation in 2007). The view of officers is that the District Council Counts should be held immediately after the close of poll on Thursday and that the parish/town council counts should commence on Friday morning.

## **Budget**

39. The budget provision for holding elections in 2006/07 is £59,230. At this time it appears that the actual net cost of the May election will be approximately £22,000 more than the budget provision.
40. Officers have analysed the reasons for this overspend and it appears to arise for two reasons.
41. Firstly, when the budget was prepared, discussions were taking place about a possible electoral pilot. However, after the collapse of the pilot which included electronic counting, it became necessary to increase the number of count assistants from 12 to 92. This increased the Council's costs by approximately £4,500. When discussing abortive costs with the DCA, officers made a case for the reimbursement of this sum but the DCA officials took the view that as this was a cost which would have been incurred had the Council not intended to undertake a pilot scheme, it would have to be borne locally.
42. Secondly, there has been no similar election in recent years which could have been used as a base for this year's budget. In May 2006, one-third of District Council seats were up for election and there was a town council by-election. In May 2005, there was a combined Parliamentary Election for the Epping Forest Constituency and elections for the seven County Council divisions in the District. In June 2004, there was a combined European Parliamentary Election for the Eastern Region, one-third of District Council seats and half of the parish/town councils in the District. In May 2003, there was one-third of District Council seats up for election and half of the parish/town councils in the District. These elections were also the subject of an Electoral Pilot Scheme involving the use of touch screens in polling stations, electronic transmission to the Count Centre and electronic counting. As a result,

Central Government met some of the costs. In May 2002, there were Full-District Council elections (58 seats) following a review of ward boundaries by the Electoral Commission. These elections were also the subject of an Electoral Pilot Scheme involving the use of electronic counting machines. As a result, Central Government met some of the costs.

43. Combined elections and electoral pilots appear to have masked the need to increase the budget more than inflation. When combined elections are held, the costs of staff, polling stations etc are shared, e.g. when a District Council election is combined with a Parliamentary Election, half of the costs fall on the Council and half on Central Government. Unlike other Council budgets, it is considered that there is a need to estimate afresh the elections budget each year rather than simply increase the previous year's provision by inflation.
- ... 44. A summary of the position is shown in the attached Appendix.
45. Officers in Democratic Services and Finance are working on a spreadsheet to calculate the required budget for all future elections. This will show every ward in the District and will take account of the elections to be held in the particular year, e.g. District/parish and town council, County Council, combined.
46. Members are asked to support the Returning Officer in seeking a supplementary estimate of £22,000 to meet the budget shortfall in 2006/07.
47. Members will appreciate that there will be no provision for any unforeseen by-elections which may arise during the remainder of the current financial year. If necessary, authority will be sought for a further supplementary estimate. In preparing the budget for future years, it is proposed to include a contingency sum to cover this situation.