

Executive Note
The Scottish Local Government Elections Order 2007 (S.S.I 2007/ 42)

The above instrument was made in exercise of the powers conferred by sections **3 and 16** of the **Local Governance (Scotland) Act 2004**. The instrument is subject to affirmative resolution procedure.

Policy Objectives

The purpose of the instrument is to replace the Scottish Local Government Election Rules 2002 (S.S.I. 2002/457 as amended) which provide for the conduct of elections of members of Scottish local authorities. The rules in Schedule 1 to the Order differ from the 2002 rules by including changes introduced by the provisions of the Local Electoral Administration and Registration Services (Scotland) Act 2006 and amendments made to the parliamentary elections rules by the Electoral Administration Act 2006.

In particular, the provisions of rule 1 (timetable), rule 4 (nomination of candidates), rule 7 (decisions as to validity of nomination papers), rule 10 (correction of minor errors), rule 14 (ballot papers), rule 16 (official mark), rule 20 (postal ballot papers), rule 23 (issue of official poll cards and notifications), rule 24 (equipment of polling stations), rule 27 (admission to polling stations), rule 35 (tendered ballot papers), rule 40 (attendance at counting of votes) and rule 60 (retention of documents) have been amended.

The rules have also been amended to reflect the introduction of the Single Transferable Vote (STV) system for local government elections in Scotland from May 2007. In addition to revising the format of the ballot paper, the rules dealing with the counting of votes (rules 40 to 56) have been substantially altered to reflect the change to multi-member council wards with either 3 or 4 members together with the introduction of electronic counting.

Consultation

The following bodies have been consulted during the preparation of the instrument:

Association of Electoral Administrators
Convention of Scottish Local Authorities
Society of Local Authority Lawyers and Administrators
Society of Local Authority Chief Executives and Senior Managers
The Electoral Commission
The Scotland Office

Financial Effects

Local authorities are responsible for meeting the cost of local government elections from within their overall budget.

As electronic counting will be used at both the local government elections and Scottish Parliament elections in 2007, the additional core costs of its introduction will be met by the

Scottish Executive and the Scotland Office. These core costs cover the provision of hardware (scanners and computer equipment), software programmes, technical support and training.

The instrument has no financial effects on business.

Scottish Executive Finance and Central Services Department
December 2006

T: [Redacted]
E: [Redacted]

All Returning Officers
Cc Election Teams

24 May 2012

Dear Returning Officer

Electronic Counting – Financial reimbursement procedures

I wrote to you in October 2011 confirming the Scottish Government's commitment to fund the core costs associated with e-counting (copy attached for ease of reference). I am now writing to clarify the mechanism for the reimbursement exercise and detail the relevant costs you are entitled to claim back.

The following elements of the e-counting project will be reimbursed by the Scottish Government:

- The initial payment milestone (paid to Logica in December)
- The core cost of the system (approval of acceptance certificate minus ballot paper costs)

The following costs will not be reimbursed:

- The costs associated with ballot paper production and delivery
- Additional equipment over and above the core requirement
- Peripheral count materials (signage, racking etc)

The exact cost of ballot papers may not be broken down in your final invoice from Logica. For ease of reference, I have attached at Annex A the ballot paper costs for each local authority (as specified in the original tender). If you have ordered additional ballot papers, over and above the original specification, that should be detailed in your final invoice.

The invoice should be submitted exclusive of VAT. VAT should be reclaimed by local authorities as per normal practice.

I would be grateful if you could submit an invoice to:

The Scottish Government
Invoice Processing Team,
Mailpoint 6, 3B North,
Victoria Quay, Edinburgh EH6 6QQ

Please contact me if you require further clarification.

Yours Sincerely

Redacted

E-counting Project Manager
Scottish Government



ANNEX A

Ballot paper costs

Local Authority	Total no. of ballot papers	Price (£)
Aberdeen City	156,597	£8,593
Aberdeenshire	183,000	£10,042
Angus	86,892	£4,768
Argyll & Bute	66,791	£3,665
Clackmannanshire	39,500	£2,168
Dumfries & Galloway	115,837	£6,356
Dundee City	106,325	£5,834
East Ayrshire	95,396	£5,235
East Dunbartonshire	63,181	£3,467
East Lothian	74,164	£4,070
East Renfrewshire	67,000	£3,677
Edinburgh City	328,612	£18,032
Eilean Siar	22,256	£1,221
Falkirk	120,000	£6,585
Fife	281,783	£15,462
Glasgow City	420,883	£23,095
Highland	172,000	£9,438
Inverclyde	60,064	£3,296
Midlothian	62,000	£3,402
Moray	67,000	£3,677
North Ayrshire	107,000	£5,871
North Lanarkshire	249,833	£13,709
Orkney Islands	16,144	£886
Perth & Kinross	113,000	£6,201
Renfrewshire	127,337	£6,987
Scottish Borders	90,268	£4,953
Shetland Islands	17,368	£953
South Ayrshire	90,083	£4,943
South Lanarkshire	240,701	£13,208
Stirling	66,240	£3,635
West Dunbartonshire	67,900	£3,726
West Lothian	123,962	£6,802

Public Service Reform Directorate
Local Government Division

T:
E:

Redacted



Tom Aitchison
City of Edinburgh Council
Chief Executive Department
Council Headquarters
Wellington Court
10 Waterloo Place
EDINBURGH
EH1 3EG

October 2007

Dear Tom

E-COUNTING COSTS

The Scottish Government has given a commitment to cover costs for the local government election which arise from the introduction of e-counting. This includes 50% of the cost of the core services supplied by DRS for the purposes of the count and other reasonable net additional costs directly associated with e-counting, which would not apply to manual counting.

The costs that will be reimbursed to you are highlighted below. Should you have any queries regarding these figures, or have further requests for the reimbursement of any additional costs, I would ask that you contact me with these by Monday 29 October.

Local Authorities will be reimbursed for these costs through the annual re-determination process which is made by the Scottish Government at the end of each financial year, therefore payment will be made at the end of the financial year 2007/08

Yours sincerely

Redacted

Edinburgh City

50% 4 x 24 Hour Periods	£264,705.33
LG Ballot Boxes and 30% of LG Ballot Papers	£22,058.68
4% peripheral allowance	£21,176.43
VAT	£53,889.58
TOTAL	£361,830.01

Agreed additional costs

N/A



email: [Redacted]@gov.scot

Returning Officer

3 February 2017

Dear Returning Officer

SCOTTISH LOCAL GOVERNMENT ELECTIONS 2017: e-COUNTING COSTS

I am contacting you in connection with the e-counting costs of your local government elections this May.

In the past few days, under the terms of the contract you have with CGI IT UK Ltd, you will have been invoiced for the first tranche of e-counting costs. These relate to services and equipment and, as such, will be reimbursed entirely by the Scottish Government.

The purpose of this letter is to invite you to invoice the Scottish Government for the net amount of your CGI invoice so that we can reimburse you for this first phase of work. Please invoice us as soon as you can to ensure that the Scottish Government can reimburse you in the current financial year. Your invoice should be sent to:

[Redacted]

Scottish Government
Elections Team
Area 2W
St Andrew's House
Edinburgh EH1 3DG

email: [Redacted]

Around 26 May, CGI will invoice you again. Their second invoice will include the cost of ballot paper and postal voting pack printing. The Scottish Government's reimbursement of that second payment will not cover either the print element or any additional services you may have agreed with CGI. We will contact you again about the second payment after the elections.

Kind regards,

[Redacted]





email: [Redacted]@scotland.gov.uk

Returning Officer
City of Edinburgh Council

29 May 2017

Dear Returning Officer

SCOTTISH LOCAL GOVERNMENT ELECTIONS 2017: e-COUNTING COSTS

Firstly, congratulations to you and your elections team for a successful local government election on 4 May and election count on 5 May. I am contacting you in connection with the e-counting costs of that election.

Earlier this year, you were invoiced by the e-counting contractor, CGI IT UK Ltd, for the first tranche of your e-counting costs, relating to equipment and services. At the same time, you were invited to invoice the Scottish Government so that we could immediately reimburse you for these costs.

In the past few days, under the terms of the contract you have with CGI, you will have been invoiced for the second tranche of e-counting costs. These relate to software and ballot paper/ postal pack costs for your council, as follows:

Software: - £85,403.72
Ballot Papers/ Postal Packs: - £102,818.27

The purpose of this letter is to invite you to invoice the Scottish Government to allow us to reimburse your council for the software element of your costs (the ballot paper/ postal pack costs fall to you). Therefore, as soon as you receive an invoice from CGI, I would be obliged if you would raise an invoice to the Scottish Government, as below:

Title	e-Counting Software Costs
Sum	£85,403.72
Invoice Address	[Redacted] Scottish Government Elections Team, Area 2W St Andrew's House Edinburgh EH1 3DG email: [Redacted]



In order to help us make payment to you as quickly as possible, please could you ensure that your Finance Team is advised of my address details as above and also that your invoice should be for the sum stated above. Please do not add VAT to this sum.

There will be one further tranche of costs for which CGI will invoice you. This final invoice will cover print costs in addition to those in your call-off contract (e.g. the 3rd issue of postal ballot packs, the guidance insert etc). CGI will contact you directly with details of this last invoice. (As these costs will relate to printing only, the Scottish Government will not be reimbursing you for these).

Thank you again for working so well with all of us involved in the e-counting project over the past 18 months. It has been a pleasure to be involved with all Scotland's councils on this project and I wish you well with the forthcoming General Election on 8 June.

Kind regards,

Redacted

Minister for Local Government and Planning

SCOTTISH LOCAL GOVERNMENT ELECTIONS 2017: ELECTRONIC COUNTING

Purpose

1. The purpose of this note is to:
 - update you on preparations for the procurement and delivery of an electronic counting (e-counting) system for the 2017 local government elections;
 - advise you of the projected overall cost of the exercise; and
 - to seek your agreement on the recommended procurement route.

Priority

2. Routine.

Background

3. My minute of 19 November 2013 (included for reference at **Annex B**) set out proposals for the broad approach to the delivery of e-counting. In response, you agreed that the project should be led by the Scottish Government working closely with stakeholders in local government and, in particular, the Electoral Management Board. In recent months, officials in the Elections and Referendum Team have been taking forward the necessary preparations. Project documentation has been drafted and an outline timetable set out. Essential expertise has been sought and some key resources are already in place.

4. Governance arrangements have yet to be finalised but these will be in place shortly after the independence referendum. We have written to the Convener of the Electoral Management Board, Mary Pitcaithly, and advised her of the need for a first meeting of the e-counting Project Board to take place in October 2014. This will help ensure there is no slippage in the timetable.

5. Our approach to delivering e-counting in 2017 will closely follow that successfully used for the 2012 local government elections. The 2017 e-counting project will therefore have two distinct phases:

- Phase 1 – Procurement of an e-counting supplier.
- Phase 2 – System testing and staff training leading up to election day.

6. The timings of Phase 2, will be roughly as set down in the table below though the start of this Phase will be dependent on the procurement route adopted for Phase 1:

PHASE 2: TIMINGS

STAGE	DESCRIPTION	TIMESCALE
Initial Trials	Trials to develop system specification and familiarise staff with the system.	Sept 2015 – Feb. 2016
User Acceptance Testing	Further testing of updated system.	Feb. – May 2016
Bulk Testing	Large scale bulk test of the facilities.	Aug. 2016
Elections	Final system in place for May 2017 election.	Nov. 2016 – Election

Procurement Route

7. Precise timings for the Phase 1 procurement stage of the project are dependent on the procurement ‘route’ we choose. Part 3 of ‘The Public Contracts (Scotland) Regulations 2012’ sets out different procedures (or “routes”) which can be adopted in awarding a public contract. Different routes are more suited to the procurement of different types of product or service. The financial scope of the procurement and the anticipated level of interest from suppliers also has a bearing on which route is most suitable.

8. Having discussed the options with Scottish Procurement and Commercial Directorate, there are two alternative routes open to us for the procurement of an e-counting supplier:

- a) Restricted Procedure – a two stage process which requires interested parties to complete a pre-qualification stage before being invited to submit a tender.
- b) Open Procedure – a single stage process that allows any interested party to submit a proposal for consideration.

9. The advantage of the Open procedure is that it allows for a shorter timescale. We know from the 2012 e-counting project that, as the project developed, the time available in the later stages of system trialling and staff training became more pressured. If we can therefore take advantage of the, shorter, Open procedure, this should allow Phase 2 of the project to begin earlier, thereby allowing more flexibility for the later stages. It should be noted that there is no risk by utilising the ‘Open’ Procedure, since within the Invitation to Tender documentation, the PQQ equivalent (Selection Criteria) is included. If a tenderer fails to pass the Selection Criteria, they would be considered technically non-compliant and would not proceed to the Contract Award stage. The table at **Annex A** gives timings for each of the two alternative procurement routes, Open and Restricted.

Finance

10. It will be difficult to accurately predict the final cost of e-counting for 2017 until we get closer to signing the contract; this will take place around the summer of 2015. A best estimate at this stage has been arrived at by replicating the costs of the 2012 project and making adjustments for inflation. In 2012, the final cost of e-counting was £5.6 million. Our estimate for 2017 is £6.2 million broken down by financial year as follows:

PROJECTED SPEND FOR 2017 E-COUNTING

FINANCIAL YEAR	SPEND (£)
2014-15	15,000
2015-16	1,071,400
2016-17	5,105,100
TOTAL	£6,191,500

Conclusion

11. As plans have been developed throughout 2014, we have maintained contact with the Electoral Management Board. Once the independence referendum is concluded, the Board will work with us more closely in establishing governance arrangements and signing off the procurement documentation. Further advice on this will follow in due course.

Recommendations

12. We recommend that you:

- a) Note that plans are well underway for the project to deliver e-counting in the 2017 Scottish local government elections;
- b) Note the indicative cost of the project as set out at paragraph 10; and
- c) Agree that in the Phase 1 procurement element of the project, the Open procurement route should be followed.

Redacted

Elections and Constitution Division
29 August 2014

Copy List:	For Action	For Comments	For Information		
			Portfolio Interest	Constit Interest	General Awareness
Cabinet Secretary for Finance & Sustainable Growth Minister for Parliamentary Business					X X

Redacted

Constitution Directorate
Relations & Constitution Division

DRAFT PROCUREMENT TIMETABLE

TASK	RESTRICTED PROCEDURE	OPEN PROCEDURE
Agree and finalise Procurement strategy	31 October 2014	31 October 2014
Finalise PQQ, ITT, specification, evaluation criteria & pricing schedule	7 November 2014	7 November 2014
Publish Advert and PQQ	14 November 2014	14 November 2014
PQQ return	6 January 2015	n/a
PQQ evaluation	7 – 20 January 2015	n/a
Issue ITT	28 January 2015	14 November 2014
ITT Return	17 March 2015	16 January 2015
Evaluate Tenders	18 Mar – 1 April 2015	19 Jan – 6 February 2015
Evaluation Meeting	w/c 13 April 2015	w/c 9 February 2015
Clarification period	20 – 24 April 2015	16 – 20 February 2015
Bidders Presentation	w/c 27 April 2015	w/c 23 February 2015
Trial Period	w/c 4 – 15 May 2015	w/c 2 - 13 March 2015
Re-evaluate proposals following trial period	18 – 22 May 2015	16 – 20 March 2015
Prepare Contract Recommendation Report	26 – 29 May 2015	23 – 27 March 2015
Approval of Contract Recommendation Report	1 – 8 June 2015	30 March - 14 April 2015
Standstill period	12 – 22 June 2015	20 - 30 April 2015
Issue Contract Award letter	23 June 2015	5 May 2015
Contract Start	1 July 2015	11 May 2015

Minister for Local Government and Planning

SCOTTISH LOCAL GOVERNMENT ELECTIONS 2017: ELECTRONIC COUNTING

Purpose

1. To present options and make a recommendation about the procurement and delivery of an electronic counting (e-counting) system for the 2017 local government elections.

Priority

2. Routine.

Background

3. Since 2007, local government elections in Scotland have been carried out using the Single Transferrable Vote (STV) system. Given the complexity of vote transfer mechanisms inherent in this system, manual counting of an STV election would be complex and time-consuming compared to a traditional *first past the post*-election process. E-counting automates the process, taking hours to determine a result rather than days.

4. It is widely accepted among electoral professionals in Scotland that a manual STV count would not be a desirable option and e-counting was always assumed to be the best approach. However, difficulties were encountered with the system used in 2007 and this threatened to undermine public confidence in e-counting. Therefore, while the Scottish Government subsequently committed to the continued use of e-counting in local government elections, this included the caveat that a reliable and thoroughly tested system must always be put in place in future.

5. In the event, as a consequence of improved project management, system testing, and collaborative working between stakeholders, the 2012 local government elections (including the e-counting system) were widely accepted to have been a success.

6. This submission considers the options for managing the delivery of e-counting for the 2017 local government elections.

Options for 2017

7. To get an e-counting system in place, the first task to be undertaken is the procurement of an appropriate IT service provider. This must be a supplier with the breadth of experience and resources to put in place a reliable and efficient mechanism in all 32 local authority areas. Once a provider has been contracted, the next task is the delivery of e-counting, including staff training and system testing well in advance of the elections themselves. To put these arrangements in place, strong project management is essential and this minute considers who should be responsible for the management of the process. In planning for the 2017 local government elections, there are three alternative options for the co-ordination of the e-counting project, as follows.

Option 1: E-counting project remains under the control of the Scottish Government

8. In 2012, the Scottish Government led the project which procured and delivered e-counting, with involvement from Returning Officers and other local government stakeholders throughout the process. As Scottish Ministers were signatories to the principal contract with the supplier, a representative of the Scottish Government remained as the Project Executive and chaired meetings of the Project Board. A Scottish Government Project Manager was in place for the duration of the delivery stage, supported by a contracts manager, who was responsible for the day-to-day liaison with the supplier. Each of the local authorities provided a member of staff to act as their liaison between their own organisations, the supplier and the Scottish Government throughout the project.

9. Beneath the Project Board tier, a number of Project Teams were established to carry forward specific work streams. A user group of Returning Officers and Deputy Returning Officers was established to provide detailed practical advice. There was also a Technical Assurance Group drawn from Scottish Government officials and local authority IT staff to ensure all software aspects were compatible with existing systems.

10. Similar arrangements could be put in place for the next round of local government elections with the Scottish Government, once again, in the lead.

Option 2: Responsibility Transfers to the Electoral Management Board

11. The Electoral Management Board for Scotland (EMB) was established by the Local Electoral Administration (Scotland) Act 2011, which gave the EMB *“the general function of co-ordinating the administration of Local Government elections in Scotland”*. The Board’s membership consists of Returning Officers, their Deputies and Electoral Registration Officers. The EMB is under the leadership of a Convener (Mary Pitcaithly) who is appointed by Ministers.

12. At the time planning began for the 2012 elections, the EMB was still in its infancy as an organisation. Although there was some discussion at the time about the possibility of the EMB taking responsibility for the e-counting project, there was broad agreement that the Scottish Government was still best placed to co-ordinate the project, albeit in close co-operation with the Board.

13. Having developed its role and experience since its inception, it could be argued that now is the time for the EMB to take on the role of procuring and delivering e-counting for the 2017 local government elections. In their report on the 2012 elections, the Electoral Commission made clear their views. The report says:

“The Scottish Government was ultimately responsible for the e-counting project, despite the fact that ROs are responsible for their own elections. We reiterate the recommendation made in our 2008 report, ‘Electoral Administration in Scotland’, that the EMB should take responsibility for such matters on behalf of all ROs, as in our view it is best placed to undertake this task, which is operational in nature and the responsibility of the ROs¹”.

¹ Page 49, paragraph 5.20

Option 3: Sharing Responsibility with the Electoral Management Board

14. A further, hybrid, option would be to share responsibility for the e-counting project. This arrangement could involve the Scottish Government taking responsibility for the procurement stage. Thereafter, the EMB and local authorities would take the lead role in the practical delivery of the contract with the IT supplier and management of the project.

15. Under Option 3 the Scottish Government would take responsibility for all stages of the procurement project, principally:

- Drafting a detailed project specification;
- Advertising the tender;
- Issuing and evaluating Pre-Qualification Questionnaires;
- Issuing Invitation to Tender to selected applicants; and
- Evaluating Final Tenders and awarding the contract to the winning bidder.

16. Once the contract was awarded to the IT supplier, the EMB would then take responsibility for the actual delivery of e-counting, principally:

- Establishing sound governance structures;
- Working with the IT supplier to oversee several stages of system testing;
- Working with the IT supplier to oversee staff training across all local authorities;
- Co-ordinating communication links between individual local authorities and the IT supplier;
- Maintaining a detailed risk register, communications plan; and
- Managing the project budget.

Discussion of the Options

17. There are risks and benefits attached to all three approaches outlined above. The Electoral Commission in particular considers that it is now time for the local authorities to take a more hands-on role in organising all aspects of the elections, including e-counting. However, our initial consideration of the options has revealed strong arguments against this approach.

18. Having informally raised the issue with the Electoral Management Board, it is clear that they are firmly opposed to taking on a more pro-active role in procuring and delivering e-counting for 2017. The Board's objections are focused on issues arising from the organisation's status as established in legislation. They point out that the EMB is not a corporate body and therefore, they argue, the directional powers of their Convener do not give the EMB legal capacity to let contracts. As a consequence, they believe that the Convener and Board members would bear personal legal liability in relation to contracts which the EMB entered into.

19. Therefore, despite the view expressed by the Electoral Commission, the EMB takes the view that it is not in any position to take on responsibility for e-counting.

20. We have sought the views of colleagues in the Scottish Government Procurement Division (SGPD) and their advice is that both Options 2 and 3 above would be high-risk. In terms of Option 3, they doubt that the e-counting project could realistically be divided into two distinct phases (procurement and delivery). The SGPD think that to do so would risk the loss of a sense of ownership by the delivery team (the EMB). Since the contract with the supplier would be in the name of Scottish Ministers it would not be possible to fully transfer responsibility to another party. And if the EMB were unable to access appropriate procurement resources the risk would be greater.

21. In the view of our Procurement colleagues, Option 2 is considered to be even more risky. SGPD point out that the procurement of IT systems is inherently high risk. In contrast to our experience in procuring e-counting for the 2012 elections, there are public bodies in Scotland and the rest of the UK who have very publicly failed to successfully deliver an IT procurement. With that in mind, SGPD have commented that it would be unusual to be seen to switch from something that clearly works (i.e. the Scottish Government being in full control of the project) to any less certain approach.

22. Had the EMB shown any enthusiasm for taking on at least some responsibility for the e-counting project for 2017 it might have been possible to develop a plan whereby the Scottish Government provided close support to them throughout the project to build up their expertise and confidence. However, given the Board's firm (albeit informal at this stage) resistance to taking responsibility in this area and Procurement colleagues' view that there is a strong risk attached to an alternative approach, we recommend that the Scottish Government once again take the lead in delivering e-counting for the 2017 local government elections.

Recommendation

23. **It is therefore recommended that e-counting is procured and delivered with the Scottish Government in the lead role. We would propose to essentially repeat what was done for the local government elections of 2012, while incorporating lessons learned from that exercise.**

24. **As before, steps will need to be taken to ensure that local authorities and particularly Returning Officers are fully engaged from the start of the project to ensure that the e-counting system meets the needs of the end users. Subject to your views, we will initiate discussion with the EMB and the Electoral Commission informed by further advice from Procurement colleagues.**

Redacted

Elections Team
x40586

19 November 2013

