

Commissioning and Procurement Executive Committee – 15 February 2022

Subject:	Statutory Electoral Services: procurement of suppliers	
Corporate Director:	Clive Heaphy, Corporate Director for Finance and Resources	
Portfolio Holder:	Councillor Sam Webster - Finance and Resources	
Report author and contact details:	Sarah Wilson, Electoral Services Manager Sarah.wilson@nottinghamcity.gov.uk	
Other colleagues who have provided input:	Louise Dobson, Procurement Officer	
Key Decision: Yes	Subject to call-in: Yes	
Reasons: Expenditure of £750,000 or more taking account of the overall impact of the decision	Revenue	
Significant impact on communities living or working in two or more wards in the City	Yes	
Type of expenditure: Revenue		
Total value of the decision: Up to £1.92m (including additional £640,000 if contracts extended)		
Wards affected: All		
Date of consultation with Portfolio Holder:		
Relevant Council Plan Key Outcome:		
Clean and Connected Communities	<input type="checkbox"/>	
Keeping Nottingham Working	<input type="checkbox"/>	
Carbon Neutral by 2028	<input type="checkbox"/>	
Safer Nottingham	<input type="checkbox"/>	
Child-Friendly Nottingham	<input type="checkbox"/>	
Healthy and Inclusive	<input type="checkbox"/>	
Keeping Nottingham Moving	<input type="checkbox"/>	
Improve the City Centre	<input type="checkbox"/>	
Better Housing	<input type="checkbox"/>	
Financial Stability	<input type="checkbox"/>	
Serving People Well	<input checked="" type="checkbox"/>	
Summary of issues (including benefits to citizens/service users):		
<p>Electoral Services provide a statutory service to citizens on behalf of The Electoral Registration Officer (ERO) and the Returning Officer (RO), which includes the registration of eligible electors on the Electoral Register and the management of elections held within the City.</p> <p>Nottingham City Council (NCC) appoints an officer as the ERO & RO to deliver these functions and in doing so must provide them with the relevant resources to carry out their duties.</p> <p>Electoral Services rely on a small number of specialised suppliers to provide a wide variety of products for the efficient and effective delivery of this service. These products are essential to meet the statutory requirements as set out in legislation and to provide a high level of service to citizens. They include:</p> <ul style="list-style-type: none"> • A dedicated Electoral Management System (EMS) to meet all registration and election software requirements. Along with additional integrated products which enhance the delivery of service and customer journey and maximise efficiencies; • A highly specialised printing and postal provider to innovate and design products to assist service users and produce and distribute sensitive items of personal mail, in a secure and 		

timely manner for both registration and election processes;

- Royal Mail to collect and deliver specialised items of mail to citizens as a priority under a specific licence and ensure their safe return.

The current contracts for software and printing & postal providers are approaching their renewal dates and Electoral Services are seeking approval to enter into new contracts with providers for the next four years (with the option to extend) subject to procurement requirements, from the beginning of the next financial year 2022-2023.

Failure to act would result in Electoral Services not having any contracted suppliers, leaving the ERO and RO at risk of not being able to deliver the statutory service. This would not only lead to poor customer service and reputational damage to the authority but it would also breach procurement rules and financial regulations.

As part of securing new contracts for the next four (or more) years, Electoral Services will also be able to test the market and wherever possible seek best value moving forward.

Exempt information: None

Recommendations:

- 1 To delegate authority to the Director of Legal and Governance to enter into a 4 year (+2-year option) contract with suppliers as set out below:
 - i. EMS software provider through an approved Crown Commercial Services framework following a compliant procurement process. It is intended to award the contract to the existing supplier following due diligence and value for money checks via the e-market place.
 - ii. Printing and postal provider following a tender process exercise offering best value.
- 2 To note that exemption from Contract Procedure Rules has been granted by the Chief Finance Officer in accordance with paragraph 18.79 of the Constitution in order to use Royal Mail to deliver the last stage of the postal process to the doorstep (this service can only be provided by Royal Mail).
- 3 To approve expenditure of up to £1.28 million over the next four years, and a further £640,000 if the option to extend for a further two years is exercised.

1. Reasons for recommendations

- 1.1 To ensure that the Council can adequately continue to deliver its statutory functions in relation to Electoral Services from April 2022 onwards.
- 1.2 To comply with Financial Regulations relating to testing the market to demonstrate that best value for money is being obtained.
- 1.3 To ensure business continuity for Electoral Services and the ERO & RO with a new supplier contract in place before existing contacts and solutions expire.
- 1.4 To provide adequate time and resources to replace or renew existing contracts ahead of the next annual canvass in 2022 and scheduled election in May 2023.

- 1.5 To reduce the risk to the ERO and RO of not being able to operate adequate, effective and efficient services as a result of any period of time where no supplier is contracted to deliver these services.
- 1.6 To pro-actively plan and build services for a transforming organisation considering changes to regulations and legislation as a result of ongoing reforms and other external factors such as COVID and the changing demographic, as well as internal factors, such as budget pressures and workforce reduction.

2. **Background (including outcomes of consultation)**

- 2.1 Electoral reform over the last few years has implemented a number of changes to the registration process, including Individual Electoral Registration (IER), which introduced online registration and more recently amendments to the annual canvass, which now provide the opportunity to use more electronic methods of communication and response. These new processes have made Electoral Services more reliant on their software system to meet their statutory requirements and interact digitally with both the IER Digital Service (IERDS) and citizens to manage the registration process.
- 2.2 Ongoing reform by way of the Elections Bill 2021, may introduce additional wide-ranging reforms, such as the introductions of voter ID in polling stations, changes to postal and proxy voting arrangements and amendments to the eligibility requirements for some EU citizens. Therefore, it is essential that our software and printing capabilities are robust in order to meet the challenges ahead and that contracts are in place with reputable suppliers within the electoral sector who can adapt and evolve products to meet the needs of the service.
- 2.3 Electoral Services have been successfully using Civica's EMS solution called Xpress since the introduction of IER in 2014. The system has been the market leader with local authorities for a number of years and has two main functions:
 - i. Xpress Register - which manages the property and elector database and ensures that all eligible electors are registered at the correct address on the Electoral Register along with their method of voting;
 - ii. Xpress Management - which manages the whole election process including nominations, candidates' information, polling stations, election staff, polling cards, ballot papers, postal votes and the count.
- 2.4 In addition to Xpress there are two additional Civica integrated products that are also used to improve efficiency and reduce processing, printing and postage costs, which are:
 - i. Automated Household Response (AHR) – a secure electronic portal for the collation of household responses from citizens at the annual canvass through three digital channels; online, 24-hour automated telephone line and SMS text messaging service. As well as off-site scanning for any hard copy responses, all of which are uploaded directly into the Xpress system on a daily basis.
 - ii. Mobile Canvassing App (MCA) – secure electronic tablet devices used for the collection of information during personal visits to non-responding households. All information is input directly into the tablet and uploaded into Xpress in real time.
- 2.5 These systems also provide better access and data protection for citizens as they can respond securely at any time to provide their information directly into the register, which reduces the possibility of paper forms being lost in the post or input incorrectly.

- 2.6 Electoral Services were also able to maintain business continuity during the pandemic by using these products. Responses were either electronic or hard copy forms scanned by Civica which were uploaded into Xpress so that Electoral Services colleagues could process these remotely whilst working from home.
- 2.7 Xpress also integrates with internal databases (Address Management & Council Tax) to maintain the property and elector database as well as external partner organisations (IERDS and Joint Information Systems Committee (JISC)) for the registration and verification process. The external connections require secure links and tested IT infrastructures to ensure they work seamlessly throughout the whole registration process, as any failures would result in delays to citizens registration applications.
- 2.8 Electoral Services are currently in contract with Print Image Network and Print Image LLP for the production and postage of all registration forms and election materials i.e. poll cards, ballot papers and postal voting packs as part of a countywide consortium led by Broxtowe Borough Council. The consortium has been in place for a number of years and was set up to ensure that Electoral Services teams across the county receive savings through economies of scale and the use of downstream access providers for reductions in postage costs. Print Image Network/ Print Image LLP have been successful in gaining this contract on the previous two occasions and have provided excellent service throughout their contracted period. Due to the pandemic the current contract has been extended for one year and is due to expire in June 2022.
- 2.9 Print Image Network also provides Electoral Services with an ad hoc remote printing service (Network Post) which prints and posts daily correspondence through a secure portal. Electoral Services achieve significant savings using this service than printing in-house. This system has also been invaluable in terms of business continuity during the pandemic as Electoral Services have been able to send all correspondence as normal whilst working from home with no negative impact on registration services throughout the whole pandemic.
- 2.10 Broxtowe Borough Council will continue to lead on a fresh tender exercise starting in January 2022 with input from Nottingham City Council's procurement team, so that a new contract can be put in place by June 2022.
- 2.11 Although efficiencies are obtained through using downstream access providers through our print provider for the distribution of mail, wherever possible, it is Royal Mail who provide the last delivery element of the process, known as the 'final mile'.
- 2.12 Royal Mail are also the only provider for delivery of these items back to the RO, pre-sorted and at a set time each day.
- 2.13 Electoral Services have their own Clean Mail licence with Royal Mail on behalf of the ERO and RO for all posted items and also use a Business Response Service for all statutory communications that require a Business Response Envelope is enclosed. These products are used to achieve the maximum savings on both outgoing and incoming mail.

3. Other options considered in making recommendations

- 3.1 Do nothing and allow contracts to cease without new contracts in place. This is not recommended as:
- i. this would put NCC, the ERO & RO at a high risk as Civica could give notice or increase costs based on the short term commitment and Electoral Services capability

to send out correspondence and deliver all elements of the statutory service would be compromised;

- ii. NCC would still have to pay Civica for the intellectual property right to use the software but we wouldn't have a contract in place with agreed terms and conditions;
- iii. NCC would incur additional expenditure as best value would not be met and costs would increase.

3.2 Develop then implement an in-house solution. This is not recommended as:

- i. IT Services do not have the requisite resources or time to develop, then maintain such a system;
- ii. the cost and effort to develop such as solution would out-strip the cost of a product built for market, which is already available and in use within the sector;
- iii. NCC does not have the capacity, resources or technical ability to provide an internal solution to the printing and distributing of large amounts of specialised mail, especially the printing and fulfilment of postal packs and ballot papers.

4. **Consideration of Risk**

4.1 Risks have been identified throughout the report.

5. **Finance colleague comments (including implications and value for money/VAT)**

5.1 This decision seeks approval to enter into a 4-year contract with a potential to extend for a further 2 years, with an Electoral Management System (EMS) software provider. The contract will be awarded through an approved Crown Commercial Services framework so that value for money is achieved. Estimated costs for this software is up to £40,000 per annum and can be afforded within the existing approved budgets.

5.2 This decision also seeks approval to enter into a 4-year contract with a printing and postal provider following a tender process undertaken by Broxtowe Borough Council. This tender process should ensure value for money is delivered. The estimated value of the contract is up to £250,000 per annum and can be afforded within the existing approved budgets.

5.3 Exemption from Contract Procedure Rules has been granted by the Chief Finance Officer in accordance with paragraph 18.79 of the Constitution in order to use Royal Mail to deliver the last stage of the postal process to the doorstep, as this service can only be provided by Royal Mail. The estimated cost of this service is up to £30,000 and can be afforded within the existing approved budgets.

5.4 As the expected cost of the contracts do not exceed the total current approved budget within the Electoral Registration service, no adverse impact is expected. Should the total cost of up to £320,000 per annum be exceeded then Finance should be informed and the service will need to provide mitigations for the overspend against budget.

Advice provided by Ruby Barton, Commercial Business Partner
24 December 2021

6. Legal colleague comments

- 6.1 The Council is under a statutory duty to deliver electoral services and comply with requirements as to how the services are accessible to the electorate. The proposed contracted services are therefore a necessary requirement and must be procured.
- 6.2 The proposed procurement routes present no legal concerns. Any access and use of established frameworks must comply with the framework conditions and it is understood that the Corporate Procurement Team have advised on the suitability of the framework being considered. As long as a direct award for the period of 4+2 years is permitted under the framework conditions the proposed contract for the EMS software provision is supported by Legal Services.
- 6.3 With regard to the award of a contract for a printing and postal provider it is understood from the report that the procurement will be led and undertaken by Broxtowe Borough Council. It will be necessary for the Corporate Procurement Team, with support from Legal Services if required, review the procurement process and confirm that it is compliant for the purpose of Nottingham City Council to enter into a contract with the successful bidder. Subject to this confirmation the proposed contract for the printing and postal provider is supported by Legal Services.
- 6.4 It is not clear from Recommendation 2 as to how long the exemption that has been granted by the Chief Finance Officer is for or the total value. If the total value of the contract with Royal Mail is below the current threshold set by legislation of £189,330 then the exemption is supported on the basis of there being only one supplier. If the value of the contract exceeds the stated threshold then legal advice is that Regulation 32(2)(b) would apply and an award can be made to Royal Mail without the need for competition under procurement legislation due to them being the sole supplier.

Advice provided by Naomi Vass, Solicitor & Team Leader, Contracts & Commercial Team
23 December 2021

7. Other relevant comments

7.1 IT Service comments

The proposed contract of four years for the purchase of election software is supported by IT. The functionality is bespoke and could not be easily met by any other existing solution. The solution will be reviewed by the technical design board to assess whether a SaaS/PaaS option exists for this application.

Advice provided by Simon Salmon, Head of IT Service, 23 Dec. 2021.

7.2 Procurement Comments

Procurement Team have been working with Electoral Services Team to ensure that their contracts going forward are compliant and aligned to allow them to deliver their service over a period of years without having to retender on a yearly basis. In addition, work to ensure that using the CCS Back Office Systems Software Framework and appointing the incumbent provider is the most efficient and economical option for the Authority over the full life of the contract. Broxtowe BC will run a tender process to set up a new Electoral Services Print and Postage Framework which Nottingham City Council will be named on and able to access. There are no procurement concerns.

Advice provided by Louise Dobson 23/12/2021

8. Crime and Disorder Implications (If Applicable)

8.1 N/A

9. Social value considerations (If Applicable)

9.1 N/A

10. Regard to the NHS Constitution (If Applicable)

10.1 N/A

11. Equality Impact Assessment (EIA)

11.1 An EIA is not required because this report relates to business as usual processes.

12. Data Protection Impact Assessment (DPIA)

12.1 Attached as appendix 1, and due regard will be given to any implications identified in it.

13. Carbon Impact Assessment (CIA)

13.1 A CIA is not required because this decision is for business as usual within a statutory service, which has no impact on the Council's Carbon Neutral Policy.

14. List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)

14.1 None.

15. Published documents referred to in this report

15.1 Elections Bill 2021