

Audit and Governance Committee Report



Report of the Chief Executive and Returning Officer

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May 2011 district and parish council elections

Recommendation

That the committee notes the information provided in the report on the costs of and accounting arrangements for the May 2011 district and parish council elections.

Purpose of Report

1. This report provides information to the committee on the cost of and accounting arrangements for the district and parish council elections in May 2011.

Strategic Objectives

2. This report principally relates to the discharge of statutory responsibilities but also contributes to the corporate priority "excellent delivery of key services."

Background

3. The council appointed me as electoral registration officer and returning officer in September 2008. The legislation requires me as returning officer to act in an independent capacity in carrying out my duties. This includes asking the council to agree a scale of payments from which my deputy returning officers and I receive a direct financial benefit. When I reported to Council on fees in December 2010, I indicated that I was keen that councillors have an opportunity to scrutinise the election accounts so that they can satisfy themselves that all payments were reasonable. I therefore undertook to submit a report to this committee setting out income and expenditure, including fees paid to myself and my deputies.
4. In May 2011 there were elections for all 51 district council seats and for all parish council seats within the district. All the district council seats and 17 parish councils or

town council wards were contested and polls were held on 5 May. We counted the votes and declared the results on Friday 6 May at the White Horse leisure and tennis centre in Abingdon. 48 parish councils or town wards were uncontested but these also involved a considerable amount of work including preparing notices of election, receiving nominations and declaring and giving notice of the outcome.

5. The May elections were combined with the national referendum on the parliamentary voting system and therefore both the elections and the accounting arrangements were more complex than for separate elections.
6. During the delivery of the elections, we experienced significant difficulties with the performance of the appointed printing company. These led to problems with the despatch and quality of postal votes and ballot papers. These issues were the subject of an independent review and a report to the scrutiny committee. The committee made a number of recommendations for future elections. We have drawn up an action plan and will report progress to that committee. This report therefore deals only with the accounting arrangements for the elections.
7. As a result of the printing problems, I negotiated a substantial reduction in the overall printing costs which is reflected in the actual expenditure. The terms of the settlement remain confidential but a global printing sum is included in the table in paragraph 12. This figure also takes into account the costs of another printing company which at short notice provided a considerable supply of "grass skirt" counting sheets for the counts.
8. Several parish councils suffered particular problems with the despatch of poll cards and postal votes. In view of this, I indicated to parish councils that I would not be taking the returning officer's fees for the contested elections. I also agreed not to charge them for the printing and despatch of postal votes. Likewise I have waived my returning officer fees for the district council elections.

Budget provision and expenditure

9. All-out district and parish council elections require a significant budget to be made available. For the May 2011 elections we operated a separate cost centre. Despite this, accounting was still complex because
 - I held a separate bank account for the national funding for the referendum
 - expenditure on staffing, premises, poll cards, equipment and postal vote opening had to be shared between the referendum and the district and parish council elections
 - we have a shared electoral services team but I need to account accurately for expenditure such as postage and some printing costs for each council.
10. Some costs of running the elections are met from day to day budgets (for example permanent and temporary staff in the electoral services team and some printing and equipment) and other costs (for example polling station staff, hire of halls, printing of poll cards and ballot papers and count staff) are met from the additional budget provision. This makes the calculation of the total costs of running the elections difficult but this report focuses on the estimated and actual expenditure and income. The overall electoral services budgets are subject to budget monitoring in the same way

as all other council budgets. The budget for elections held in May often has to span two financial years depending on the election timetable.

11. For these elections all expenditure was incurred in 2011/12. Estimated net expenditure of £122,120 was included in 2011/12 budgets to meet the cost of running the elections. This includes the costs of running parish and town council elections on their behalf. Council agreed at its meeting in December 2010 to continue charging parish and town councils for this and the budget included estimated income from recharges to them of £36,330. The parish council scales of charges have been simplified and I wrote to all parish councils in October 2010 giving them information as to the charges we would make for uncontested and contested elections before they set their budgets and agreed their precepts.
12. The table below sets out the key elements of the estimated expenditure/income and the actual expenditure/income. This shows the scale of the total costs and that the elections were delivered well within the available budgets. The election accounts have been the subject of an internal audit report with satisfactory assurance.

Budget heading	Estimated expenditure/income	Actual expenditure/income
Staffing (see also paragraph 13 of the report)	£63,970	£40,856
Polling station hire, delivery and collection of polling booths, premises for the count and postal vote room hire	£26,180	£13,436
Printing, including poll cards, ballot papers, postal vote packs and postage costs for postal votes	£25,000	£26,340 (including the postage costs of postal vote despatch)

Postage, including poll cards, postal votes and Royal Mail office sweeps for postal votes on polling day	£22,950	£2,040 (the postage costs of postal vote despatch are included in the printing costs shown above)
Equipment, stationery, grass skirt counting sheets and postal vote and count communication system	£20,350	£24,030
Income from recharges to parish and town councils	(£36,330) (based on the estimated number of contested parish elections and fee scales agreed by Council)	(£25,943) (based on actual number of contested parish elections and fee scales agreed by Council, less discounts from not charging returning officer's fee and reduction in charges for postal votes)
Total net expenditure	£122,120	£80,759

13. The table in paragraph 12 demonstrates that the most significant item of expenditure is staffing. The following table breaks down how the staffing budget was built up and shows actual expenditure.

Budget head	Estimated expenditure	Actual expenditure
Polling station staff including mileage and polling station inspectors	£40,355	£24,083

Returning officer's fee	£1,765	No payments to returning officer
Postal votes including checking and opening	£3,500	£1,812
Count staff and security	£10,000	£13,237
Payments to deputy returning officers and clerical assistance (as provided in the fee scales agreed by Council in December 2010)	£8,350	£1,724
Total	£63,970	£40,856

14. There are various factors which explain the variations shown above between the estimated and actual expenditure. These include the following:-

- the overall budget was set before we had confirmation that the referendum would be held on 5 May 2011 so we had to budget accordingly for the district and parish council elections
- the estimated income from parish councils had to be set before we knew how many parish council elections would be contested.

15. The costs of running the elections included in this report do not include the officer time spent during normal working hours. Time was spent by the returning officer, deputy returning officers, permanent and temporary staff within the electoral services and other legal and democratic services teams and staff from other services (particularly the facilities team and IT staff) in the run up to the elections and at the count. The costs do not include the loss of officer time where council staff undertook election duties on polling day and the day of the count. We have not captured these costs.

16. Overall there was an underspend of £41,361 against the budget for the May 2011 elections. The key reasons for this were:

- combination of the elections with the referendum resulted in a sharing of the costs for staffing, premises and the count between the council, parish councils and the government
- the reduction in printing costs arising from the settlement with the printers against which the costs of replacement printing have been off set
- the waiver of my returning officer fees for the district and parish council elections.

Financial Implications

17. The financial issues arising from the conduct of the elections and the setting and monitoring of budgets for them are covered in the body of the report.

Legal Implications

18. There are no direct legal implications arising from this report.

Conclusion

19. The committee is invited to note the information provided in this report on the cost of and accounting arrangements for the May 2011 district and parish council elections.

Background papers: None