

Title: Revised Process for Rejected Postal Votes IA No: Lead department or agency: Cabinet Office Other departments or agencies:	Impact Assessment (IA)
	Date: 28/03/2012
	Stage: Development/Options
	Source of intervention: Domestic
	Type of measure: Primary legislation
Contact for enquiries: Matt Carey 020 7271 6370 (matt.carey@cabinet-office.gsi.gov.uk)	

Summary: Intervention and Options	RPC Opinion: RPC Opinion Status
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Cost of Preferred (or more likely) Option			
Total Net Present Value	Business Net Present Value	Net cost to business per year (EANCB on 2009 prices)	In scope of One-In, Measure qualifies as One-Out?
-£1.0m	NA	NA	No
			NA

What is the problem under consideration? Why is government intervention necessary?
150,000 postal votes were rejected in 2011 because the signatures and/or date of birth did not match the records of the Electoral Registration Officer (ERO). The law does not however allow EROs to inform postal voters that their ballot has been rejected leading to un-informed postal voters repeating errors and consequently losing their vote at subsequent elections.

What are the policy objectives and the intended effects?
An effort to drive down the number of rejected postal votes by making electors better informed about the process so they can avoid mistakes at successive polls.

What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)
0) Base Case- do nothing. As now, administrators would not have the authority to inform people that their postal votes have been rejected because of an inadvertent error. Where mistakes result from a poor understanding of the process, those individuals' votes would continue not to count at successive polls.
1) Option 1- require Electoral Registration Officers to inform electors that their postal vote identifiers (PVIs) have been rejected, unless fraud is suspected. This will make all those affected better informed about the process so their votes can count at future polls. This is the preferred option.
2) Option 2- give Electoral Registration Officers the power to inform electors their postal vote identifiers (PVIs) had been rejected, after a poll. Local discretion would determine whether electors were informed, which could result in uneven levels of understanding amongst those affected from region to region.

Will the policy be reviewed? It will be reviewed. If applicable, set review date: 01/2018					
Does implementation go beyond minimum EU requirements?			No		
Are any of these organisations in scope? If Micros not exempted set out reason in Evidence Base.	Micro No	< 20 No	Small No	Medium No	Large No
What is the CO ₂ equivalent change in greenhouse gas emissions? (Million tonnes CO ₂ equivalent)			Traded: N/A		Non-traded: N/A

I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.

Signed by the responsible Minister: Date:

Summary: Analysis & Evidence

Policy Option 1

Description:

FULL ECONOMIC ASSESSMENT

Price Base Year 2012	PV Base Year 2015	Time Period Years 10	Net Benefit (Present Value (PV)) (£m)		
			Low: -£1.2m	High: -£0.8m	Best Estimate: -£1.0m

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	£0	-£0.1m	-£1.2m
High	£0	-£0.1m	-£0.8m
Best Estimate	£0	-£0.1m	-£1.0m

Description and scale of key monetised costs by 'main affected groups'

Electoral administrators will bear the cost of administering this change, devoting staff time to compiling a list of rejected postal voters and to composing and sending letters to those individuals. This will also incur in-house stationery and printing costs. Whilst the overall costing is national, the projected cost in 2015 per local authority is c. £320 per poll (or set of polls where they are held together).

Other key non-monetised costs by 'main affected groups'

Electoral Management Software suppliers may wish to update their postal vote identifier-checking products to automate the production of a list of electors whose PVI's were rejected and the reason why. However, we understand some systems already have this capacity, and it may be possible for others to make small modifications when making other routine updates over the coming years.

BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	-	-	-
High	-	-	-
Best Estimate	-	-	-

Description and scale of key monetised benefits by 'main affected groups'

None.

Other key non-monetised benefits by 'main affected groups'

The key benefit of the proposal is the potential for electors to be better informed about the postal voting process and have their vote count at future polls. At present, around 3% of postal votes (c. 150,000) are rejected at polls across Great Britain because of blank or mismatched PVI(s) and it is hoped that this number can be reduced once those affected are aware of their past errors.

Key assumptions/sensitivities/risks

Discount rate (%) 3.5%

Royal Mail has some flexibility to increase its prices for 'franked' mail - the figure used for the purposes of calculating the high estimate is the new price for 2012, plus inflation. An above-inflation increase could result in higher overall costs.

Whilst the overall number of postal votes cast and rejected has been stable at recent polls, any future rise in take-up may increase costs overall.

BUSINESS ASSESSMENT (Option 1)

Direct impact on business (Equivalent Annual) £m:			In scope of OIOO?	Measure qualifies as
Costs: N/A	Benefits: N/A	Net: N/A	No	IN/OUT/Zero net cost

Evidence Base

Problem under consideration and rationale for intervention

The Electoral Administration Act 2006 introduced the requirement for applicants for postal votes to submit their date of birth and signature (postal vote identifiers), to be held on record and checked against corresponding PVI's returned on the postal voting statement accompanying the ballot paper. This is to offer assurances that the postal vote has been returned by the proper person. Where these identifiers fail to match, or where one or more of the PVI's has not been provided, the Returning Officer must mark the postal vote as rejected, which means it may not be counted.

In recent years the Electoral Commission and the Association of Electoral Administrators have voiced concerns that a number of postal voters are having their postal votes rejected because of a failure to understand the form, or through an inadvertent error. More than 150,000 postal votes have been rejected because of a PVI mismatch or omission at polls held across Great Britain in each of 2009, 2010 and 2011 (representing around 3% of all postal ballot packs returned in each case). Common reasons for this include a signature which has changed over time, the reversing of the month and day when supplying a date of birth, supplying the day's date rather than a date of birth, and simply leaving some or all of the form blank. Both the Electoral Commission and Association of Electoral Administrators have called for the Government to enable electors to be informed about the mistake they have made so they can avoid similar errors at future polls (through updating their signature or having a better understanding of the system). Since there is currently no provision to inform electors who have made errors, there is the potential for these errors to be repeated on their postal votes at successive polls. The policy objective is to make those electors who have made errors better-informed about the postal voting process to minimise the likelihood of recurring errors.

Description of options considered (including do nothing)

0) Base Case- do nothing. As now, administrators would not have the authority to inform people that their postal votes have been rejected because of an inadvertent error. Where mistakes result from a poor understanding of the process, those individuals' votes would continue not to count at successive polls.

2) Option 2- give Electoral Registration Officers (EROs) the *power* to inform electors their postal vote 'identifiers' (PVI's) had been rejected, after a poll. Local discretion would determine whether electors were informed, which would result in uneven levels of understanding amongst those affected from region to region.

Note: Option 2 has not been shown separately due to the uncertainty of forecasting ERO choices when given discretion. If all electoral administrators chose to exercise this power cost then the costs and benefits would be as option 1; if there was no take-up by contrast then costs/ benefits would be as option 0.

1) Option 1- require Electoral Registration Officers to inform electors that their PVI's have been rejected, unless fraud is suspected. This will make all those affected better informed about the process so their votes can count at future polls. This is the chosen option. In practice, this will involve:

i. Mandating Returning Officers (ROs) to collect a list of those electors whose PVI's have been rejected at a given poll and to supply this to the relevant ERO. The information which must be collected can be specified in regulations under an existing power to make provisions regarding the conduct of the poll.

ii. Giving EROs the power to request fresh signatures where they are satisfied that the mismatch resulted from an out of date specimen. EROs already refresh the signature record for each long-term postal voter every five years, and it is proposed that existing powers are used to specify in regulations that the ERO may collect fresh signatures where a rejection has occurred if they so wish. This will be convenient for those electors involved as it will obviate the need for them to submit a fresh postal vote application. It is anticipated that EROs may want to enclose a signature refresh form and return envelope with the letter informing electors their PVI's have been rejected (see iii below).

iii. Requiring EROs to inform those electors whose PVIs have been rejected, after a poll (unless fraud is suspected). We plan to take a power in primary legislation to specify in regulations the detail of the circumstances in which the duty arises, and the actions which must be taken. The duty will involve inspecting the list provided by the RO and collating and then sending letters to those electors affected, specifying the reason why their identifiers failed to pass the PVI checking stage, and the kinds of action they can take to rectify the error in future.

Monetised costs

The key costs will be borne by electoral administrators following a poll or set of polls. We have used two costing models to predict the impact of the proposal on the assumption that it applies to all scheduled polls from the European Parliamentary Elections set for June 2014. The first model (model 1) provides a low-estimate of the cost to electoral administrators, based on how much it cost EROs in real terms to send out canvass forms to electors in 2009 (source: Electoral Commission (2009-10)). The advantage of this model is that it uses real data relating to the cost of an analogous process. The disadvantage is that no two processes are exactly the same, and the data is over two years old. This is why it is important to provide a high estimate (model 2) based on assumptions for each element of the process (including staff costs, printing and postage). However, this will not reflect the savings which can be achieved at a local level, and this is why the best estimate takes an average of the two figures.

The projected cost over 10 years (2015-2024) is: **£1.2m**

Detailed workings

Model 1: 2009 Annual Canvass

A unit cost was produced for how much it cost local authorities to administer the annual canvass (per elector) in 2009, (based on figures from the Electoral Commission): £0.58.

This unit cost was multiplied by the average number of electors whose PVIs were rejected across the national polls in Great Britain from 2009-2011 (151,158 electors) and up-rated for projected inflation to provide a base figure for the UK Parliamentary General Election across Great Britain in 2015 (based on actual figures and OBR forecasts).

The resulting figure for 2015 is: **£100k**
The cost per local authority in 2015 is: **£250**

In order to project this estimated cost over a 10 year period, we multiplied the cost per local authority by the number of local authorities where polls are currently scheduled to take place in each year (where polls are set to be taken together, local authority areas are only counted once on the basis that a single communication can be sent); and for each year, up-rated that figure using the OBR forecasts.

The resulting estimate for the period May 2015 – June 2024 is: **£930k**

This model was chosen because canvassing is a comparable process, involving as it does, writing to electors and enclosing pre-paid return envelopes for each household. However, the key limitation is that the costs are based on sending communications to households rather than individuals, and savings can be made at the canvass through economies of scale (such as out-sourcing printing and using cheaper business mail).

Model 2: Assumed costs based on 2012 prices

A unit cost was produced for how much it would cost a local authority to produce and despatch letters to electors using 2012 prices and assumptions. This was based on the cost of producing and sending postal vote applications following an annual canvass (a similar type of mail-out to that proposed) and included allowances for: staff-time (£12.16 per hour, based on hourly rate of pay to a Local Authority Administrative Officer- calculated from Local Government Association survey data) X rate of 30 letters per hour (rate tested with administrators) and printing and stationery costs at 12.5p per letter (9p for printing costs, sourced from an administrator; 3.5p for an envelope – source: Royal Mail; it has been

assumed that the cost of a sheet of paper is negligible); and the cost of postage (Royal Mail 2012 prices for franked mail of 31p per letter).

The unit cost was then multiplied by the average number of electors whose PVI's were rejected across the national polls in Great Britain from 2009-2011 (151,158 electors) and up-rated for projected inflation to provide a base figure for the UK Parliamentary General Election across Great Britain in 2015 (based on actual figures and OBR forecasts). Additional allowance was made for postage and printing / stationery costs for the average number of electors whose *signatures* mismatched at recent national polls (45,554 signatures - on the basis that EROs may wish to request signatures as part of the same process). This does not include those cases where neither the signature nor the date of birth matched those held on record, on the basis that such cases would give the ERO reasonable grounds to suspect malpractice, and it is likely that would not request a fresh signature in such cases.

The resulting figure for 2015 is: **£160K**

The cost per local authority in 2015 is: **£390**

In order to project this estimated cost over a 10 year period, we multiplied the cost per local authority by the number of local authorities where polls are currently scheduled to take place in each year (where polls are set to be taken together, local authority areas are only counted once on the basis that a single communication can be sent); and for each year, up-rated that figure using the OBR forecasts.

The resulting estimate for the period May 2015 – June 2024 is: **£1.4M**

Non-monetised costs

Electoral Management Software suppliers may wish to update their postal vote identifier-checking products to automate the production of a list of electors whose PVI's were rejected and the reason why. However, we understand some systems already have this capacity, and it may be possible for others to make small modifications when making other routine updates over the coming years.

Non-monetised benefits

The key benefit of the proposal is the potential for electors to be better informed about the postal voting process and have their vote count at future polls. At present, around 3% of postal votes (c. 150,000) are rejected at polls across Great Britain because of blank or mismatched PVI(s) and it is hoped that this number can be reduced once those affected are aware of their past errors.

Whilst this proposal will not incur immediate cost savings for the administration of elections, it is likely that by making postal voters better informed about the process, the frequency of rejections should reduce over time. This may result in cost-savings in terms of the number of staff needed to check PVI's (for example) and may result in the overall cost of the proposal decreasing as the number of electors written to reduces.