

MAYOR'S EXECUTIVE DECISION MAKING

Thursday, 20 March 2014

Mayor's Decision Log No. 55


1. **ELECTORAL MANAGEMENT SOFTWARE (EMS) VERIFICATION
DEVELOPMENT (Pages 1 - 10)**

If you require any further information relating to this meeting, would like to request a large print, Braille or audio version of this document, or would like to discuss access arrangements or any other special requirements, please contact: John S. Williams, Service Head, Democratic Services

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Agenda Item 1

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| Individual Mayoral Decision Proforma Decision Log No: <u>55</u> |  TOWER HAMLETS |
| Report of: | Classification: Unrestricted |
| Electoral Management Software (EMS) Verification Development | |

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|---|---------------------------|----------|---------------------|
| Is this a Key Decision? | No | | |
| Decision Notice Publication Date: | | | |
| General Exception or Urgency Notice published? | Yes (give details) | / | Not required |
| Restrictions: | | | |

1. EXECUTIVE SUMMARY

The introduction of Individual Elector Registration (IER) is the biggest change to voter registration since the universal franchise was introduced in 1928. IER will have a major impact on the Electoral Registration Officers who will be expected to apply additional levels of scrutiny and control to comply with the IER policy requirements and this requires an appropriate level of IT support.

The Electoral Commission identified several key principles which should underpin the introduction of IER. These included:

- The system should be capable of being implemented efficiently and without a detrimental impact on the existing duties and responsibilities of Electoral Registration Officers; and
- The system should ensure that all personal data is properly managed and protected.

Following a competitive procurement process, the Cabinet Office appointed Xpress Software Solutions Limited to deliver services to Local Authorities and entered into contracts with the supplier.

The Cabinet Office now wish for Local Authorities, including the London Borough of Tower Hamlets, to manage the implementation of the Electoral Management Software. The Cabinet Office has confirmed the grant payable to the Council (see 3.1 below) and has produced the contractual documentation which the Council are required to enter into.

2. RECOMMENDATIONS

The Mayor is recommended to:

- A. Note the grant receipt of £386,140.96 from the Cabinet Office for the Electoral Management Software;
- B. Approve entering into of the contractual documentation to implement the Electoral Management Software; and
- C. Delegate to the Service Head - Legal Services the power to finalise the contractual documentation and enter into the contractual documentation on behalf of the Council.

3. BODY OF REPORT

3.1 Grant

3.1.1 By letter dated 12 February 2014 (the "Grant Letter" attached at Appendix 1), the Cabinet Office confirmed a capital grant determination for the London Borough of Tower Hamlets under Section 31 of the Local Government Act 2003 for the purpose of Electoral Management Software to enable the transition to Individual Electoral Registration.

3.1.2 The amount of grant is £386,140.96 (the "Grant Sum") which represents the value of the contract (£376,140.96), together with an additional sum of £10,000 for the administration costs incurred by the Council.

3.1.3 The Grant Sum is payable in accordance with Annex B to the Grant Letter

3.2 The Contract

3.2.1 The Cabinet Office and Xpress Software Solutions Limited entered into a contract dated 20 December 2013 for the provision of EMS Verification services.

3.2.2 The Council are now required to enter into a Deed of Novation with the Cabinet Office and Xpress Software Solutions Limited to transfer the rights and obligations of the Cabinet Office under the contract to the Council.

3.2.3 In addition, the Council shall enter into a Deed of Indemnity with the Cabinet Office, so that the Council is protected against any expenses arising from the negligence of the Cabinet Office in the performance of their obligations under the contract to date.

4. COMMENTS OF THE CHIEF FINANCIAL OFFICER

- 4.1 The report seeks Mayor's executive approval to contract with a designated provider to implement the required software for delivery of Individual Electoral Registration. The Council is not able to select its own software solution.
- 4.2 The Council will receive a capital grant of £376k for procurement and implementation of the system, and a further £10k for additional administration costs incurred by the Council. Any expenditure over and above these sums will fall as a charge to the Council, funded from corporate contingencies.

5. CONCURRENT REPORT OF THE SERVICE HEAD – LEGAL SERVICES

- 5.1 The procurement of this supplier has been carried out by the Cabinet Office who have requested LBTH to manage the implementation on their behalf.
- 5.2 The Cabinet Office will provide a capital grant to LBTH to pay for the software and £10,000 for LBTH's time in managing the implementation.
- 5.3 Under LBTH Procurement Procedures (para 5.10) there is an exemption from the Procurement Rules where "the contract is to be funded in full by another public or voluntary organisation that has requested in writing that its own procedures are followed, subject to compliance with European Law."
- 5.4 The Grant Determination Letter dated 12.2.14 makes it clear that the decision to purchase this software has been taken by the Cabinet Office and the grant is made pursuant to the direction of the Minister of State for Cities and Constitution.
- 5.5. Given LBTH is acting at the direction of the Cabinet Office regarding the choice of supplier this is does not fall within the remit of the Strategic Partnering Contract.

6. ONE TOWER HAMLETS CONSIDERATIONS

- 6.1 These are not applicable as the matter is at the direction of the Cabinet Office.

7. RISK MANAGEMENT IMPLICATIONS

- 7.1 Risks to the Council in the procurement will be mitigated by an indemnity from the Cabinet Office referred to at para 3.2.3 above.

Appendices

Appendix 1: Grant Determination Letter dated 12 February 2014



Cabinet Office

Colin Dingwall
Programme Director
Electoral Registration Transformation Programme

1 Horse Guards Road
London
SW1A 2HQ

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Web www.cabinetoffice.gov.uk

Stephen Halsey
Chief Executive,
Tower Hamlets Council
Town Hall
Mulberry Place
5 Clove Crescent
E14 2BG

12th February 2014

Dear Stephen,

Electoral Management Software (EMS) Verification Development

I am writing to confirm that the Cabinet Office has made a capital grant determination, under Section 31 of the Local Government Act 2003, for the purpose of Electoral Management Software (EMS) Verification Development by Xpress to fulfil the requirements for the transition to Individual Electoral Registration. In 2013-14 the grant determination is £386,140.96; this reflects the total value of the Xpress contract of £376,140.96 (inclusive of VAT) and a sum of £10,000.00 for administration costs incurred by Tower Hamlets. Cabinet Office will determine when a milestone has been met and will process the grant payment accordingly to your authority. Further details are set out in Annexes A and B.

Yours sincerely,

Colin Dingwall
Programme Director



Annex

Electoral Management Software (EMS) Verification (Tower Hamlets) Capital Grant Determination (2013/14) (No31/2262)

The Minister of State for Cities and the Constitution Greg Clark ("the Minister of State"), in exercise of the powers conferred by section 31 of the Local Government Act 2003, makes the following determination:

Citation

1. This determination may be cited as the Electoral Management Software (EMS) Verification (Tower Hamlets) Capital Grant Determination (2013/14) (No31/2262).

Purpose of the grant

2. The purpose of the grant is to provide support to local authorities in England towards expenditure lawfully incurred or to be incurred by them.

Determination

3. The Minister of State determines as the authorities to which grant is to be paid and the amount of grant to be paid, the authorities and the amounts set out in Annex A.1.

Grant conditions and manner of payment

4. Pursuant to section 31(3) and 31(4) of the Local Government Act 2003, the Minister of State determines that the grant will be paid subject to the conditions in Annex B.

Reasons and consent

5. Before making this determination in relation to local authorities in England, the Minister of State obtained the consent of the Treasury.

Signed by authority of the Minister of State for Cities and Constitution: Greg Clark

A senior civil servant within the Cabinet Office: Colin Dingwall



Cabinet Office

Colin Dingwall
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Annex *Annex B.*

Authority to which

Amount of grant

grant is to be paid

to be paid

Lower Hamlet Council

The payment model is as follows

- £10k for administrative costs to be deliver upfront with the first milestone payment;
- 25% upon completion of 50% of development;
- 25% upon completion of 100% of development;
- 30% upon completion of all Xpress Software Solutions Ltd testing including User Acceptance Testing; and
- 20% upon completion of March 2014 tests, rectification of any defects uncovered, rollout to all clients and final smoke test.



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DATE

1. Grant paid to a local authority under this determination may be used only for the purposes that a capital receipt may be used for in accordance with regulations made under section 11 of the Local Government Act 2003.

2. The Chief Executive and Chief Internal Auditor of recipient authorities are required to sign and return to the Funding team leader of the Electoral Registration Transformation Programme of the Cabinet Office a declaration, to be received no later than 31st March 2014 in the following terms:

"To the best of our knowledge and belief, and having carried out appropriate investigations and checks, in our opinion, in all significant respects, the conditions attached to Electoral Management Software (EMS) Verification (Tower Hamlets) Capital Grant Determination No 31/2262 have been complied with".

3. if an authority fails to comply with any of the conditions and requirements of paragraphs 1 and 2, the Parliamentary Under Secretary may -

- a) reduce, suspend or withhold grant; or
- b) by notification in writing to the authority, require the repayment of the whole or any part of the grant.

4. Any sum notified by the Parliamentary Under Secretary under paragraph 3(b) shall immediately become repayable to the Minister.

APPROVALS

1. (If applicable) Corporate Director proposing the decision or his/her deputy

I approve the attached report and proposed decision above for submission to the Mayor.

Signed  Date 12/3/14

2. Chief Finance Officer or his/her deputy

I have been consulted on the content of the attached report which includes my comments.

Signed  Date 10/3/14

3. Monitoring Officer or his/her deputy

I have been consulted on the content of the attached report which includes my comments.

Signed  Date 12/3/14

4. Mayor

I agree the decision proposed in paragraph above for the reasons set out in paragraph X in the attached report.

Signed  Date 12/7/14

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