SCOTTISH INDEPENDENCE REFERENDUM (FRANCHISE) BILL

Scottish Government additional information on Financial Memorandum - revised estimates

1. Scottish Government officials gave evidence to the Finance Committee on the estimated costs arising from the Scottish Independence Referendum (Franchise) Bill on 21 March and submitted a supplementary note to the Committee on 23 April. This further note provides the Committee with revised estimates in two areas ahead of Stage 3.

Changes to Electoral Management Software (EMS)

2. The Financial Memorandum submitted to Parliament with the Bill on 11 March 2013 estimated the cost of adapting the electoral management software (to ensure that the systems in place are able to implement the provisions of the Franchise Bill) as around £240,000. The Memorandum explained that this estimate was based on initial quotes from existing software suppliers in response to a specification which reflected the requirements of the Bill as drafted.

3. In the note to the Finance Committee on 23 April the Government explained that we had written to software suppliers for revised quotes for any necessary changes to electoral software as a result of the provisions in the Bill. Prior to seeking revised quotes Government officials held further discussions with electoral registration officers (EROs) and others to examine the detail of the specification. These discussions considered ways to ensure that the system was as easy to use as possible (from the young voters’ perspective) and produced as high a return and therefore voter registration level as possible. Revised quotes have now been received in response to the enhanced specification developed in discussion with EROs and others.

4. As a result of these discussions with EROs, the specification was amended, among other things, to include provision for information received by text, e-mail or telephone to be processed and included on the young voter register. EROs confirm that this facility is likely to play an important role in making registration easier for some voters and therefore increasing overall registration rates.

5. These revised quotes now suggest an overall estimated cost of around £300,000. EROs have begun detailed implementation discussions with the two commercial software providers who between them have a contract with 12 of the EROs in Scotland. The remaining three EROs develop and maintain their own software. The revised systems need to have been tested and be operational by the start of the canvass period in October 2013.

Young Voter Registration Forms - Cost of reminders
6. The Financial Memorandum estimated the cost of sending reminders to those who fail to complete the Young Voter Registration forms as being approximately £6,000. The Finance Committee sought further information on how this figure was calculated.

7. The Government’s note of 23 April said that we would also be seeking further cost information from printing companies to allow us to review the estimated costs associated with the sending of reminders to those who had not returned the young voter registration form. The note set out a number of reasons why, after further discussions with electoral registration officers and others, it is likely that the assumptions on which we based our original estimates may have significantly overestimated the number of households who are likely to need to be issued with and return by post as young voter registration reminder form. In addition we have also been told by EROs that many of them are likely to remind those who have not returned the form by telephone rather than post.

8. However, on the original assumptions contained in the Financial Memorandum, a revised estimate for the reminder process would be:

<table>
<thead>
<tr>
<th>Activity</th>
<th>Estimated Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Printing Forms</td>
<td>£800</td>
</tr>
<tr>
<td>Envelopes</td>
<td>£900</td>
</tr>
<tr>
<td>Postage</td>
<td>£20,500</td>
</tr>
<tr>
<td>TOTAL</td>
<td>£22,200</td>
</tr>
</tbody>
</table>

This compares to the figure of £6,000 in the Financial Memorandum but, for the reasons set out above and in our note of 23 April, the actual cost is likely to be lower.

**Revised Total of Estimated Costs**

9. The revised estimates for EMS development and sending reminders out as described above suggest that the estimated total cost associated with the provisions of the Scottish Independence Referendum (Franchise) Bill are now up to £434,000 rather than the £358,000 included in the Financial Memorandum.

10. The cost of the referendum will be the costs associated with the Franchise Bill and those arising from the Scottish Independence Referendum Bill. The Financial Memorandum for the Referendum Bill estimated the total cost of that Bill at £13,350,000. In certain areas (e.g. the cost of campaign mailshots) the Memorandum contained a range of possible costs although the top end of each range was used for the total figure). The Finance Committee considered the Memorandum and took evidence from stakeholders and Government officials before confirming to the Referendum Bill Committee that it will give no further consideration to the Memorandum. The overall totals in the two Financial Memorandums suggest
an estimated total cost of £13,708,000. Given the ranges contained in the Referendum Bill Financial Memorandum and the assumptions discussed above we consider that, even with the estimated increase set out in paragraph 9, the overall cost is likely to remain within the overall figure of £13.7m.

**Funding Mechanism**

11. The Financial Memorandum says at Paragraph 9: “The costs of electoral registration in Scotland are normally met through local authority budgets. For the purposes of the 2014 Scottish Independence Referendum, the Scottish Government will reimburse EROs for any additional costs associated with extending the franchise to 16 and 17 year olds. The Government will reimburse EROs through payments to the relevant local authority.

Scottish Government Elections Team
11 June 2013