

Title: The Representation of the People (Annual Canvass) (Amendment) Regulations 2019 RPC Reference No: n/a Lead department or agency: Cabinet Office Other departments or agencies: n/a IA Number: CO2018	Impact Assessment (IA)
	Date: 01 October 2019
	Stage: Final
	Source of intervention: Domestic
	Type of measure: Secondary legislation
Contact for enquiries: Constitution Group Analysis, Cabinet Office cg-analysis@cabinetoffice.gov.uk	

Summary: Intervention and Options	RPC Opinion: Not Applicable
--	------------------------------------

Cost of Preferred (or more likely) Option: Option 1 – Canvass Reform			
Total Net Present Social	Business Net Present Value	Net cost to business per year	Business Impact Target Status
£170.9m	n/a	n/a	Non qualifying provision

What is the problem under consideration? Why is government intervention necessary?

The canvass gathers information on potential additions, changes and deletions to the electoral register. It is heavily paper-based and outdated. All properties must respond to the canvass even if they have no changes to report. If they fail to respond, they enter a comprehensive chasing cycle of reminders and personal door-knocking. This is costly, inefficient, and often confusing for electors when faced with both the annual canvass and Individual Electoral Registration (IER). Intervention is necessary to amend the canvass by amending the legislation.

What are the policy objectives and the intended effects?

These reforms continue to work towards an electoral registration system which is modern and digitally enabled. The reforms will reduce prescriptive regulation which will empower Electoral Registration Officers (EROs) to tailor their services to their local electorate, maximise electoral registration – particularly among under-registered groups – and, ultimately, reduce if not fully offset the additional costs generated by IER. The reforms are designed to at least maintain the accuracy and completeness of the electoral register as it is currently.

What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)

Pilots of alternative models for conducting the canvass were undertaken in 2016 and 2017 trialled four models across 27 local authority areas in England, Scotland and Wales as part of a randomised control trial (RCT), which built a robust evidence base for reform to the annual canvass. The evidence base indicates the one-size-fits-all approach that currently exists, which incorporates numerous prescribed steps, takes little account of differences within and between registration areas. It is heavily paper based, expensive and complex to administer. Finally, it is a process that leads to confusion for the citizen. All participating authorities believe the current canvass should be modernised. Based on the evidence from the pilots, we believe that a hybrid model, taking the successful elements of each and refining certain processes, is the best way forward, Canvass Reform, Option 1 – our preferred option.

Will the policy be reviewed? It will be reviewed. If applicable, set review date: 2022				
Does implementation go beyond minimum EU requirements?		N/a		
Is this measure likely to impact on trade and investment?		N/a		
Are any of these organisations in scope?	Micro: No	Small: No	Medium: No	Large: No
What is the CO ₂ equivalent change in greenhouse gas emissions? (Million tonnes CO ₂ equivalent)		Traded:	Non-traded:	

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:
Minister for the Constitution, Kevin Foster MP

Date: 07/10/2019

Description: FULL ECONOMIC ASSESSMENT

Price Base FY2020/21	PV Base FY2020/21	Time Period 10 years	Net Benefit (Present Value (PV)) (£m)		
			Low: N/a	High: N/a	Best Estimate: N/a

COSTS (£m)	Total Transition (Constant Price) Years		Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	n/a	10	n/a	n/a
High	n/a		n/a	n/a
Best Estimate	n/a		n/a	n/a

Description and scale of key monetised costs by ‘main affected groups’

Costs have not been monetised above as this is the baseline against which other options are assessed.

There are two types of costs involved in the existing canvass process:

- Outward correspondence: Cost of issuing initial and reminder Household Enquiry Forms (HEFs) and undertaking HEF related household visits as part of the HEF cycle; and
- Inward processing: Cost of receiving and processing HEFs responses.

The main affected group are the EROs who have legal duty to maintain the register therefore local authorities and valuation joint boards are affected.

Other key non-monetised costs by ‘main affected groups’

Not applicable.

BENEFITS (£m)	Total Transition (Constant Price) Years		Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	N/a	10	N/a	N/a
High	N/a		N/a	N/a
Best Estimate	N/a		N/a	N/a

Description and scale of key monetised benefits by ‘main affected groups’

Not applicable- this is the baseline against which other options are assessed

Other key non-monetised benefits by ‘main affected groups’

Not applicable.

Key assumptions/sensitivities/risks

Discount rate (%)

3.5

The current canvass has been on-going in its current format since 2014. We hold good information to estimate the parts of the current canvass which are in-scope of the reforms. Assumptions, where used in the modelling, are described throughout.

BUSINESS ASSESSMENT¹ (Option 0)

Direct impact on business (Equivalent Annual)			Score for Business Impact Target (qualifying provisions only) £m:
Costs: -	Benefits: -	Net: -	

¹ See Option 1 for net zero cost to business justification.

Description: FULL ECONOMIC ASSESSMENT

Price Base FY2020/21	PV Base FY2020/21	Time Period 10 years	Net Benefit (Present Value (PV)) (£m)		
			Low: £90.3m	High: £262.5m	Best Estimate: £170.9m

COSTS (£m)	Total Transition (Constant Price) Years		Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	0	10	- £10.9m	- £90.3m
High	0		- £30.9m	- £262.5m
Best Estimate	0		- £20.3m	- £170.9m

Description and scale of key monetised costs by ‘main affected groups’

Amending the regulations will allow for a new model of the canvass. The costs above represent the savings relative to the counterfactual.

The reformed Canvass will have a data match step at the start of the canvass which dictates which “Route” a property should follow, but in general a variety of communication methods, such as by paper, e-communication, and telephone will be sent to households. The appropriate mixture of communications is for local EROs to decide. The data match step will bring cost-savings because matched households will receive only one piece of communication. Implementing Canvass Reform means the legislation governing the annual canvass becomes less prescriptive, allowing EROs more scope to innovate and adapt their canvass to best fit the needs of their local residents including cheaper e-communication.

Other key non-monetised costs by ‘main affected groups’

Not known

BENEFITS (£m)	Total Transition (Constant Price) Years		Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	n/k	10	n/k	n/k
High	n/k		n/k	n/k
Best Estimate	n/k		n/k	n/k

Description and scale of key monetised benefits by ‘main affected groups’

As the objective of the proposed policy is to at least maintain the accuracy and completeness of the electoral register, the benefits of Canvass Reform for the simplicity and purpose of this impact assessment is set as zero.

Other key non-monetised benefits by ‘main affected groups’

Not known.

Key assumptions/sensitivities/risks

Discount rate (%)

3.5

The reformed canvass, Canvass Reform, has not been piloted in exactly the form being proposed. To inform our estimates we have used information from the internal data collected from the local authorities in 2019 alongside on-the-ground intelligence and unpublished data from the Electoral Commission. Assumptions which have particularly high impacts on the cost estimates and therefore proposed cost-savings of Canvass Reform are discussed in detail. Other assumptions, where used in the modelling, are described throughout.

BUSINESS ASSESSMENT² (Option 1)

Direct impact on business (Equivalent Costs: -			Benefits: -	Net: -	Score for Business Impact Target (qualifying provisions only) £m:

² The net cost to business is zero as implementing option 1 would impact on local government and not directly on businesses. Any indirect costs on businesses, such as those on printing or postage firms used by local government, are marginal as they are offset by the introduction of other policies such as Individual Electoral Registration.

Evidence base (for summary sheets)

Impact Assessment for the Representation of the People (Annual Canvass) (Amendment) Regulations 2019

Content

Section A. Problem Under Consideration.....	5
Section B. Rationale for Intervention.....	7
Section C. Policy Objective	9
Section D. Description of Options Considered (including do nothing)	10
Section E. Monetised and Non-Monetised Costs and Benefits of Each Option (including administrative burden).....	13
Section F. Wider Impacts	41
Section G. Summary and Preferred Option.....	42

Section A. Problem Under Consideration

The problem

1. The annual canvass gathers information on potential additions, changes and deletions to the register. The household canvass is heavily paper-based and outdated. All properties must respond to the canvass process even if they have no changes to report, and if they fail to respond, enter a comprehensive chasing cycle of reminders and personal door-knocking. This is costly, inefficient, and often confusing for electors when faced with both the annual canvass and Individual Electoral Registration (IER).
2. **The main issues with the current annual canvass arise from the following:**

- **Highly prescriptive and paper based**

The current canvass process is highly prescribed in legislation, allowing EROs little scope to innovate or adapt their canvass process to best fit the needs of their local residents. Whilst this means that all properties across the UK receive the same process, it does not take into account that different property types and individuals may require a more tailored approach. It also does not allow EROs to focus their resources to individuals who have not already registered.

- **Every property must respond whether or not they have change to report**

One of the key issues identified with the current canvass is that a resident from every property must respond, whether or not there is a change to report. The large majority of households, some 88% across England and Wales¹ remain stable from one year to the next. The position is similar in Scotland. This means that these residents must respond simply to report that nothing has changed in the composition of their household.

- **EROs now required to undertake a more resource intensive process**

Prior to 2014, the annual canvass process registered citizens to vote as well as allowing the ERO to make amendments to existing entries and delete out of date entries directly from information provided on the canvass form. This changed when IER was introduced in 2014. The accuracy of the electoral registers, and the security against potential fraudulent applications within the process, has benefitted from the introduction of IER. However, it has

¹ Electoral Commission, The December 2015 electoral registers in Great Britain, July 2016:
http://www.electoralcommission.org.uk/data/assets/pdf_file/0005/213377/The-December-2015-electoral-registers-in-Great-Britain-REPORT.pdf

created a more resource intensive process to be completed by the ERO in their duty to maintain a complete and accurate register. The annual canvass is now an information gathering exercise only, with the ERO completing additional actions and processes for each change recorded on a HEF.

- **Citizen confusion caused by a 'two stage' process**

Feedback from EROs indicates there is continued confusion from citizens about the 'two-stage' process. Some citizens believe that by completing and returning the HEF they are registering to vote (as was the case under the old household system), leading them to ignore the subsequent Invitation to Register (ITR) and failing to register. Others, instead of completing and returning the HEF, are going online and registering to vote again. As there has been no reply to the HEF the ERO is obliged to continue the chasing cycle on the HEF, causing confusion for the citizen and incurring additional costs.

- **Changing nature of how citizens engage with registering to vote**

Online registration was made available in England, Scotland and Wales in 2014. It is quick and easy and fits with the way citizens increasingly live their lives. Online registration has been overwhelmingly successful, with over 32 million online applications to date. This has had an unexpected consequence: citizens are increasingly opting to register outside the canvass period, leading to 'event-based' registration, such as prior to a national poll.

Section B. Rationale for Intervention

Why intervention is justified

3. To attempt to address the issues above with the current annual canvass process, the Cabinet Office piloted schemes over the 2016 and 2017 canvass. Four models were designed by electoral administrators and piloted across 27 local authority areas in England, Scotland and Wales as part of a randomised control trial (RCT) which has built a robust evidence base for reform to the annual canvass.
4. The evidence base indicates the one-size-fits-all approach that currently exists incorporates numerous prescribed steps and takes little account of differences within and between registration areas. It is heavily paper based, expensive and complex to administer. Finally, it is a process that leads to confusion for the citizen.
5. All of the models that were piloted had strengths and delivered cost savings when compared to the current annual canvass. One key point to emerge from the pilots was that the majority of households reported no change in their composition. This is the key reason for streamlining the process and creating a more targeted canvass process.
6. Electoral administrators also reported that the piloted models were considerably less resource intensive which allowed them to re-focus their resources on targeting citizens who were not currently registered, particularly those from under-registered groups who are more difficult to engage.
7. All participating authorities believe the current canvass should be modernised.

The proposal for intervention

8. Based on the evidence from the pilots, we believe that a hybrid model, taking the successful elements of each and refining certain processes, is the best way forward. This is referred to within this impact assessment as Canvass Reform.
9. The new model, borne out of the pilots, will have a data step at the start of the canvass. The new model will not require every household to respond when the ERO can be confident there has been no change in composition, whilst ensuring safeguards are in place to protect the completeness and accuracy of the electoral registers.

10. Where the ERO believes there is a change in the composition of the household they will contact the household, with a variety of communication methods available to the ERO, such as by post, e-communication, and telephone. The appropriate mixture of communications is for local EROs to decide. Greater discretion for EROs to shape the canvass to activities which best suit their local circumstances and enabling them to target the properties they believe need to have their electoral register details updated are key aspects of the proposals.
11. The support for the proposed canvass model runs throughout the electoral community with agreement across key stakeholders that taking the time to design a hybrid model from the pilots is the optimum solution, despite delays this has caused. Given the complexity of these changes, and substantial shift towards digital enabled process, implementation must be carefully planned to ensure success. However, successful delivery will ensure a significant costing saving.
12. The reforms to the annual canvass fit in with the Government's objective to modernise and improve electoral registration. These reforms continue to work towards a system which is modern and digitally enabled. The reforms should also reduce prescriptive regulation which will empower EROs to tailor their services to their local electorate, maximise electoral registration – particularly among under-registered groups¹ – and, ultimately, reduce if not fully offset the additional costs generated by Individual Electoral Registration (IER).

¹ The evidence indicates the following are under-registered groups; young people aged 16-24 (including attainers), home movers, short-term renters, Black, Asian and Minority Ethnic groups (BAME) groups, and overseas electors.

Section C. Policy Objective

13. EROs are under the following legal requirement: *“a proactive approach is required throughout the year and not just during the canvass period in order to maintain accurate and complete registers, ensuring as far as possible that all eligible persons are on the register and that all non-eligible persons are removed.”*¹
14. The purpose of the reformed canvass of households will be the same as now, that is to find out:
- the names and addresses of persons who are entitled to be registered but who are not already registered; and,
 - those persons who are on the register but who are no longer entitled to be registered at a particular address (normally because they have moved).
15. The intention is that the amended legislation governing the reformed annual canvass is less prescriptive and therefore more permissive than is currently the case. There the objectives of canvass reform are:
- to make the process simpler and clearer for citizens;
 - for EROs to have greater discretion to run a tailored canvass which better suits their local area;
 - to reduce the administrative burden on EROs and the financial burden on taxpayers;
 - to safeguard the completeness and accuracy of the registers;
 - to maintain the security and integrity of the registers; and
 - to include the capacity for innovation and improvement, with a model that is adaptable to future change.

¹ Electoral Commission, 2019, *Guidance for Electoral Registration Officers, Part 4 – Maintaining the Register Through The Year*, p.4. Available at: <https://www.electoralcommission.org.uk/sites/default/files/2019-08/Part%204%20Maintaining%20the%20register%20throughout%20the%20year.pdf> [accessed 11 Sept 2019].

Section D. Description of Options Considered (including do nothing)

Option 0 Do Nothing. Continue the current canvass.

16. Under Section 9A of the Representation of the People Act 1983 (RPA 1983) an Electoral Registration Officer (ERO) has a duty to maintain the electoral register for their area. Section 9D of the RPA 1983 requires an ERO to conduct an annual canvass of all residential properties in their area, usually between July and December each year, in order to identify everyone who should be on the electoral register. This means identifying citizens who should be registered but are currently not, as well as identifying electors who are no longer at a property and should therefore be removed from the register. A revised version of the electoral register must be published each year by 1 December¹, following the conclusion of the annual canvass.
17. EROs must send every household an annual canvass form (currently known as a Household Enquiry Form (HEF)). The HEF requires a response, regardless of whether there have been any changes in the household to report. Failure to respond is an offence and magistrates have the power to impose a fine of up to £1,000. EROs must follow up any non-responses with a further two reminders and carry out a household visit, if required. The household visit can be conducted at any stage; any of the initial, first reminder and second reminder HEFs can be combined with a household visit or it can be conducted as a separate process after three HEFs have been sent. Each paper HEF must be accompanied by an addressed pre-paid return envelope.
18. The annual canvass is only one of the many ways an ERO is able to find information to update their electoral register. It sits alongside year round activities such as mining other datasets (for example, council tax records) to identify residents who are not currently registered to vote, and specific targeted work for certain groups.

Option 1 Canvass Reform (preferred option)

19. Pilots of alternative models for conducting the annual canvass were undertaken in 2016 and 2017². Evaluation of the pilots indicated there is merit in enabling EROs to more effectively target their resources towards those properties where the occupiers have changed and the electoral register needs to be updated. This would allow them to ensure their resources are

¹ The publication of the revised register can be deferred until 1 February if there has been an election held in the area during the canvass period.

² Cabinet Office, 2018, *Piloting Alternative Electoral Canvassing Models – Full Report*. Available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/719824/Piloting_Alternative_Electoral_Canvassing_Models_-_Full_Report.pdf [Accessed 11 Sept 2019].

targeted at the properties which need it, with a more streamlined process for those properties where composition remains the same.

20. Those elements of the alternative models for conducting the annual canvass which improved the current process were taken to form Canvass Reform.
21. The new canvass will incorporate a 'data match step' at the outset of the process. This will inform the ERO, based on the data available to them, which properties are likely to have an unchanged household composition, based on matching their data on registered electors against national Government data and, where relevant, locally held data sources. Where the data the ERO holds on registered electors matches data in another reliable and accurate dataset, the ERO can have some confidence that the details they hold on their register remain accurate. The ERO will then follow one of two routes for each property.
22. Route 1, the matched properties route, will be used for properties where the data indicates no change in household composition. Route 2, the unmatched properties route, will be used for properties where data matching has highlighted that there may be a change to the information the ERO currently holds for the property. This will allow the canvass process to be streamlined for those households that have not changed since the previous year. It will enable the ERO to target their resources to where responses and updates to the electoral register are believed to be required. The legislation states that electors in both Route 1 and Route 2 properties will be contacted during the canvass to give them the opportunity to inform the ERO of any changes, as needed.
23. A third route, Route 3 - the defined properties route, will be available for property types which do not fit clearly within Routes 1 and 2. The characteristics of these property types mean that the ERO can more effectively and efficiently obtain information on residents using an alternative approach, where they are able to identify a 'responsible person' to provide the information in respect of all residents. Examples of these property types are registered residential care homes, student halls of residence, homes of multiple occupancy (HMOs) registered with the local authority and hostels.³ Should the ERO be unable to successfully obtain information about the property from a 'responsible person,' they will need to canvass these property types using the Route 2 process.
24. Properties eligible for Route 3 will be identified at the start of the canvass process, but will not be exempt from the Data match step. The ERO will have the discretion to choose Route 3 where the property in question meets one of two characteristics of a relevant property and EROs have successfully identified a responsible person who lawfully holds information on

³ The legislation specifically excludes using Route 3 for an ordinary block of flats.

the residents of the property. An ERO would need to approach the responsible person to seek the required information using their existing powers⁴. This route is optional and EROs may choose not to utilise it, if this is the case, EROs will follow the Route 2 process.

25. Properties which would be appropriate for use of Route 3 will be outlined in legislation and will have one of the following characteristics. They will be either:
- A property with multiple occupants who do not form a single household, in respect of which the ERO reasonably believes that s/he is more likely to obtain information about the occupants of the property from a responsible person; or
 - A property in respect of which the ERO has made an attempt to deliver a document in the previous 18 months, but has been unable to do so, and where the ERO reasonably believes that s/he is more likely to obtain information about the occupants of the property from a responsible person. For example, the ERO may have been unable to deliver a document due to issues with postal delivery.

Achieving this change to the canvass in law

26. The Electoral Registration and Administration (ERA) Act 2013 contains a broad power in section 7 to amend or abolish the canvass in Great Britain through secondary legislation. The intention is to use this power (and powers to make and amend regulations provided by the 1983 Act) to amend the legislation governing the annual canvass. Our aim is for the whole of Great Britain to benefit from this reform from the start of the 2020 annual canvass.
27. Legislation will also need to be made in the Scottish Parliament and the National Assembly for Wales in relation to the local government registers in Scotland and Wales. Given this, three Statutory Instruments will be required - one taken forward by the UK Government in relation to the UK Parliamentary register in Great Britain and the local government register in England, which this impact assessment relates to, and one taken forward by each of the Scottish and Welsh Governments in relation to the local government registers in Scotland and Wales.

⁴ Regulations 23, 35 and 35A of the Representation of the People (England and Wales) Regulations 2001 and the Representation of the People (Scotland) Regulations 2001.

Section E. Monetised and Non-Monetised Costs and Benefits of Each Option (including administrative burden)

28. The analysis in Section E explains the modelling behind the expected cost savings generated by Canvass Reform. Our volumes and calculations of costs in the following subsections have been rounded to the nearest ten, hundred, thousand or million. Some figures may not sum precisely due to rounding. Unless mentioned, all costs mentioned are associated with local government (local authorities and valuation joint boards).
29. As outlined in Section D, Canvass Reform introduces autonomy in the system. This makes it difficult to predict how individual local authorities and valuation joint boards will react to the opportunities presented by Canvass Reform. In turn, *this means we cannot say with absolute certainty the scale of savings that will be generated at a local authority or valuation joint board level.*
30. As such, in this analysis, we make assumptions that are applied to local authorities to estimate the cost savings generated on a macro, Great Britain-level. We present a range of scenarios, starting from pessimistic scenarios (such as where local authorities do not adopt cost-saving measures immediately) through to ambitious ones (where they use more cost-efficient measures from the introduction of the reform).

Summary of savings scenarios

Table 1: Summary of cost-saving scenarios				
	Low saving scenario	Central low saving scenario⁵	Central high saving scenario	High saving scenario
Financial years 2020/21 – 2029/30				
Cost saving (current canvass average annual – reformed canvass average annual)	£10,900,000	£20,300,000	£20,600,000	£30,900,000
Financial year 2020/21				
Year 1 cost saving (current canvass – reformed canvass)	£4,100,000	£10,400,000	£10,700,000	£17,300,000
Year 1 cost of the current canvass	£53,800,000	£55,300,000	£55,300,000	£56,800,000
<i>Key factors:</i>				
<i>Staff wage unit cost (per minute)</i>	£0.24	£0.27	£0.27	£0.30

⁵ This is used as the Best Estimate in the summary sheets at the start of this impact assessment.

Year 1 cost of the reformed canvass	£49,700,000	£44,900,000	£44,600,000	£39,600,000
Key factors:				
Scenario used in Route 1 and Route 2	Largely paper based – in line with existing canvass	Largely paper based – in line with existing canvass	Digitally based – making use of new opportunities	Digitally based – making use of new opportunities
Sensitivity – Data match rate	55%	65%	65%	75%
% of properties in Route 3	2.00%	1.00%	1.00%	0.13%
Staff wage unit cost (per minute)	£0.24	£0.27	£0.27	£0.30
Time taken to realise staff costs	3 years	2 years	2 years	1 year

Table 2: Present value cost estimates, financial years 2020/21 – 2029/30 (base year: 2020/21 prices)				
	Low saving scenario in reformed canvass analysis	Central low saving scenario in reformed canvass analysis	Central high saving scenario in reformed canvass analysis	High saving scenario in reformed canvass analysis
Overall option 1: reformed canvass	£427,100,000	£360,900,000	£358,100,000	£283,800,000
Comparison to counterfactual: current canvass	- £90,300,000	- £170,900,000	- £173,700,000	- £262,500,000

Impact assessment underlying modelling

31. There are elements of the current system which will not change under the proposed policy reform to the annual canvass. As such within our modelling our focus is capture the costs currently that are in-scope⁶ of the policy changes, and to estimate the change in these costs.
32. Option 0 is the baseline scenario against which the other option, Option 1 – Canvass Reform, will be assessed. Both aim to maintain the accuracy and completeness of the register the same, so therefore, for simplicity, the benefit of this is set to zero. Therefore this impact assessment focusses on the cost-saving element as the main benefit of this analysis.
33. We provide examples of calculations through Section E in table format. Through this walkthrough we have used the *central low cost savings scenario* (one of four savings scenario presented in this impact assessment) to explain how we calculate the 2020/21 cost savings as an example throughout. This corresponds to particular permutations in Routes 1 and 2 for the reformed canvass analysis. Further details are provided throughout, where relevant.

⁶ The reason for these not being considered in the analysis is because these are activities that EROs will need to continue and are *not* directly affected by the change in legislation. The parts of the Canvass which are not in-scope of this analysis are:

- public engagement strategy and registration plans;
- managing contractors and suppliers;
- preparing the register for canvass;
- publishing the register; and,
- post-publication sharing of data.

34. The remainder of Section E is broken into these three subsections:
- i. **Current canvass:** provides details explaining how the cost of the current canvass is modelled.
 - ii. **Reformed canvass:** provides details explaining how the cost of the reformed canvass is modelled.
 - iii. **Canvass Reform savings:** provides the details behind our high, central and low savings options and the justification of the scenario analysis and explanation of the sensitivity analysis.

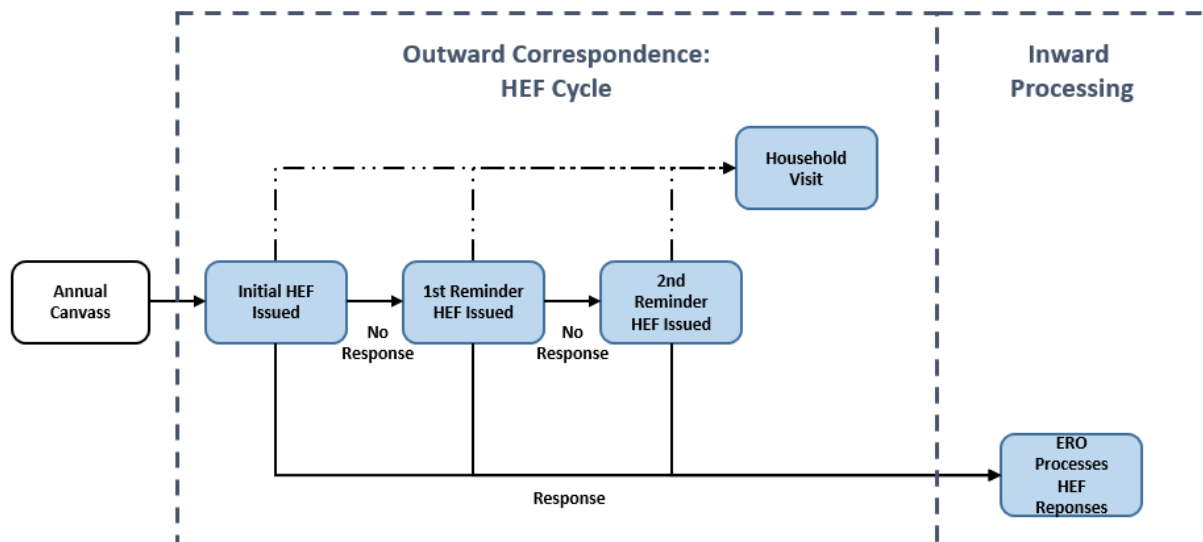
i) Modelling of Option 0 – Do Nothing (Counterfactual)

35. This option would *maintain the status quo* and continue with the current canvass system. This carries the risk of a highly prescribed system which does not allow EROs to undertake the canvass in a way they deem best therefore denying them the opportunity to approach and tailor methods best suited for their local areas.

36. There are two types of costs modelled based on the existing canvass process:

- **Outward correspondence:** Cost of issuing initial and reminder Household Enquiry Forms (HEFs) and undertaking HEF related household visits as part of the HEF cycle; and
- **Inward processing:** Cost of receiving and processing HEFs responses.

37. The map below shows the current canvass process.



Outward Correspondence Costs: HEF Cycle

38. At the start of the current annual canvass, the Electoral Commission guidance states that EROs must issue every household with a Household Enquiry Form (HEF) to all properties in their registration area.⁷

39. The statement above is further refined, in the Electoral Commission guidance, to highlight that some households can be exempt under certain circumstances. However, the guidance

⁷ Electoral Commission, 2018, Guidance for Electoral Registration Officers: Part 3 – Annual Canvass. Paragraph 3.1. Available at: https://www.electoralcommission.org.uk/sites/default/files/pdf_file/Part-3-The-transition-to-IER-in-2014-15.pdf [accessed 16 August 2019].

also goes on to state “You may, however, still choose to issue a HEF in these circumstances, and indeed you should do so if you have reason to believe from other records that circumstances may have changed.”⁸ For the purposes of our modelling **we assume, regardless of exemptions, all households are issued a HEF.**

40. If a response to the HEF is not received within a reasonable period of time the ERO must initiate a reminder HEF. If a response to the reminder HEF is not received within a reasonable period of time the ERO must initiate a second reminder HEF.
41. As our modelling assumes that all households are issued an initial HEF we use published projections⁹ of household volumes in Great Britain as a proxy for the number of initial HEFs issued.
42. For the percentage of households receiving initial, first reminder and second reminder HEFs, our modelling uses unpublished data from the Electoral Commission, which provides the actual percentages from the 2018 annual canvass. The 2018 version of this data is the latest available, as the 2019 canvass is still on-going at the time of the analysis.

Table 3: Calculating the number of HEFs issued, financial year 2020/21			
Initial HEFs			
	Number of households	Households issued initial HEFs	Number of initial HEFs issued
	(A)	(B)	(C) = (A*B)
<i>Great Britain</i>	27,400,000	100%	27,400,000
First reminder HEFs			
	Number of households	Households issued first reminder HEFs	Number of first reminder HEFs issued
	(A)	(D)	(E) = (A*D)
<i>Great Britain</i>	27,400,000	43%	11,600,000
Second reminder HEFs			

⁸ Electoral Commission, 2018, Guidance for Electoral Registration Officers: Part 3 – Annual Canvass. Paragraph 3.2 and 3.3. Available at: https://www.electoralcommission.org.uk/sites/default/files/pdf_file/Part-3-The-transition-to-IER-in-2014-15.pdf [accessed 16 August 2019].

⁹ These data sources include:

Office for National Statistics, 2019, “Household projections for England”. Available at: <https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationprojections/datasets/householdprojectionsforengland> [accessed 16 August 2019].

National Records of Scotland, 2018, “Household Projections for Scotland, 2016-based”. Available at: <https://www.nrscotland.gov.uk/statistics-and-data/statistics/statistics-by-theme/households/household-projections/2016-based-household-projections> [accessed 16 August 2019].

Stats Wales, 2017, Household projections by local authority and year. Available at: <https://statswales.gov.wales/Catalogue/Housing/Households/Projections/Local-Authority/2014-Based/householdprojections-by-localauthority-year> [accessed 16 August 2019].

	Number of households (A)	Households issued second reminder HEFs (F)	Number of second reminder HEFs issued (G) = (A*F)
Great Britain	27,400,000	24%	6,500,000
Total HEFs			
	Total number of HEFs issued (C+E+G)		
Great Britain	45,600,000		

43. If a third HEF (the second reminder HEF) has been issued and an ERO has not received a response, then by law they must initiate at least one visit to the household to the address, if they have not already, for the purpose of obtaining the required information.
44. However, the visit can be made earlier in the process, for example at the same time as delivering any of the HEFs (i.e. an ERO may initiate a door knock in the HEF cycle as a first reminder following a non-response to an initial HEF). The Cabinet Office does not hold information as to what stage of the HEF cycle a household visit is undertaken. *We assume a household visit is undertaken within the HEF cycle* (during either the initial, first or second reminder stage, and not after those three stages have completed). **As such, the modelling considers a conservative cost estimate which results in a conservative cost saving estimate.**
45. The unpublished Electoral Commission data does however provide information on overall numbers of household visits undertaken in 2018. We use this to understand the percentage of households who received a household visit.

Table 4: Estimation to understand number of household visit volumes, financial year 2020/21

	Number of households (A)	Households receiving a household visit (B)	Number of household visits (A*B)
Great Britain	27,400,000	15%	4,200,000

46. EROs have the option of issuing HEFs by either a postal service or delivery by canvasser (as local authorities know this can be cheaper than the postal service). The Electoral Commission guidance states that for a household visit to satisfy requirements, the canvasser

must “have attempted to make contact personally with a person at the address” and that “a visit only for the purpose of leaving a form at the address” would not suffice.¹⁰

47. For the purpose of our modelling **we assume where a household visit took place, a HEF was delivered by a canvasser for all household visits and that the remaining HEFs are all delivered by a postal service (instead of some being delivered by hand by a canvasser but not as part of a household visit).** Therefore we may be overstating the number of HEF delivered by postal services.

Table 5: Total number of HEFs issued, financial year 2020/21			
	Total number of HEFs issued (A)	Number of HEFs delivered by household visit (B)	Total HEF delivered by post (A-B)
<i>Great Britain</i>	45,600,000	4,200,000	41,400,000

48. To the HEF volumes delivered by post and HEF volumes delivered as part of a household visit we multiply the HEF unit cost and household visit unit cost, respectively to determine the cost of the HEF cycle.
49. The HEF unit cost is calculated using responses to the 2019 Cabinet Office cost survey¹¹, and includes the cost of printing a HEF form and outbound postage (including envelope cost)¹². Using the cost survey figure and uplifting this, this figure is assumed to be **£0.56** for financial year 2020/21.
50. The household visit unit cost is calculated using responses to the 2019 Cabinet Office cost survey. This is the cost on a local authority of undertaking a single household visit, which includes factors such as the cost of printing a single HEF form, and, the recruitment, training and wage costs of canvassers. Using the cost survey figure and uplifting this, this figure is assumed to be **£1.86** for financial year 2020/21.

¹⁰ Electoral Commission, 2018, Guidance for Electoral Registration Officers: Part 3 – Annual Canvass. Paragraph 4.62 and 4.63. Available at: https://www.electoralcommission.org.uk/sites/default/files/pdf_file/Part-3-The-transition-to-IER-in-2014-15.pdf [accessed 16 August 2019].

¹¹ To have a better understanding of local authority costs, the Cabinet Office surveyed elections and registration teams to respond with actual costs to registration costs such as the cost of printing a HEF. In the 2019 survey, there were 81 responses in total from local authorities.

¹² EROs are expected to include an envelope with pre-paid postage for households to return a completed HEF form by post. The associated costs are captured in the inwards processing section.

Table 6: HEF cycle costs, financial year 2020/21							
	Number of HEFs delivered by household visit (A)	Household visit unit cost (B)	Household visits cost (C)=(A*B)	Total HEF delivered by post (D)	HEF unit cost (E)	Postal HEF unit cost (F)=(D*E)	Total HEF unit cost (G)=(C+F)
<i>Great Britain</i>	4,200,000	£1.86	£7,700,000	41,400,000	£0.56	£25,400,000	£33,100,000

Inwards Processing Costs

51. To calculate the number of responses to the initial, first reminder and second reminder HEFs, our modelling again uses the unpublished data from the Electoral Commission, which contains the response rates to HEFs (i.e. percentage of HEFs for which the ERO received a response) in the 2018 annual canvass.

Table 7: Calculating the number of HEFs responses received, financial year 2020/21			
Responses to Initial HEFs			
	Number of initial HEFs issued (A)	Response Rate to initial HEF (B)	Number of responses to initial HEFs (C) = (A*B)
<i>Great Britain</i>	27,400,000	57%	15,700,000
Responses to first reminder HEFs			
	Number of first reminder HEFs issued (D)	Response Rate to first reminder HEF (E)	Number of responses to first reminder HEFs (F) = (D*E)
<i>Great Britain</i>	11,600,000	43%	5,000,000
Responses to Second reminder HEFs			
	Number of second reminder HEFs issued (G)	Response Rate to second reminder HEF (H)	Number of responses to second reminder HEFs (I) = (G*H)
<i>Great Britain</i>	6,500,000	53%	3,400,000
Total Responses to HEFs			
	Total number of HEFs issued (C+F+I)		
<i>Great Britain</i>	24,100,000		

52. Under the current canvass system, an ERO must issue a paper version of the HEF however, there is no expectation that the household must reply in the same format *“by law a person who has received a HEF must provide the information that it requires to the ERO, but there is no requirement for the form itself to be returned.”*¹³
53. The guidance goes on to state *“the channels that are provided for people to respond to a HEF will be determined by each ERO based on local circumstances and could include telephone or online. For the benefit and convenience of all electors, you should offer alternative response mechanisms such as telephone or online wherever possible. This will also help you meet your duties under the Equalities Act, as people who may have difficulties completing a paper form are given the opportunity to provide the information in ways other than in writing.”*¹⁴ **Our modelling therefore allows for HEFs to be returned either by post, online, email, telephone or SMS.**
54. Once the responses to the HEFs have been received they can be split into two further categories depending on their contents:
- **Major change:** Responses containing details requiring individuals to be added or removed from the electoral register; and,
 - **Minor/no change:** All other responses containing no changes to the household composition, minor changes to existing electors’ details such as change of name or requests to changes absent vote and open register choices.
55. With the total volume of responses to the HEFs, our modelling spreads these into the type of response (major or minor/no change) and the contact channel by which they were returned. The internal data provided by the Electoral Commission provides separate breakdowns of both therefore we have uniformly apportioned these breakdowns to provide the lower level (i.e. the percentage of HEF responses return by post containing a major change).

Table 8: Percentage of HEFs received by type, financial year 2020/21			
Percentage of HEFs received by type	Major Change¹⁵	Minor/No Change	Total
Post	12%	39%	51%
Online	8%	27%	35%
Phone	-	9%	9%

¹³ Electoral Commission, 2018, Guidance for Electoral Registration Officers: Part 3 – Annual Canvass. Paragraph 4.1. Available at: https://www.electoralcommission.org.uk/sites/default/files/pdf_file/Part-3-The-transition-to-IER-in-2014-15.pdf [accessed 16 August 2019].

¹⁴ Electoral Commission, 2018, Guidance for Electoral Registration Officers: Part 3 – Annual Canvass. Paragraph 4.2. Available at: https://www.electoralcommission.org.uk/sites/default/files/pdf_file/Part-3-The-transition-to-IER-in-2014-15.pdf [accessed 16 August 2019].

¹⁵ A major change to the household composition cannot be reported via an automated phone response or SMS.

SMS	-	5%	5%
Email	0%	0%	0%
Total	20%	80%	100%

56. The inwards cost of processing responses to the HEFs has two dimensions:

- **Transactional fees charged for each HEF response received:** For HEF responses received via post this is a Royal Mail charge for the electors using the “pre-addressed, prepaid reply envelope”¹⁶ when returning their HEF form by post. This transactional fee charged by the Royal Mail for a postal HEF response is estimated at **£0.42** in financial year 2020/21. For HEF responses received via the other contact channels this is a fee charged by the Electoral Management System (EMS) suppliers. This transactional fee charged for a HEF response return via the other digital channels is estimated at **£0.18** which is the average charged by EMS suppliers then uplifted for financial year 2020/21.
- **Staff processing costs:** The local authority staff cost of the time taken to process responses to HEFs. This figure is obtained from the average local authority salaries provided in the 2019 Cabinet Office cost survey. We then uplift this to obtain a figure for financial year 2020/21 of **£0.27 per minute**.

57. We apportion the total number of responses received to initial, first reminder and second reminder HEFs per Table 8 by the percentages in Table 9. These volumes are then multiplied by the corresponding transactional fee to determine the total transactional charges cost.

Table 9: Total cost of transactional charges, financial year 2020/21			
HEF response contact channel	Number of HEF responses	Transactional charge	Total transactional charges
	(A)	(B)	(A*B)
Post	12,300,000	£0.42	£5,100,000
Online	8,400,000	£0.18	£1,500,000
Phone	2,200,000	£0.18	£400,000
SMS	1,100,000	£0.18	£200,000
Email	40,000	£0.18	£10,000
Total	24,100,000	-	£7,200,000

¹⁶ Electoral Commission, 2018, Guidance for Electoral Registration Officers: Part 3 – Annual Canvass. Paragraph 3.25. Available at: https://www.electoralcommission.org.uk/sites/default/files/pdf_file/Part-3-The-transition-to-IER-in-2014-15.pdf [accessed 16 August 2019].

58. The volumes of HEF responses are broken down by *type of change* and the *contact channel through which they are returned* then multiplied by the processing time¹⁷ and staff wage per minute.

Table 10: Total staff cost of processing HEF responses, financial year 2020/21					
HEF response type	HEF response contact channel	Number of HEF responses (A)	HEF processing time (mins) (B)	Staff wage per minute (C)	Total staff HEF processing cost (A*B*C)
Major Change	Post	2,900,000	4	£0.27	£3,400,000
	Online	2,000,000	2	£0.27	£800,000
	Phone	N/A: Major changes cannot be reported by phone or SMS.			
	SMS				
	Email	10,000	3	£0.27	£10,000
Minor/No Change	Post	9,400,000	3	£0.27	£7,900,000
	Online	6,500,000	1	£0.27	£1,500,000
	Phone	2,200,000	2	£0.27	£1,000,000
	SMS	1,100,000	1	£0.27	£300,000
	Email	30,000	2	£0.27	£20,000
Total		24,100,000	-	-	£15,000,000

59. We have used 2020/21 as an example to show how we have reached our estimate of the cost of the aspects of the current canvass due to change under canvass reform.

Table 11: Total modelled current canvass costs, financial year 2020/21		
Cost Type		Modelled current canvass costs
Outbound correspondence	HEF Cycle	£33,100,000
	Transactional costs	£7,200,000
Inwards processing	Staff costs	£15,000,000
	Total	£55,300,000

60. To estimate our undiscounted average annual cost over a 10-year period, we have replicated our modelling for each year in the period from 2020/21 to 2029/30. In producing these 10-year cost estimates, we have made the following assumptions:

¹⁷ As part of the 2017 evaluation of the Canvass Pilots data surrounding the length of time it took on average for a member of staff in a local authority to process a HEF response was collected for each type of change (major or minor/no change) and each contact channel by which a HEF can be received. Cabinet Office, 2018, *Piloting Alternative Electoral Canvassing Models – Full Report*. Available at: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/719824/Piloting Alternative Electoral Canvassing Models - Full Report.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/719824/Piloting_Alternative_Electoral_Canvassing_Models_-_Full_Report.pdf) [Accessed 11 Sept 2019].

- the volume of households in each year is equal to the projections published by the Office for National Statistics for England, Stats Wales in Wales and National Records of Scotland in Scotland;
- the percentage of households receiving an initial, first reminder, second reminder HEF and for which a household visit is undertaken along with the percentage of households that respond to the HEF are assumed to be fixed over time (e.g. each year the same percentage of household receive a household visit);
- staff processing times on HEF responses are assumed to be fixed over time; and
- unit costs used in our calculations are inflated/deflated in line with HM Treasury GDP deflators (until 2023/24) and longer term deflators are from the Office for Budget Responsibility Fiscal Sustainability Report – in line with the HM Treasury Green Book approach.

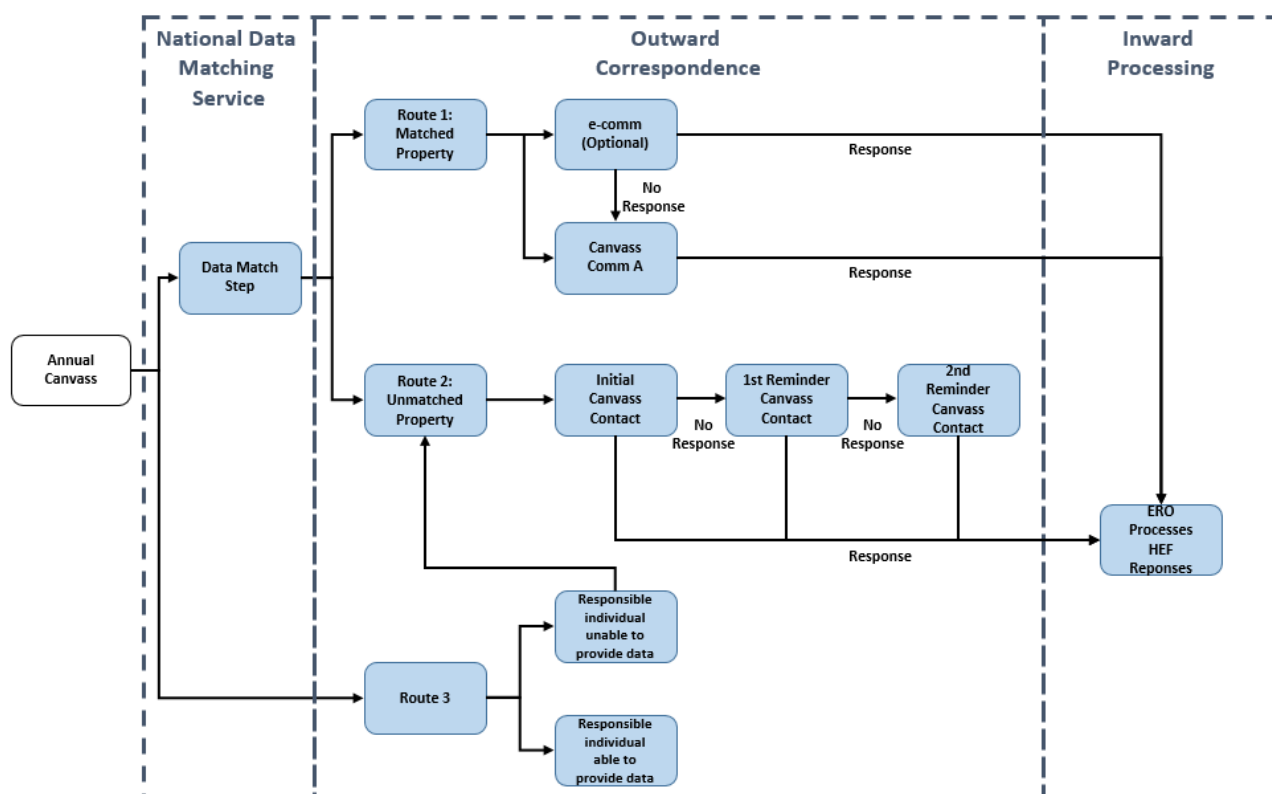
ii) Modelling of Option 1 – Canvass Reform

61. **This option is our preferred option.** To implement the proposed reform to the annual canvass.

62. There are three main types of cost drivers modelled for the reformed canvass system, with the latter two mirroring our modelling of the current canvass system:

- **National data matching service;** the service which underpins the data match step;
- **Outward correspondence:** cost of issuing annual canvass correspondence within Route 1 and Route 2 and the administrative costs related to Route 3; and,
- **Inward processing:** cost of receiving and processing responses to Route 1 and Route 2 canvass correspondence.

63. The map below shows the reformed canvass process.



National data matching service

64. The data match step is the first step in the process under Canvass Reform. All EROs in Great Britain will be required to match specified data they hold on registered electors against a national dataset. The legislation makes provision for the use of the data held at the

Department for Work and Pensions (DWP) data warehouse. This dataset is already used in the electoral registration process to verify an applicant's identity.¹⁸

65. EROs will have the discretion to match the data they hold on registered electors against local datasets, in addition to matching against the national dataset. These local datasets might include council tax records and other datasets held by their local authority. Local datasets are available to the ERO under their existing powers.¹⁹
66. The purpose of the data step is to help an ERO decide which Route each property should be sent down. Matching will occur at an individual elector level; matching name, date of birth (where held) and address. National and local data matching will return a result of either 'matched' or 'unmatched' for individual electors. A matched result is where an individual's information was successfully matched against either DWP or local data, or both.
67. Individual level matches will be aggregated within each ERO's Electoral Management Software (EMS) system for each residential property to create property level match rates. This is because the canvass operates at the property level, even under IER. **For a property to be designated as 'matched', all the electors registered at the address will need to be matched at the individual level against either (or both) national or local data.**
68. Cabinet Office has agreed to absorb the costs of data matching on behalf of local authorities and valuation joint boards. This decision is driven by two main factors. Were the Cabinet Office not to do this then individual authorities would have to build their own data matching service, resulting in hundreds of different services. As the Cabinet Office owns the platform which the data match step will be processed through, the Individual Electoral Registration Digital Service (IERDS), the most sensible option is for Cabinet Office to manage this process. This also presents the advantage of economies of scale when procuring and managing this service.
69. The cost of this additional factor, beyond the costs incurred by Cabinet Office currently, is estimated to be less than £350,000 per year in the worst case scenario.

Outward Correspondence: Route 1, Route 2, and Route 3 Household Volumes

70. To ensure alignment with our modelling of the current annual canvass, we use the same published projections of household volumes in Great Britain in this section.

¹⁸ Other national datasets may also be considered in the future.

¹⁹ These are Regulations 23, 35 and 35A of the Representation of the People (England and Wales) Regulations 2001 and the Representation of the People (Scotland) Regulations 2001.

71. As mentioned in Section D, EROs will have the discretion to choose Route 3 where the property in question meets one of two characteristics of: a being a relevant property; and, EROs have successfully identified a 'responsible person' who lawfully holds information on the residents of the property.
72. To calculate the number of Route 3 households, we estimate the proportion of student halls and care homes in the 2011 Census²⁰ and the proportion of Houses of Multiple Occupancy (HMOs) in the 2011 The Housing Strategy Statistical Appendix²¹ and accumulate these percentages. **We estimate that approximately 1% of properties are eligible for Route 3.**
73. The remaining properties will enter either the Route 1 or Route 2 process depending on the outcomes of the data match step and, where an ERO has decided not to follow the Route 3 process for a property which it is eligible for, it will enter Route 2. The option to canvass a property using Route 1 will only be available where the results of the Data match step confirms to the ERO that there has been no change at a property in terms of registered residents. This means that all of the electors have been matched against national and/or local data, or if they have recently been successfully determined or they are a recent addition to the register. Where these conditions are not met the ERO must canvass the property using Route 2.
74. Until the canvass reform legislation is in place, local authorities are unable to undertake the national data match step test, which will provide a more accurate figure on the volumes of households that will canvass through Route 1 compared to Route 2.
75. The Cabinet Office ran a similar exercise, in 2014, as part of the transition to IER, which involved data matching the names and addresses of records on EROs' current electoral register against data held by the DWP. To produce an estimate for the data match rate that will be achieved under Canvass Reform we have repurposed the data captured in this exercise. Subsequent changes to the matching algorithm which may result in a reduction in the number of matched properties and for the use of local data matching which result in an increase in the number of matched properties have been accounted for, to reach a conservative estimate for the data match rate of 65% in modelling our central scenario.

²⁰ Office for National Statistics, 2011, "2011 Census: Population and household estimates for the United Kingdom, March 2011". Available at: <https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/bulletins/populationandhouseholdestimatesfortheunitedkingdom/2011-03-21> [accessed 17 September 2019].

²¹ Ministry of Housing, Communities and Local Government, 2013, "Estimated total number of houses in multiple occupation in area". Available at: <https://data.gov.uk/dataset/83db633a-3d04-4eec-bcb3-5394260d7300/estimated-total-number-of-houses-in-multiple-occupation-in-area> [accessed 17 September 2019].

Table 12: Number of Route 1, Route 2 and Route 3 households, financial year 2020/21

Route 3 Households				
	Number of households (A)	Route 3 households % (B)	Number of Route 3 households (C) = (A*B)	
<i>Great Britain</i>	27,400,000	1%	300,000	
Routes 1 & 2 Households				
	Number of Route 1 and Route 2 households (D) = (A-C)	Data Match Rate (E)	Number of Route 1 households (F) = (D*E)	Number of Route 2 households (D-F)
<i>Great Britain</i>	27,100,000	65%	17,600,000	9,500,000

Outward Correspondence: Route 1

76. EROs will have discretion, where they hold the necessary contact information, to send an e-communication to a Route 1 property in the first instance. ‘E-communication’ is meant in the broadest sense, so covers (but is not limited to) email, SMS or any other form of electronic or digital communication. For the purpose of our modelling **we have assumed an e-mail format is used**. As the policy position is to encourage the usage of Gov.uk Notify, which allows central government and local authorities to send emails for free to users, **there is no cost of issuing involved**.
77. If the ERO is successful in eliciting a response to the e-communication within a reasonable time, they will be able to close the process. If the elector fails to respond to an e-communication within a reasonable timeframe, an ERO will be obliged to send a Route 1 written communication called Canvass Communication A to the property. In addition, those households for which the ERO did not issue an e-communication to in the first instance must also be sent a Canvass Communication A.
78. To estimate the cost of issuing Canvass Communication A, we estimate the volume of households that are issued these and then multiply by the Canvass Communication A unit cost, as shown in Table 13.
79. The unit cost for a Canvass Communication A has been determined using the advertised cost on Notify for A4 printing and outbound postage unit cost (at £0.30) plus an additional £0.03 to account for enveloping costs taken from Royal Mail, then uplifted for inflation from 2019/20 to 2020/21. The produces figure of **£0.34** in financial year 2020/21.²²

²² The Electoral Commission will have a duty to design the Route 1 prescribed written communication (Canvass Communication A) and EROs will be obliged to use this format. This communication may be accompanied by a pre-addressed, pre-paid envelope or a Freepost address may be included if the ERO so wishes, but for the purposes of this modelling this is not included as it is optional.

80. The more autonomous nature of the reformed canvass allows EROs a wider range of canvassing options so we have designed our modelling to allow us to explore different scenarios. The cost calculation example in Table 13 considers if EROs do not take up the option of issuing e-communications to households in Route 1, which corresponds to the low and central low cost-saving scenarios.

Table 13: Route 1 correspondence costs, financial year 2020/21						
	Number of Route 1 households (A)	Number of Route 1 households issued an e-comm (B)	Route 1 e-comm response rate²³ (C)	Number of Route 1 households issued a Canvass Communication A (D) = (A - B) + B * (100% - C)	Canvass Communication A unit cost (E)	Total cost of issuing Canvass Communication A (D*E)
<i>Great Britain</i>	17,600,000	0	27%	17,600,000	£0.34	£5,900,000

81. Under Route 1 there is no expectation for EROs to follow up on any households who do not respond to the Canvass Communication A as the Data match step will have given EROs a reasonable degree of confidence that there has been no change at the address. This new process will significantly reduce costs for EROs.

Outward Correspondence: Route 2

82. For properties where some, or all, of the registered occupants are unmatched in the data match step, EROs must follow the more intensive Route 2 process.

83. Under the Route 2 cycle, EROs will be required to meet the following minimum requirements:

- A minimum of three contact attempts must be completed during the canvass process.
- The first contact attempt must be a communication with the property (written or household visit), rather than with an individual.
- A further contact in the process must also be with the property.
- A personal canvass (telephone call to a matched elector or household visit) is required, if no response has been received, as part of the canvass cycle.

²³ As part of the 2017 evaluation of the Canvass Pilots data was extracted from EMS detailing the volumes of canvass correspondence issued and returned under each of the four pilot models. As neither the Route 1 e-communication nor the canvass communication A have not yet been used there is no existing data on the expected response rate (percentage of correspondence return of the total issued) therefore our modelling uses the response rates from the 2017 Canvass pilots as a proxy by selecting the most similar type of correspondence. Cabinet Office, 2018, *Piloting Alternative Electoral Canvassing Models – Full Report*. Available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/719824/Piloting_Alternative_Electoral_Canvassing_Models_-_Full_Report.pdf [Accessed 11 Sept 2019].

- The prescribed Canvass Form must be sent at some point in the cycle, along with a prepaid, pre-addressed envelope.
84. In practice, the first contact attempt with the property will require the ERO to either send a written communication to the property or to carry out a household visit. There will be two options available to EROs in regards to sending a written communication to the property; a prescribed written communication called Canvass Communication B, or a prescribed canvass form.²⁴
85. Should the ERO not receive a response from the property within a reasonable time, the ERO must follow up with a second contact stage. If the ERO does not receive a response to the second contact stage within a reasonable time, they must follow up with a third contact stage. EROs will have discretion over the contact method for the second and third contacts as long as they are within the minimum requirements set out above. For the purpose of our modelling, we have assumed that the canvass communication options available to ERO in the follow up reminder stages are by post (either by using a canvass form or a Canvass Communication B), e-communication, telephone or household visit.
86. If a response is received at any stage, the Route 2 chasing cycle is closed and no further canvass contacts will be required.
87. Due to the wide range of canvassing options available to EROs, we designed our modelling to allow us to explore different scenarios. To give an example of the calculations in our modelling which estimate the cost of issuing through various Route 2 contact paths, below we consider the situation in which an ERO issued a Canvass Form as the initial contact, a canvass form as the first reminder and a household visit as the second reminder (we have used the following shorthand notation throughout the remainder of Section E: *Canvass Form* -> *Canvass Form* -> *Door knock*).
88. In producing a cost of issuing the Route 2 canvass communication, we estimate the volume of households that are issued a contact in the initial, first reminder and second reminder stages and then multiply by corresponding canvass communication unit cost.
89. As the Route 2 canvass form is a replacement for the current HEF, we use the HEF unit cost (used in the modelling of the current canvass earlier subsection) to inform the canvass form unit cost, which is a figure of **£0.56** in financial year 2020/21. The household visit unit cost used in the reformed canvass analysis is the same figure as the one used in the current canvass modelling earlier at **£1.86** for financial year 2020/21.

²⁴ The Electoral Commission will be responsible for designing both of these communications. The costs associated with designing these communications are expected to be minimal. The Canvass Form acts as a replacement for the current HEF.

Table 14: Calculating the cost of issuing Route 2 canvass contact, financial year 2020/21

Initial contact stage					
	Number of Route 2 households (A)	Households issued initial canvass form (B)	Number of initial canvass forms issued (A*B)	Canvass form unit cost (C)	Cost of issuing initial canvass forms (D) = (A*B*C)
<i>Great Britain</i>	9,500,000	100%	9,500,000	£0.56	£5,300,000
First reminder contact stage					
	Initial contact canvass form response rate ²⁵ (E)	Number of households not responding to initial contact (F) = A*(100%-E)	Number of first reminder canvass forms issued ²⁶ (F)	Canvass form unit cost (C)	Cost of issuing first reminder canvass forms (G) = (F*C)
<i>Great Britain</i>	27%	6,900,000	6,900,000	£0.56	£3,900,000
Second reminder contact stage					
	First reminder canvass form response rate (H)	Number of households not responding to first reminder contact (I) = E*(100%-H)	Number of second reminders: household visits undertaken (I)	Household visit unit cost (J)	Cost of issuing second reminder household visits (K) = (I*J)
<i>Great Britain</i>	20%	5,500,000	5,500,000	£1.86	£10,300,000
Total Route 2 issuing cost					
	Total costs of issuing Route 2 canvass contact (D+G+K)				
<i>Great Britain</i>	£19,400,000				

90. It is worth reiterating that the cost associated with an authority approaching their canvass say by *Canvass Form -> Canvass Form -> Household Visit* would be different to *Canvass Form -> Phone -> Household Visit* for two reasons; each contact option varies in cost (i.e. the unit cost) and has a different response rate (i.e. the success rate). In the example above, as the phone call at the second stage is assumed to have a higher response rate, fewer door knocks would need to be initiated.

²⁵ As part of the 2017 evaluation of the Canvass Pilots data was extracted from EMS detailing the volumes of canvass correspondence issued and returned under each of the four pilot models. In line with the approach taken for Route 1 our modelling uses the response rates from the 2017 Canvass pilots as a proxy by selecting the most similar type of correspondence. Cabinet Office, 2018, *Piloting Alternative Electoral Canvassing Models – Full Report*. Available at: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/719824/Piloting Alternative Electoral Canvassing Models - Full Report.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/719824/Piloting_Alternative_Electoral_Canvassing_Models_-_Full_Report.pdf) [Accessed 11 Sept 2019].

²⁶ However, the complication arises in this example because of the proportion of phone numbers that a local authority or valuation joint board holds for electors – as it is limited by this. How we deal with this analytical issue is described later in the scenario analysis subsection.

Outward Correspondence: Route 3

91. There is no prescribed format for Route 3 contact. Therefore our modelling has looked to estimate the administrative burden on an ERO (or the delegate of the ERO) to “canvass” a Route 3 property. We estimate in our central scenario that it will take a local authority or valuation joint board approximately **25 minutes per Route 3 property**. We think this is reasonable given an ERO (or more likely a delegate of the ERO) will need to initiate contact, explain this Route 3 process for registration, identify the ‘responsible person’, ask and obtain information and input this information into their EMS. In reality, over time, the time taken would decrease from factors such as the ‘responsible person’ is already identified, improvements to the process to shorten the time taken for the EROs to obtain the information they require, etc. however we have **not** attempted to model the decrease.
92. To obtain a unit cost we use the **£0.27 wage per minute assumption** (in financial year 2020/21). This aligns with the staff wage per minute used in the current canvass analysis.

Table 15: Calculating the administrative cost of Route 3, financial year 2020/21				
	Number of Route 3 households (A)	Route 3 admin time (mins) (B)	Staff wage per minute (C)	Total Route 3 admin cost (A*B*C)
Total	300,000	25	£0.27	£1,900,000

Inward Processing

93. To calculate the number of responses to canvass correspondence issued within Route 1 and Route 2, our modelling again uses the data collected in the Canvass Pilots in 2017, which provides the response rates²⁷ of the various correspondence issued in those pilots (i.e. percentage of email HEFs issued with the email pilot model for which the ERO received a response).

²⁷ As part of the 2017 evaluation of the Canvass Pilots data was extracted from EMS detailing the volumes of canvass correspondence issued and returned under each of the four pilot models. In line with the approach taken for Route 1 our modelling uses the response rates from the 2017 Canvass pilots as a proxy by selecting the most similar type of correspondence.
 Cabinet Office, 2018, *Piloting Alternative Electoral Canvassing Models – Full Report*. Available at: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/719824/Piloting Alternative Electoral Canvassing Models - Full Report.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/719824/Piloting_Alternative_Electoral_Canvassing_Models_-_Full_Report.pdf) [Accessed 11 Sept 2019].

Table 16: Calculating the number of responses received to Route 1 and Route 2 contact, financial year 2020/21

Responses to Route 1 e-comm			
	Number of Route 1 e-comms issued²⁸ (A)	Response rate to Route 1 e-comm (B)	Number of responses to Route 1 e-comm (C) = (A*B)
<i>Great Britain</i>	0	27%	0
Responses to Route 1 Canvass Communication A			
	Number of Canvass Communication A issued (D)	Response rate to Canvass Communication A (E)	Number of responses to Route 1 Canvass Communication A (F) = (D*E)
<i>Great Britain</i>	17,600,000	7%	1,200,000
Responses to Route 2 initial contact			
	Number of initial canvass forms issued (G)	Response rate to initial canvass form (H)	Number of responses to initial canvass form (I) = (G*H)
<i>Great Britain</i>	9,500,000	27%	2,600,000
Responses to Route 2 first reminder contact			
	Number of first reminder canvass forms issued (J)	Response rate to first reminder canvass form (K)	Number of responses to first reminder canvass form (L) = (J*K)
<i>Great Britain</i>	6,900,000	20%	1,400,000
Responses to Route 2 second reminder contact			
	Number of second reminder household visits undertaken (M)	Response rate to household visits (N)	Number of responses to household visits (O) = (M*N)
<i>Great Britain</i>	5,500,000	43%	2,400,000
Total Route 1 and Route 2 responses			
	Total responses to Route 1 and Route 2 canvass contact (C + F + I + L + O)		
<i>Great Britain</i>	7,600,000		

94. Like the analysis undertaken for the current canvass, the cost of inwards processing of responses to the HEFs has two dimensions:

- Transactional fees charged to the local authorities for each HEF response received.

²⁸ The cost calculation example in Table 16 follows on from Table 13. Both consider if EROs do not take up the option of issuing e-communications to households in Route 1, which corresponds to the low and central low cost-saving scenarios.

- The local authority staff cost on the time it takes to process responses to HEFs.

95. In line with our modelling of the current canvass, the analysis spreads these into the type of response (major or minor/no change) and the contact channel by which they were returned. However this is where the two processes diverge. As a result of the data match step and properties going down the Route 1 process, fewer minor/no change responses will be received by local authorities and valuation joint boards under Canvass Reform due to households not having to respond to the Canvass Communication A, as they would only need to respond if they have a major change to report. Therefore in the reformed canvass we use the percentages in Table 17.

Percentage of HEFs received by type	Major Change ²⁹	Minor/No Change	Total
Post	38%	18%	55%
Online	26%	12%	38%
Phone	-	4%	4%
SMS	-	2%	2%
Email	0%	0%	0%
Total	64%	36%	100%

96. We have no evidence to suggest the fees charged by Electoral Management System (EMS) suppliers would change under Canvass Reform. We therefore assume that the fees charged under the new system will remain the same for those responses received via online, phone, SMS and email that have been outsourced to them.

97. Mirroring the calculations used in the current canvass, we apportion the total number of responses received to initial, first reminder and second reminders as per Table 18 by the percentages in Table 17. These volumes are then multiplied by the corresponding transactional fee to determine the total transactional charges cost.

Canvass response contact channel	Number of Route 1 & Route 2 responses (A)	Transactional charge (B)	Total transactional charges (A*B)
Post	4,200,000	£0.42	£1,800,000
Online	2,900,000	£0.18	£500,000

²⁹ A major change to the household composition cannot be reported via phone or SMS.

Phone	300,000	£0.18	£100,000
SMS	200,000	£0.18	£30,000
Email	10,000	£0.18	£2,000
Total	7,600,000	-	£2,400,000

98. Unit costs are the same as in the current canvass.

99. The volumes of canvass responses broken down by type of change and the contact channel by which they were returned are then multiplied by the processing time³⁰ and staff wage per minute.

Table 19: Total staff cost of processing canvass responses, financial year 2020/21					
Canvass response type	Canvass response contact channel	Number of canvass responses (A)	Canvass processing time (mins) (B)	Staff wage per minute (C)	Total staff canvass processing cost (A*B*C)
Major Change	Post	2,900,000	4	£0.27	£3,400,000
	Online	2,000,000	2	£0.27	£800,000
	Phone	N/A: Major changes cannot be reported by phone or SMS.			
	SMS				
	Email	10,000	3	£0.27	£10,000
Minor/No Change	Post	1,300,000	3	£0.27	£1,100,000
	Online	900,000	1	£0.27	£200,000
	Phone	300,000	2	£0.27	£100,000
	SMS	200,000	1	£0.27	£40,000
	Email	4,000	2	£0.27	£2,000
Total		7,600,000	-	-	£5,800,000

100. We have used 2020/21 as an example to show how we have reach our estimate of the cost of the aspects of the reformed canvass due to change under canvass reform.

Table 20: Total reformed canvass costs, financial year 2020/21	
Cost Type	Modelled current canvass costs
National data matching service	£400,000

³⁰ As part of the 2017 evaluation of the Canvass Pilots data surrounding the length of time it took on average for a member of staff in a local authority to process a HEF response was collected for each type of change (major or minor/no change) and each contact channel by which a HEF can be received. Cabinet Office, 2018, *Piloting Alternative Electoral Canvassing Models – Full Report*. Available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/719824/Piloting_Alternative_Electoral_Canvassing_Models_-_Full_Report.pdf [Accessed 11 Sept 2019].

Outbound correspondence	Route 1	£5,900,000
	Route 2	£19,400,000
	Route 3	£1,900,000
Inwards processing	Transactional costs	£2,400,000
	Staff costs	£5,800,000
Total		£35,400,000

101. To estimate our undiscounted average annual cost over a 10-year period, we have replicated our modelling for each year in the period from 2020/21 to 2029/30. In producing these 10-year cost estimates, we have made the following assumptions:

- the volume of households in each year is equal to the projections published by the Office for National Statistics for England, Stats Wales in Wales and National Records of Scotland in Scotland;
- the percentage of Route 3 households, the data match rate and the response rates for each type of Route 1 and Route 2 contact are assumed to be fixed over time;
- staff processing times are also assumed to be fixed over time; and
- unit costs used in our calculations are inflated/deflated in line with HM Treasury GDP deflators (until 2023/24) and longer term deflators are from the Office for Budget Responsibility Fiscal Sustainability Report – in line with the HM Treasury Green Book approach.

iii) Canvass Reform Savings

102. Implementing Canvass Reform means the legislation governing the annual canvass becomes less prescriptive, allowing EROs more scope to innovate and adapt their canvass to best fit the needs of their local residents. This increased autonomy will allow EROs:

- The option of issuing an e-communication within the Route 1 process before sending Canvass Communication A;
- To tailor their approaches to Route 2 properties to use a range of contact options to replace the current highly perspective HEF contact cycle that exists in the current canvass.

Central scenarios for modelling Canvass Reform

103. The cost savings that can be realised through Canvass Reform will depend on how EROs choose to conduct their canvass. Of the options available to EROs, this Impact Assessment considered two central scenarios, central low and central high (which correspond to the two central cost saving scenarios, with four cost saving scenarios in total).

104. The first scenario is based on an ERO not fully adopting the options available under canvass reform and continuing largely in line with existing processes:

- EROs do not take up the option of issuing an e-communication to properties in Route 1;
- Similarly to the current canvass EROs continue use a largely paper based approach and issue two Canvass Forms (the replacement form for the HEF) and undertake a household visit in a three stage process for Route 2 properties.

Throughout this subsection, this scenario above is labelled Scenario A, which is then used for our estimates of low and central low saving scenario of what Canvass Reform saves.

105. The second scenario is based on ERO taking up new, cheaper digital contact options when conducting their canvass under Canvass Reform:

- EROs adopt the option of issuing an e-communications to households for which an email address is held for properties within Route 1;
- EROs use a blend of paper based and digital approaches when contacting Route 2 properties.

Throughout this subsection, this scenario above is labelled Scenario B, which is then used for our estimates of central high and high saving scenario of what Canvass Reform saves.

High and Low Scenarios: Sensitivity Analysis

106. As part of interrogating our analysis, we undertook sensitivity testing on all assumptions. This raised three key assumptions to be significant drivers on the magnitude of the cost savings:

- Data match rate
- Route 3 properties
- Staff costs savings realisations

107. Due to the impact of the two assumptions on the estimated cost saving of Canvass Reform, the analysis instead considers a range for each to produce low and high cost saving estimates, in addition to those produced in the central options.

Data match step match rate

108. The success rate of the Data match step determines the number of properties that are described as 'matched properties' and therefore the proportion and number of canvassed under the Route 1 process, with the remaining properties being canvassed under Route 2. Changes to the **Data match step match rate will impact cost estimates of the reformed canvass only** and have no impact on how the calculations are completed for the current canvass. A lower (higher) match rate results in more (fewer) properties entering the more expensive Route 2 process and in turn will reduce (increase) the cost savings Canvass Reform realises.

109. Our central scenarios assume a match rate of 65%. For the purpose of producing high and low estimates of the cost savings associated with Canvass Reform, we use a high estimate and low estimate for the Data match step match rate. How these two figures are reached are explained as follows:

- Low estimate - the policy intention is to ensure the Department for Work and Pensions matching algorithm does not result in a fall below a floor of 50% for the Data match step match rate.
- High estimate - Route 1 will be used for properties where the data indicates no change in household composition from the previous year and therefore, where there are properties that have major changes, these will fall under Route 2. As such, any such property that fails to match in the Data match step will fall into Route 2. In the internal data provided by the Electoral Commission for the 2018 canvass, 20% of properties reported a major change and 80% of properties reporting a minor/no change.
- **In our low saving scenario of what Canvass Reform saves, we use an estimate of 55% for the data match step match rate.**

- **In our high saving scenario of what Canvass Reform saves, we use an estimate of 75% for the data match step match rate.**

Route 3 properties

110. Feedback from our stakeholders indicates Route 3 may not be used where the ERO does not have certainty that they will be able to establish, contact and obtain information from the 'responsible person'. Our central scenario uses 1% of all properties will go through the Route 3 process. For the purpose of producing high and low estimates of the cost savings associated with Canvass Reform, we use a high estimate and low estimate for the percentage of properties in Route 3. How these two figures are reached are explained as follows:

- Low estimate – we assume EROs put no households of multiple occupancies (HMOs) into Route 3, therefore *decreasing* the number of properties in Route 3 and the percentage of properties in Route 3.
- High estimate – we assume EROs put households all of multiple occupancies (HMOs) into Route 3, therefore *increasing* the number of properties in Route 3 and the percentage of properties in Route 3.
- **In our low saving scenario of what Canvass Reform saves, we use an estimate of 2.00% of properties are put through Route 3.**
- **In our high saving scenario of what Canvass Reform saves, we use an estimate of 0.13% of properties are put through Route 3.**

Staff costs savings realisations

111. Under Canvass Reform, properties who receive a Canvass Communication A in Route 1 have no expectation to report a 'no change' to the household composition. This is expected to result in local authorities receiving fewer responses to process. Therefore implementing Canvass Reform will release staff time currently spent on handling responses, which will result in staff costs savings being realised.

112. Our central scenarios assume on average local authority and valuation joint board staff cost £0.27 a minute (which includes overhead/non-staff wage costs) which equates to an annual cost of £32,000 per staff member. For the staff unit cost we have used a range of +/- £0.04 on the £0.27 a minute staff cost (which equates which equates to an annual variance of +/- £3,000 per staff member). That is:

- **in our low saving scenario of what Canvass Reform saves we use a figure of £0.24 a minute staff cost in financial year 2020/21; and,**

- **in our high saving scenario of what Canvass Reform saves we use a figure of £0.30 a minute staff cost in financial year 2020/21.**

113. We assume staff cost savings cannot be realised immediately if the local authority and valuation joint board staff members cannot be reassigned to other work within their authority or board. Therefore the staff cost savings have been lagged by two years in the central options. As such there is a jump in savings in the third year after Canvass Reform is implemented, financial year 2022/23. However, this is a best estimate based on informal conversation with our stakeholders. To account for this uncertainty and given the impact of the costs:

- **in our low saving scenario of what Canvass Reform saves we increase this lag until staff costs are realised to 3 years (financial year 2023/24); and,**
- **in our high saving scenario of what Canvass Reform saves we decrease this lag until staff costs are realised to 1 year (financial year 2021/22).**

114. A summary of the assumptions behind the low, central low, central high and high Canvass Reform cost savings scenarios is outlined in the table below.

Table 21: Key assumptions driving cost estimates for Canvass Reform				
	Low saving scenario	Central low saving scenario	Central high saving scenario	High saving scenario
Scenario used	A	A	B	B
Data match step match rate	55%	65%	65%	75%
% of properties in Route 3	2.00%	1.00%	1.00%	0.13%
Staff wage unit cost	£0.24	£0.27	£0.27	£0.30
Time taken to realise staff costs	3 years	2 years	2 years	1 year

Section F. Wider Impacts

Equality impact

115. Please refer to the published Equality Impact Assessment.

Justice impact

116. A new criminal offence is being introduced as part of the change to the legislation.

117. A new criminal offence is to be introduced for the misuse of data handled during the Data match step. This offence would be very similar to one already in place, in respect of misuse of data transferred during the data verification step for registration (regulation 29ZB(6) of The Representation of the People (England and Wales) Regulations 2001.

118. A new offence is required because whilst the data matching process is very similar to the verification process at registration, they are distinctly different processes. We do not consider the proposed new offence to be controversial, given how similar it is to the existing offence.

Section G. Summary and Preferred Option.

119. **Option 1 is the preferred option** as it will achieve the objective of making the annual canvass less prescriptive and therefore more permissive than is currently the case, achieving:

- making the process simpler and clearer for citizens;
- for EROs to have greater discretion to run a tailored canvass which better suits their local area;
- reducing the administrative burden on EROs and the financial burden on taxpayers;
- safeguarding the completeness and accuracy of the registers;
- maintaining the security and integrity of the registers; and,
- including capacity for innovation and improvement, with a model that is adaptable to future change.

120. **Option 0 would not achieve this.**