

David Rees, MS
Chair, Llywydd's Committee
Senedd Cymru
Cardiff Bay
Cardiff
CF99 1SN

28 September 2023

Dear Chair

Re: Supplementary Estimate 2023/24

I am writing to advise you of several financial pressures that have arisen in 2023/24, and therefore to request an additional **£53,900** from the Senedd for this year via the supplementary estimate process to meet the following two pressures.

Firstly, as you will be aware, the Electoral Commission was targeted by hostile actors via a sophisticated cyber attack. This was identified in October 2022 and announced publicly in August 2023. Some additional costs associated with managing the systems to improve security transferring systems to the cloud were identified in the budget bids for 2023/24 at £312,000, which was requested via the main bid from the Speaker's Committee of the UK Parliament. This however was not the only cost directly attributable to the increases in our cyber-security and in 2023/24, we will also incur running costs of a further £308,000. Of this sum, we are seeking 5% contribution being **£15,400** from the Senedd, with the remainder being 8% from the Scottish Parliament and 87% from the UK Parliament.

By way of context the Commission was not the only national infrastructure organisation targeted, as we are aware of targets as diverse as The Royal Mail, the criminal records office ACRO, and the Metropolitan Police, thus highlighting the vulnerability of public sector bodies to motivated attackers and the extreme sensitivity of the data they hold. We must therefore accept future steps in reducing the risks of ransomware, third-party attacks and social engineering being successfully used to breach critical systems.

Secondly, the pay awards for 2023/24 have been higher than the level expected when we submitted our original estimate. The Commission has aligned its pay settlement to that of the wider Civil Service that permitted average pay awards up to 4.5% with further flexibility to make awards up to an additional 0.5%, targeted at lower pay bands. In addition to this, for 2023/24, we also aligned ourselves to the Pay Remit Guidance in making a fixed non-consolidated payment of £1,500 per full-time employee for those in delegated grades, subject to eligibility. The Commission originally had budgeted for 4% pay settlement (£553,000), but the combined effect of the above is an additional overall cost of

£1,014,000. The effect on the supplementary budget bid for the Senedd is circa 8.3% of this sum being **£38,500**.

Please note the budget set for 2023/24 did not factor further contingency sums that could be used to reduce the pressure of the cyber attacked driven changes or the pay award, and other initiatives to reduce costs are being used to offset other pressures including changes to enhance capability.

Finally, may I take this opportunity to thank you and the Committee for your on-going support for the Commission's activities in Wales.

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'Shaun McNally', with a stylized, flowing script.

Shaun McNally CBE

Chief Executive and Accounting Officer, Electoral Commission