

The Electoral Commission Supplementary Estimate 2022-23 March 2023

This report sets out the request for a variation to the Electoral Commission budget for 2022-23. The Electoral Commission is requesting an additional £122,000 to meet pressures related to pay awards, campaign costs and the early voting pilots



1. The Electoral Commission Supplementary Estimate 2022-23

Background

1. In its covering letter to the Estimate for 2023-24, the Electoral Commission (the Commission) indicated it would “likely need to make a supplementary estimate to [the Committee] in November 2022”¹.
2. The Commission confirmed its request for a Supplementary Estimate for 2022-23 on 20 October 2022. This requested was included in the Welsh Government’s supplementary budget which was laid on 14 February 2023². The Supplementary Estimate is seeking an additional £122,000 (which equates to an increase of 8.6% on its original Estimate for 2022-23) to meet pressures related to pay awards, campaign costs and the early voting pilots.
3. The revised estimate for the Electoral Commission is attached at annex A to this report.
4. The Committee considered this request at its meeting on 7 November 2022³, when it also considered the estimate for 2023-24. Following the laying of the supplementary budget, the Committee consulted with Welsh Ministers in accordance with Standing Order 20.34A (ii)(a) on 14 February 2023⁴.

Pay Awards

5. The Supplementary Estimate 2022-23 notes that pay awards for 2022 have been higher than expected with the Commission seeking an additional £7000 from the Senedd as a share of the cost.
6. The Commission stated it had:

“ensured that realistic pay assumptions are included within its Main Estimate for 2023-24, while remaining within our financial strategy of ensuring core costs will be no higher in real terms at

¹ [Letter from Electoral Commission, September 2022](#)

² [Welsh Government Second Supplementary Budget 2022-23, February 2023](#)

³ [Llywydd Committee meeting, 7 November 2022](#)

⁴ [Letter from Counsel General and Minister for Constitution, 14 February 2023](#)

the end of our corporate plan than they were at the beginning"⁵.

7. The Committee asked the Commission why the costs were higher than the original assumptions made in the 2022-23 estimate, and to confirm which members of staff were in line to receive the revised salary awards.

8. Kieran Rix (Director, Finance and Corporate Services) explained that the assumptions were made in September 2021 in line with civil service pay policy, but that it became clear after submitting the estimate that that was not sustainable, so the Commission:

"... settled on a pay award of a 4 per cent consolidated increase, plus a £1,000 non-consolidated pay award to all members of staff."⁶

9. Kieran Rix confirmed this was awarded to everyone in the organisation and a few staff were awarded additional money to bring them in line with the minimum wage.

Campaign costs

10. The Commission highlighted in its Supplementary Estimate that it needed to "correct the allocation of campaigns costs across the UK". It says more public awareness activity was required in 2022-23 for the local government elections in May 2022 than it allowed for in the original estimate by £62,000.

11. The Commission states:

"As there are no major electoral events planned for 2023, we are confident that this will not affect the estimate for 2023/24. Nevertheless, we have put new financial planning arrangements in place to ensure allocations are more robust in future."

12. The Committee asked the Commission to further explain why the adjustment was needed across the UK. The Committee also sought assurance around how the new financial planning arrangements were more robust, and

⁵ Electoral Commission Supplementary estimate, annex A

⁶ RoP, 7 November 2022 paragraph 26

that these would reduce the possibility of such an adjustment being needed in the future.

13. Kieran Rix set out that the Commission:

“...put special arrangements in place to make sure that we got the scrutiny of costs to the devolved contributors, to devolved funders, last year. In working through the amount of activity that was required in Wales and Scotland, we got that allocation wrong, despite those additional controls. I would like to place on record my apologies for that. This is of course the first time we had done that, but that isn't an adequate excuse; we had tried to put additional arrangements in place.”⁷

14. He set out that the Commission has learnt from this first year and sought to address this issue in future by ensuring earlier engagement between the finance and communication teams and the devolved offices to capture the correct amount of activity for each year.

Early voting pilots

15. The Supplementary Estimate notes the Commission has been unable to fund its statutory evaluation of the early voting pilots through funding from the Welsh Government as was originally agreed. The total cost of evaluating these pilots was £53, 000.

16. The Commission in its Supplementary Estimate stated that although it had been common practice for the Government to fund its work on election pilots directly, it received legal advice that, as the assessments were a statutory function of the Commission, the work should not be funded this way.

17. The Committee sought clarification on the reasons why this funding issue of the Government not being able to fund the early voting pilots was not identified prior to undertaking the evaluation, and whether this had any impact on the planned activities in Wales.

⁷ RoP, 7 November 2022 paragraph 34

18. Kieran Rix explained that this was essentially a ‘timing issue’, and that when preparing the budget in September 2021 there were a number of unknowns about the work which meant the Commission had to:

“... make some assumptions, both about what the level of activity would be and about how that would be funded.”⁸

19. He further explained that subsequent legal advice relating to what can and cannot be funded by a section 10 request, which was received after the estimate for 2022-23 was submitted, identified that the activity associated with the early voting pilots could not be funded in this way.

20. He highlighted that the Commission has enhanced its procedures in regard to section 10 funding and that this adjustment is just a change to the funding source as opposed to a change to the activities planned or estimated amount.

The Committee’s View

21. The Committee is content with the request from the Commission for additional resources.

22. The Committee notes the response from the Welsh Ministers that the amount requested is ‘affordable within the funds transferred from HMT’.

23. The Committee welcomes the undertaking from the Commission to ensure there is a better dialogue with the Committee in the future around the outturns of the Commission and potential underspends in a timely manner.

24. The Committee notes the Commission has sought to improve its process in regard to when section 10 funding can be utilised and in allocating costs to election campaigns, and would welcome an updates on this work as part of its ongoing dialogue with the Commission.

⁸ RoP, 7 November 2022, Paragraph 37

Y
Comisiwn
Etholiadol

The
Electoral
Commission

David Rees
Cadeirydd, Pwyllgor y Llywydd
Senedd
Bae Caerdydd
Caerdydd
CF99 1SN

20 Hydref 2022

Annwyl David,

Parthed: Amcangyfrif Atodol 2022/23

Yn dilyn ein llythyr dyddiedig 28 Medi, rwyf nawr yn ysgrifennu i gadarnhau ein cais am Amcangyfrif Atodol ar gyfer 2022/23. Rydym yn ymofyn am £122,000 ychwanegol gan y Senedd er gyfer eleni er mwyn ateb tri straen.

Yn gyntaf, mae dyfarniadau cyflog ar gyfer 2022 wedi bod yn uwch na ddisgwyliwyd pan gyflwynwyd ein hamcangyfrif gwreiddiol. Er bod hyn yn fforddiadwy o fewn ein cyllideb gyffredinol, mae angen inni adolygu cyfraniadau gan y Seneddau datganoledig er mwyn adlewyrchu cyfran y costau yn unol â'r fformiwla ariannu y cytunwyd arni. Ar gyfer y Senedd, mae hyn yn gynydd o £7,000. Rydym wedi sicrhau bod tybiaethau cyflog realistig yn cael eu cynnwys yn ein Prif Amcangyfrif ar gyfer 2023/24, wrth barhau o fewn ein strategaeth ariannol o sicrhau na fydd costau craidd yn uwch mewn termau real ar ddiwedd ein cynllun corfforaethol nag yr oeddent ar y dechrau.

Yn ail, mae angen inni hefyd gywiro dyraniad costau ymgyrchoedd ledled y DU. Roedd angen mwy o weithgarwch ymwybyddiaeth y cyhoedd yn y flwyddyn ariannol hon ar gyfer yr etholiadau ym mis Mai 2022 nag a ganiatawyd gennym yn yr amcangyfrif gwreiddiol gan olygu ychwanegiad o £62,000. Gan nad oes unrhyw ddigwyddiadau etholiadol mawr wedi'u cynllunio ar gyfer 2023, rydym yn hyderus na fydd hyn yn effeithio ar yr amcangyfrif ar gyfer 2023/24. Serch hynny, rydym wedi rhoi trefniadau cynllunio ariannol newydd ar waith i sicrhau bod dyraniadau yn fwy cadarn yn y dyfodol.

Yn drydydd, nid ydym wedi gallu ariannu ein gwerthusiad statudol o'r cynlluniau peilot pleidleisio cynnar drwy gyllid gan Lywodraeth Cymru fel yr oeddem wedi cytuno â hwy yn wreiddiol. Er ei bod yn arfer cyffredin i'r Llywodraeth ariannu'r gwaith hwn yn uniongyrchol, cawsom gyngor cyfreithiol, gan fod yr asesiadau'n swyddogaeth statudol i'r Comisiwn, na ddylai'r gwaith gael ei ariannu fel hyn. Roedd costau'r gwaith hwn yn werth

£53,000; er bod hyn yn effeithio ar gyllideb y Comisiwn yng Nghymru mae, wrth gwrs, at ei gilydd yn niwtral.

Yn olaf, a gaf i achub ar y cyfle hwn i ddiolch i chi a'r Pwyllgor am eich cefnogaeth barhaus i weithgareddau'r Comisiwn yng Nghymru.

Yr eiddoch yn gywir,

A handwritten signature in black ink, appearing to read 'Shaun McNally', written in a cursive style.

Shaun McNally CBE
Prif Weithredwr a Swyddog Cyfrifyddu, y Comisiwn Etholiadol

David Rees
Chair, Llywydd's Committee
Senedd
Cardiff Bay
Cardiff
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20 October 2022

Dear David

Re: Supplementary Estimate 2022/23

Further to our letter of 28 September, I am now writing to confirm our request for a Supplementary Estimate for 2022/23. We are seeking an additional £122,000 from the Senedd for this year to meet three pressures.

Firstly, pay awards for 2022 have been higher than expected when we submitted our original estimate. While this is affordable within our overall budget, we need to marginally revise contributions from the devolved Parliaments to reflect the share of costs in line with the agreed funding formula. For the Senedd, this is an increase of £7,000. We have ensured that realistic pay assumptions are included within our Main Estimate for 2023/24, while remaining within our financial strategy of ensuring core costs will be no higher in real terms at the end of our corporate plan than they were at the beginning.

Secondly, we also need to correct the allocation of campaigns costs across the UK. More public awareness activity was required in this financial year for the elections in May 2022 than we allowed for in the original estimate by £62,000. As there are no major electoral events planned for 2023, we are confident that this will not affect the estimate for 2023/24. Nevertheless, we have put new financial planning arrangements in place to ensure allocations are more robust in future.

Thirdly, we have also been unable to fund our statutory evaluation of the early voting pilots through funding from the Welsh Government as we had originally agreed with them. Although it had been common practice for the Government to fund this work directly, we received legal advice that, as the assessments were a statutory function of the Commission, the work should not be funded this way. The costs of this work were £53,000; whilst this affects the Commission's budget in Wales it is, of course, neutral overall.

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 black ink, appearing to read 'Shaun McNally', written in a cursive style.

Shaun McNally CBE
Chief Executive and Accounting Officer, Electoral Commission