



Northern Ireland
Assembly

Research and Information Service Bill Costing

Paper 123/15

13 November 2015

NIAR 662-15

Public Finance Scrutiny Unit

Assembly and Executive Reform (Assembly Opposition) Bill – Assessing the Costs

On 22 September 2015 the Assembly and Executive Reform (Assembly Opposition) Bill (the Bill) was introduced in the Assembly. This Bill Costing provides a framework to facilitate Assembly financial scrutiny of the Bill. It should be read in conjunction with [RalSe Bill Paper NIAR 592-15](#) (4 November 2015), wherein policy issues are addressed.

Introduction

On 22 September 2015 the Assembly and Executive Reform (Assembly Opposition) Bill (the Bill) was introduced in the Assembly by Mr John McCallister MLA (the Bill Sponsor). The Bill is accompanied by an Explanatory and Financial Memorandum (EFM), which at paragraphs 20-23 sets out the Sponsor's estimated introductory and on-going costs of an Assembly Opposition.

This Bill Costing is intended to supplement information provided in [RaiSe Bill Paper NIAR 592-15](#) (4 November 2015), wherein policy issues are addressed. It provides a framework to orientate the Assembly's financial scrutiny of the Bill:

- **Sections 1 and 2** review the key clauses in the Bill and accompanying Schedule as well as relevant paragraphs within the EFM regarding the Sponsor's costings for the Bill; and,
- **Section 3** provides concluding remarks, highlighting key observations relating to the financial implications of the Bill (as introduced).
- **Appendix A** provides a glossary containing costing terminology

Scrutiny points are provided throughout each section.

In addition, Members should note at the outset that in a number of places, the Costing provides estimates compiled by the Public Finance Scrutiny Unit (PFSU) within RaiSe, which may suggest a fairly specific prediction – either in terms of the cost of an additional MLA, or in the costs involved in renaming a Northern Ireland Executive Department. **These 'estimated costs', however, should not be taken as actual predictions. To do so would be inappropriate as it would suggest a spurious level of forecasting accuracy.**

1 Bill Clauses - as introduced

This section reviews the estimated costs assigned to key clauses by the Sponsor of the Bill. It examines the Sponsor's estimate, as specified in the EFM; while looking at the costs drivers and underlying assumptions.

1.1 Miscellaneous Clauses: Amendment of Standing Orders

A number of the clauses in the Bill state that: "Standing Orders must make provision for changes in operating procedures."¹

These clauses include:

- Clause 3: Timing of the formation of the Opposition;
- Clause 4: Membership of the Opposition;

¹ Assembly and Executive Reform (Assembly Opposition) Bill

- Clause 5: Dissolution of the Opposition;
- Clause 6: Leader and Deputy Leader of the Opposition;
- Clause 7: Topical questions from Leader and Deputy Leader of the Opposition;
- Clause 10: Membership of Business Committee for the Opposition;
- Clause 16: Formation of technical groups within the Opposition;
- Clause 17: Membership of Business Committee for technical groups; and,
- Clause 18: First topical question to Minister from chairperson of statutory committee.

Changes to Standing Orders would require the re-drafting, re-printing and re-issuing of Standing Orders. Assuming the changes to Standing Orders required under this Bill could be accommodated within the regular system for Standing Orders amendments, then no additional financial costs would be incurred, if the Bill is enacted as introduced. This seems likely given consultation with Secretariat colleagues in the relevant business area.

However, there is likely to be an 'opportunity cost' to the Assembly, with Secretariat staff diverted from their regular roles. The value of the work foregone would be the cost to the Assembly. However, since there would be no additional outlay in terms of either overtime for staff or additional staff employed, there would be no financial impact.

Note also that if a decision was made either by the Bill Sponsor or the Assembly (at the time of the Bill's passage or at some future date following the Bill's enactment) to out-source the Changes to Standing Orders, it would be necessary to revisit this aspect of the Costing.

1.2 Clause 1: Purpose

Clause 1 briefly sets out the principal objective of the Bill as:

...to enable the formation of an Opposition in the Assembly and to confer rights on the Opposition once it has been formed.²

It is reasonable to assume no costs arise from this clause, and none have been included within this Costing.

1.3 Clause 2: Formation of the Opposition

Clause 2 details the manner in which an Opposition may be formed. The EFM assigns no costs to this Clause

Both the Bill (as introduced) and the EFM, however, are unclear in respect of whether technical groups should receive remuneration. This in turn raises a question about

² NIA (2015) The Assembly and Executive Reform (Assembly Opposition) Bill – Explanatory and Financial Memorandum

whether such remuneration would be available under the Assembly's Financial Aid for Political Parties (FAPP) mechanism.

Issues for Consideration:

1. Whether the Bill Sponsor intends that technical groups would be treated in the same manner as larger political parties and would receive additional remuneration under the FAPP mechanism, e.g. an allowance for Whips?
2. If so, how would the Sponsor consider that this could be done?
3. What would the Sponsor consider the additional costs likely to be?
4. How would such costs be met?

Note that if the Bill Sponsor's intent is that technical groups are to be treated in the same manner as larger political parties, and they are to receive additional remuneration under the FAPP mechanism, it would be necessary to revisit this aspect of the Costing.

1.3 Clause 8: Enhanced Speaking Rights for the Opposition

Clause 8 states that Standing Orders must make provision for enhanced speaking rights, stating:

...“enhanced speaking rights” means more speaking rights than a member of the Opposition would otherwise be entitled to on the basis of numerical party size in the Assembly, and includes a minimum of 15 days per year set aside for Opposition business.³

It is unclear from both the Bill (as introduced) and the EFM whether the enhanced speaking rights would be taken from current plenary arrangements, or whether a dedicated time slot would be required.

Issue for Consideration:

5. How does the Bill Sponsor expect Clause 8 to provide “enhanced speaking rights”, i.e. whether from within current plenary arrangements or whether it would require an additional time slot? For example, are the 15 days per year from current arrangements, or alternatively are these additional days?

If the Sponsor considers that the enhanced speaking rights within Clause 8 could be accommodated only by adding extra time to items of timed plenary business, it would be necessary to re-visit the costs within this Costing, to reflect the costs associated with increasing plenary time.

³ Assembly and Executive Reform (Assembly Opposition) Bill: Clause 8.

In the absence of more detail regarding the concept of “enhanced speaking rights”, this Costing has not included any costs associated with Clause 8. It would be necessary to revisit the Costing if such information is made available

1.4 Clause 9: Chair of Public Accounts Committee

Clause 9 of the Bill requires both the Chairperson and the deputy Chairperson of the Public Accounts Committee (PAC) to be Members of the political parties which form the Opposition.

The PAC is a statutory committee of the Assembly, with both the Chairperson and the deputy Chairperson attracting salaries. However, those salaries are already in payment; and the Clause does not prescribe explicitly or implicitly any changes in this regard. It therefore appears that, if enacted, Clause 9 would not incur any additional cost, so none are included here.

1.5 Clause 11: Financial assistance for Opposition parties

Clause 11 of the Bill requires the revision of the *Financial Assistance for Political Parties (Northern Ireland) Act 2000 (FAPP)*, stating:

...the scheme shall provide for additional payments to be made to political parties in the Opposition.⁴

The Bill (as introduced) and the EFM does not explicitly or implicitly prescribe the type or nature of the changes that would be needed to achieve Clause 11’s legislative aim. It therefore is unclear whether the Sponsor considers:

- the funding distributed *via* the FAPP mechanism would increase to accommodate the additional payments to the Opposition; **or**,
- the current funding would remain the same and allocations for political parties within the Executive would be reduced to allow for the additional payments to the Opposition.

Issues for Consideration:

6. How does the Bill Sponsor intend to provide additional payments to members of the Opposition?
7. Whether the Bill Sponsor envisages that the funds distributed *via* the FAPP mechanism would be increased to accommodate the additional payments to the Opposition under Clause 11?
8. If so, how does he envisage that this could be done?
9. If so, how much additional funding would the Bill Sponsor consider reasonable?

⁴ Assembly and Executive Reform (Assembly Opposition) Bill: Clause 11.

10. Alternatively, does the Bill Sponsor instead envisage that the current funding would be redistributed?
11. If so, how would such redistribution occur, and how would it impact on the current system?

If the Bill Sponsor considers that the funding distributed *via* the FAPP mechanism would increase to allow for additional payments to the Opposition, this aspect of the Costing would require revisiting, based on that premise.

1.6 Clause 12: Salary for Opposition officeholders

Clause 12 of the Bill requires amendment of the *Assembly Members (Independent Financial Review and Standards) Act (Northern Ireland) 2011*. This is to allow for the payment of higher salaries to office holders of the Opposition.

It is unclear from the Bill (as introduced) or the EFM what the Sponsor considers reasonable in respect of higher salaries for Opposition office holders. The Independent Financial Review Panel (IFRP) has determined a range of salaries for Ministers and officeholders, dependent on the given position. A copy of the current determination from the IFRP is included at **Appendix B**.

Issue for Consideration:

12. What salary would the Bill Sponsor consider reasonable for officeholders of the Opposition? or,
13. Alternatively, which current officeholder or Minister would the Sponsor consider equivalent to the proposed Opposition officeholders?

If additional information is made available, the financial implications of this aspect of the Bill should be re-visited.

1.7 Clauses 13: Assembly and Reform Motion

Clauses 13 relates to a motion to:

...request that the Secretary of State bring forward legislation:

- a) To facilitate the establishment of an Opposition; and,*
- b) To reform the Assembly and Executive.⁵*

It goes on to state:

The Schedule makes further provision in respect of the content of an Assembly and Executive Reform Motion.

⁵ Assembly and Executive Reform (Assembly Opposition) Bill: Clauses 13-15.

Section 2 of this Costing reviews the potential financial impact of the Bill Schedule.

1.8 Clause 14 & 15: Assembly and Reform Motion

Clauses 14 and 15 respectively relate to the timing of the tabling of the motion and the requirement for the Assembly and Executive Reform Committee to report on the Secretary of State's progress in bringing forward the legislation.

It is reasonable to assume no costs would arise from these clauses, since the actions described within the Bill (as introduced) are concerned with the regular business of the Assembly.

1.9 Clause 19: Establishment of a Budget Committee

Clause 19 requires:

*...the establishment of a committee to scrutinise the draft budget laid before the Assembly.*⁶

During the course of the second stage debate on the Bill, the Sponsor stated that:

*...the policy direction and intent that I have set out is very much about saying that we need to separate it [the Budget Committee] from the Finance and Personnel Committee.*⁷

He went on to clarify the role that the Budget Committee would take if the Bill was enacted, stating:

*The Scottish Parliament uses a Budget Committee to look at the explanatory and financial memorandum (EFM) of every piece of legislation that comes before it. That is the type of level we need to get to.*⁸

It therefore appears that the proposed Budget Committee would become a new full-time permanent committee of the Assembly. It therefore is reasonably foreseeable that its establishment and operation would incur costs. Key amongst them would most likely concern:

- Committee staff; and
- Operating Budget.

Other costs, e.g. the recording of Committee meetings and the Official Report, would be unlikely to involve additional expenditure. Instead those services would more likely be provided to the Budget Committee *via* the reappportionment of existing resources.

Tables 1 and 2 below set out the above estimated costs, as compiled by the PFSU.

⁶ Assembly and Executive Reform (Assembly Opposition) Bill

⁷ Official Report (Hansard) Monday 12 October 2015 Northern Ireland Assembly Number 108 No 3, Page 9

⁸ Official Report (Hansard) Monday 12 October 2015 Northern Ireland Assembly Number 108 No 3, Page 9

Table 1: Committee Staffing

Staff	Grade	Number	Salary ⁹
Committee Clerk	AG4	1	54,123
Assistant Committee Clerk	AG6	1	34,118
Clerical Supervisor	AG7	1	27,907
Clerical Officer	AG8	1	22,626
TOTAL			138,774

The number and grade of Committee staff, together with their salaries have been included in **Table 1**:

The salary costs have then been input into **Table 2** below, together with additional employment costs. Explanations for the stated figures are provided in the paragraphs following **Table 2**.

Table 2: Committee Costs¹⁰

	Cost
Staff	138,774
Pension Contribution	27,685
National Insurance Contributions	11,171
Committee Budget ¹¹	11,457
GRAND TOTAL	189,087

Table 2 includes employers' pension contributions. The Assembly contributes to the pension arrangements for each staff member, which is additional to the individual's salary. The figures provided in Table 2 are based on Assembly pension contributions for the 2015-16 financial year, which are 19.95%.¹²

Table 2 further includes employers' National Insurance (NI) Contributions. The Assembly is responsible for the payment of NI for these staff members. The stated figures are based on current estimated NI contributions of approximately 8.05%.¹³

In addition, **Table 2** includes estimations for the Budget Committee's budget. It is based on current arrangements whereby a committee holds an administration budget, e.g. to pay witness expenses, Committee travel, etc. As the level of the budget varies depending on the given Committee, with expenditure ranging from £4,697.15 to

⁹ Information from Finance branch indicated that 90% of Assembly staff are on the maximum of their pay scales, therefore the maximum of each of the pay scales is included within the Figure 1. Pay Scales available online at:

<http://assist.assemblyni.gov.uk/services/hr/AssemblyStartingPay/2014PayScales.pdf> accessed on 30 October 2015.

¹⁰ Email from Finance Office to PFSU on 27 October 2015.

¹¹ The calculation of the estimate of the Committee budget is based on the 11 Statutory Committees

¹² Email from Finance Office to PFSU on 27 October 2015.

¹³ Email from Finance Office to PFSU on 27 October 2015.

£20,636.58 for the 2013-14 financial year, the PFSU reviewed the 2013-14 end of session reports¹⁴ and calculated the mean average.¹⁵

Additionally, NIAR 592-15 (RalSe Bill Paper noted in the introduction to this Costing) identifies that:

*The establishment of a Budget Committee for the Northern Ireland Assembly may not in itself lead to more rigorous financial scrutiny of the Executive. Rather, it may need to be supported by independent, specialist scrutiny units and/or external advisers to assist the committee in its work.*¹⁶

It goes on to state:

*The PFSU already offers specialist support, advice and training to members and committees of the Northern Ireland Assembly and it is likely that it would play a key role in the work of any future Budget Committee.*¹⁷

It is unclear, however, whether the Bill Sponsor intends that the additional financial scrutiny would be provided *via* reappportionment of existing or additional resources.

Issues for Consideration:

14. What additional support would the Bill Sponsor consider necessary for the new Budget Committee to operate as he envisages?
15. How does the Bill Sponsor envisage the provision of this support, i.e. through re-appportionment of existing resources, or securing additional budget?

If the Sponsor considers that additional support would be necessary for the operation of the new Committee, it would be necessary to re-visit the costs contained within this Costing to reflect the prevailing circumstances.

1.10 Clause 20: Renaming of Department

Clause 20 renames the current Office of First Minister and deputy First Minister (OFMdfM) as the “Office of the First Ministers”.

Key costs for the renaming of a department are likely to relate to the design of the logo, the formatting of the logo and the replacement of signage. The identified key costs for renaming a department are reproduced in **Table 3** below:

¹⁴ NI Assembly (2014) End of Session reports available online at: <http://www.niassembly.gov.uk/assembly-business/committees/committee-end-of-session-reports-2013-2014/> accessed on 2 November 2015.

¹⁵ The End of Session report for the Committee for Justice was not published at the date of writing, its expenditure has not therefore been included within this calculation

¹⁶ McCaffrey & McCaul (2015) NIAR 592-15 Assembly and Executive Reform (Assembly Opposition) Bill (Northern Ireland) 2015 available online at: http://www.niassembly.gov.uk/globalassets/documents/raise/publications/2015/exec_review/11915.pdf accessed on 10 November 2015.

¹⁷ McCaffrey & McCaul (2015) NIAR 592-15 Assembly and Executive Reform (Assembly Opposition) Bill (Northern Ireland) 2015 available online at: http://www.niassembly.gov.uk/globalassets/documents/raise/publications/2015/exec_review/11915.pdf accessed on 10 November 2015.

Table 3: Costs for Renaming Department¹⁸

	Cost
Re-Design of Logo	1,400
Re-Formatting of Logo	4,200
Signage	6,000
TOTAL	£11,600

Any recurrent costs associated with the renaming of a department – e.g. registering the domain name - would occur regardless of departmental renaming. It therefore is not included in this costing exercise.

It is worth noting here that there are plans to rename the OFMdFM the “Executive Office” as part of the rationalisation of Northern Ireland departments from 12 to 9. Developments relating to this could impact on this costing estimate, and the Assembly may wish to re-visit the costing as the departmental rationalisation evolves.

1.11 Clause 21: Departments to be Single Legal Entity

Clause 21 requires the departments of the Northern Ireland Executive to cease to be separate bodies, instead constituting them as a single body corporate. Although this would require a legislative change, it would not appear to incur costs if implemented. It therefore is not included within this costing exercise.

1.12 Clauses 22-24: General

Clauses 22-24 of the Bill relate to interpretation, commencement and the Bill’s short title, and would not incur costs if the Bill is enacted.

2 The Schedule

As noted within Section 1.7 of this Costing, Clause 13 requires an Assembly and Reform Motion to be passed. The content of the Assembly and Reform Motion is provided within the Schedule. A majority of the Schedule provisions prescribe procedural changes within the Assembly. They include:

- Paragraph 3-6: Replacement of cross-community support with weighted majority;
- Paragraph 8: First Minister and deputy First Minister renamed as First Ministers;
- Paragraph 9: Collective Ministerial responsibility;
- Paragraph 10: Threshold for nomination of a Minister;
- Paragraph 11: Nomination of Ministers and chairpersons of statutory committees;
- Paragraph 12: Leaving the Opposition and re-joining the Executive;

¹⁸ Email from Department of Finance and Personnel to PFSU on 8 June 2015.

- Paragraph 13: Establishment of a Programme for government;
- Paragraph 14: Function of statutory committees; and,
- Paragraph 15: Simple majority for budget approval.

It appears that the above provisions, if enacted, would not generate costs, and therefore have not been included within this costing exercise.

2.1 Independence of the Speaker

However, the Schedule's final provision – paragraph 7 - relates to the future revised role of the Speaker. The following sub-section discusses key costs which are likely to be incurred if the Bill is enacted as introduced.

To guarantee impartiality, the Bill (as introduced) states:

- *The Speaker to be elected by secret ballot under a weighted majority vote;*
- *Upon being elected as Speaker, the Speaker ceases to be a member of all political parties and is ineligible to join them for so long as the Speaker is the Speaker;*
- *Upon being elected as Speaker, the Speaker ceases to be the elected representative for the constituency for which the Speaker was returned;*
- *The nominating officer of the political party of which the Speaker was a member upon being elected to the Assembly may nominate a person to fill the vacancy arising for that constituency;*
- *The Speaker not be subject to the direction or control of any political party or any person in the Assembly;*
- *The Speaker is not eligible to stand for election in the next Assembly elections subsequent to becoming Speaker; and,*
- *The Speaker is a member of that next Assembly after those elections, and is designated as outgoing Speaker, being eligible to be elected as Speaker again, and failing that ceasing to be both Speaker and a member of the Assembly.¹⁹*

From the above information, it appears that the Bill would require the introduction of a new MLA to replace whoever is elected to the Speaker role. The costs associated with the introduction of an additional MLA are detailed in the following sub-sections.

¹⁹ Assembly and Executive Reform (Assembly Opposition) Bill: Schedule.

2.1.1 Costing calculation, including rationale

For purposes of this costing exercise, the implications of introducing a new MLA have been calculated at £73,247 per annum. These costs reflect the 2014-15 figures for allowances, which are available on the Assembly website. The calculation is set out in **Table 4** below:

Figure 4: Key costs associated with the introduction of a new MLA²⁰

	Cost
Salary	48,000
Office Expense Allowance	67,131
Other Expenditure	5,577
Travel & Subsistence	3,975
Stationery	815
Pension @ 20.6%	9,888
Employers National Insurance Contributions	4,992
TOTAL	140,378
Less	
Office Expense Allowance	(67,131)
GRAND TOTAL	73,247

The following paragraphs provide important clarification about the assumptions relied on when compiling the figures within **Table 4**:

1. The figure stated in red font reflects **a reduction in regular MLA costs**, explained as follows: if the Speaker were to take up the new independent role as suggested within the Bill (as introduced), there would be no requirement for him/her to run a constituency office. Therefore the Office Expense Allowance for which he/she was previously eligible would no longer be required. Consequently costs associated with the Office Expense Allowance for the new MLA would be offset by this **saving**.

2. In addition to the above, there would be the **'Winding up' Allowance** due to the co-opted person when he/she brought his/her Assembly business to a close at the end of his/her term in office and reverted to his/her normal role.

Since the establishment of the current Assembly in 1998, the Speakers' terms of office have ranged between one and seven years. (Eileen Bell's one-year term is not reflective of the terms of the other Speakers: as her appointment was prior to the restoration of the current devolved government. It therefore seems appropriate not to include her term when considering the potential length of time a Speaker is likely to be in office.)

²⁰ Ni Assembly (2015) Member's Expenses available online at: <http://www.niassembly.gov.uk/your-mlas/members-salaries-and-expenses/members-expenses-2014---2015-april-2014---march-2015/> accessed on 12 November 2015.

The remaining two Speakers were in office for six and seven years respectively. It therefore is probable that any other Speaker's term would be similar in duration. If this were the case, it is likely that the 'Winding up' Allowance would be due every six years. This Allowance has therefore not been included within the key costs associated with the introduction of an additional MLA, as it is a "one-off".

3. The '**Other Costs' Allowance** assist with specific support staff costs, e.g. childcare, employer pension contribution for support staff, temporary secretarial expenditure, support staff mileage, disability allowance, etc. Expenditure under this Allowance relates to the actual amount spent. However, there is no limit on the amount that may be claimed. The amount claimed varied considerably, with one MLA claiming £0 for the 2014-15 financial year, while another claimed £16,762, with the majority claiming under £5,000.

To estimate the costs associated with this Allowance for an extra MLA, the total costs of this Allowance were divided by the number of MLAs that claimed the allowance during the course of the year. For the 2014-15 financial year, this was calculated as £5,577, i.e. £602,275 divided by 108.²¹

4. The costs associated with **travel and subsistence for each MLA** are dependent on where the MLA lives, the distance between his/her home, his/her constituency office and the Assembly. There is no upper limit on the amount of money claimed on travel and subsistence. In addition, the amount claimed by Members varied considerably from 0 to £16,242 for the 2014-15 financial year.

It is not possible to know the constituency of any future Speaker, nor the home base of the person taking up the new MLA role. In order to estimate the potential travel and subsistence costs for an additional MLA therefore, the total costs were divided by the number of MLAs claiming the allowance during the course of the year. For the 2014-15 financial year, this was calculated as £3,975, i.e. £429,325 divided by 108.¹⁵

5. The **Stationery Allowance** for MLAs is capped at £1,000 for the 2014-15 financial year. The amount claimed varied considerably with MLA claims varying from £0 to the maximum £1,000. The majority of claims were, however, for in or around the maximum amount. To estimate the costs associated with this Allowance for an extra MLA, the total costs of this Allowance have been divided by the number of MLAs that claimed the allowance during the course of the year. For the 2014-15 financial year, this was calculated as £815, i.e. £88,032.18 divided by 108.²²

6. MLAs and the Assembly both contribute to the pension arrangements for each of the MLAs in the Assembly. While the individual's contributions are deducted from

²¹ During the course of the year three MLAs left the Assembly. Since these three MLAs had claimed expenses for part of the year and their replacements claimed for the other part, the number of claimants shown on the Assembly website is 111, however, there were only ever 108 MLAs in post within the Assembly at any given time.

²² During the course of the year three MLAs left the Assembly. Since these three MLAs had claimed expenses for part of the year and their replacements claimed for the other part, the number of claimants shown on the Assembly website is 111, however, there were only ever 108 MLAs in post within the Assembly at any given time.

his/her earned income, the Assembly's contribution is in addition to an MLA's salary. The Assembly's percentage contribution has been set at 20.6% by the IFRP for the 2015-16 financial year. The cost of this has been included within the key costs for an MLA within the above **Table 4**.

7. The Assembly is classified as the MLA's 'employer' for National Insurance (NI) purposes. It is therefore required to pay NI at employers' rates for each of the 108 MLAs within the Assembly. The contributions are paid on MLAs' salaries, childcare allowances and any taxable mileage claims. Information provided by the Assembly's Finance Office shows that this was estimated to be 10.4% for the 2014-15 financial year. To calculate the cost to the Assembly, 10.4% of the salary cost was determined and added to the costs in the above **Table 4**.

3 Conclusion

In summary, **Table 5** below provides a breakdown of estimated key costs arising from the Bill (as introduced):

Table 5: Breakdown of Key Costs Associated with the Proposals

Cost Line	2015-16		Bill Costing Reference
	One-Off	Recurrent	
Revised Speaker Role		73,247	Section 2.1
Budget Committee Costs		189,087	Section 1.9
Renaming of a Department	11,600		Section 1.10
TOTAL	11,600	262,334	

Overall the total estimated costs for: (i) implementing the Bill (as introduced) are £11,600; and, (ii) on-going costs - post-implementation – are in the region of £262,334.

As noted earlier in this Costing, calculations in a number of instances have resulted in a fairly specific prediction - either in terms of the cost of an additional MLA, or in the costs involved in renaming a Northern Ireland Executive Department. **These 'estimated costs', however, should not be taken as actual predictions. To do so would be inappropriate as it would suggest a spurious level of forecasting accuracy.**

Moreover, these estimates only go so far in that a number of clauses within the Bill (as introduced) lack detail, raising questions for the Assembly to ask the Bill Sponsor as highlighted throughout Sections 1 and 2 of this Costing. If this information was provided, it would enable the estimates stated in the EFM to be re-visited and facilitate greater financial scrutiny of the Bill.

Appendix A – Glossary

Cost - an amount that has to be paid or given up in order to get something.²³

Cost Driver – the factors that cause costs to occur.²⁴

Opportunity Cost – the amount of benefit foregone by not having extra resources, or by using resources in one way rather than another.²⁵

²³Business Dictionary (2015) available online at: <http://www.businessdictionary.com/definition/cost.html> accessed on 10 November 2015

²⁴ CIPFA (2003) Open Learning Material: Management Accounting

²⁵ CIPFA (2003) Open Learning Material: Management Accounting

Appendix B - MLA Salaries and Office Holder Allowances²⁶

Member	Salary
First Minister or deputy First Minister	£120,000
Any other Minister	£86,000
Junior Minister	£60,000
Junior Minister who held that office on 1 April 2012	£62,710
Speaker	£92,000
Principal deputy Speaker or deputy Speaker	£57,000
Member of the Assembly Commission	£54,000
Member of the Commission who held that office at 1 April 2012	£54,432
Chairperson of a Statutory Committee or the PAC	£60,000
Deputy Chairperson of a Statutory Committee	£48,000
Deputy Chairperson of a Statutory Committee who held that office on 1 April 2012	£48,768
Any other Member	£48,000

²⁶ IFRP (2015) available online at: <http://ifrp.org.uk/mla-salaries/> accessed on 29 October 2015