

Cost of Living Committee

Memorandum by the Accounting Officer

1. A motion has been tabled by the Scottish National Party to establish a Select Committee with a membership of 45 for the remainder of the Parliament to examine matters relating to the increase in the cost of living in the United Kingdom, including its causes, economic impact and potential solutions. The full text of the motion will be published in the Order Paper for 14 June 2023.
2. Under Standing Order No. 22C, a motion which if agreed would have a direct consequence of additional expenditure under the House of Commons: Administration Estimate, estimated to be £50,000 or more shall not be considered by the House unless a memorandum setting out its expected financial consequences has been made available to the House by the Accounting Officer. This memorandum therefore seeks to set out the expected financial consequences were the House to agree this motion.
3. Current select committee meeting rooms are not equipped for a committee of the proposed size and would need to be adapted to accommodate the Committee. The costs stated in this memorandum do not include the additional costs associated with such adaptation.
4. Working on the basis that the Committee will be established at short notice and will likely be required to begin its work rapidly, the staff team for the Committee would be formed by re-assigning staff currently supporting other Select Committees, with additional staff then recruited to fill those vacancies. This will necessarily mean that staffing levels for some other Committees will be reduced, pending recruitment of staff to fill vacant positions on the new Committee or on existing Committees. This means that during the first three months or so of operations the staffing of the new Committee will not involve additional expenditure, but a diminution in the resources available to existing Committees. The calculation in relation to staff costs therefore relates to a twelve-month period from September 2023 to the end of August 2024, noting that the Committee is intended to operate until the end of the current Parliament, which is at an unknown date. It is also possible that some specialist staff would be seconded from outside the House of Commons Service, but this is unlikely markedly to affect the overall costs.
5. Based on assumptions about the likely level of activity of a committee of this size and on a matter of this significance it is assumed that it requires six full-time House of Commons staff members. This team would cost an estimated £390,530 per annum, beginning from September 2023. Support from the media team to promote the work of the Committee would cost an additional £30,000 over this period.
6. An average select committee spends approximately £14,000 per annum on non-staff costs such as specialist advisers and commissioned research. Given the size of the Committee and its proposed remit, it is assumed that a further £20,000 would be spent on travel and subsistence within the United Kingdom by Committee members and staff. These costs are assumed to begin accruing as soon as the Committee becomes operational.
7. Based on these broad assumptions, the total anticipated cost to the House of Commons for the operation of the proposed Committee, excluding the cost of adapting a select committee room to accommodate a committee of 45, is £8,500 from its establishment up to end of August 2023 and £463,030 per annum thereafter.