

## **APPOINTMENT OF A SELECT COMMITTEE ON EXITING THE EUROPEAN UNION: FINANCIAL CONSEQUENCES**

*Memorandum by the Accounting Officer*

1. The Government has tabled a motion including a new Standing Order to take effect on 17 October until the end of this Parliament to establish a select committee on Exiting the European Union.

2. The principal paragraph of the motion reads as follows:

“A: Committee on Exiting the European Union

(1) There shall be a select committee, to be called the Committee on Exiting the European Union, to examine the expenditure, administration and policy of the Department for Exiting the European Union and related matters falling within the responsibilities of associated public bodies.

(2) The committee shall consist of no more than twenty-one Members including:

(a) the chair; and

(b) no more than twenty other Members who shall be nominated upon a motion made on behalf of the Committee of Selection as set out in Standing Order No. 121 (Nomination of select committees); and the provisions of Standing Order No. 121(2) shall apply to motions for the nomination and discharge of Members to and from the committee as if it were a committee not established under a temporary standing order.

(3) Unless the House otherwise orders, each Member nominated to the committee shall continue to be a member of it for the remainder of the Parliament.

(4) The committee shall have the power to appoint a sub-committee.

(5) The committee and any sub-committee appointed by it shall have the assistance of the Counsel to the Speaker.

(6) The committee and any sub-committee appointed by it shall have power to appoint legal advisers, and specialist advisers either to supply information which is not readily available or to elucidate matters of complexity within the committee’s order of reference.

(7) The committee and any sub-committee appointed by it shall have power to send for persons, papers and records, to sit notwithstanding any adjournment of the House, to adjourn from place to place and to report from time to time the evidence taken before them.

(8) The quorum of the committee shall be six and the quorum of any sub-committee appointed by it shall be three.

(9) The committee shall have power to report from time to time, and any sub-committee appointed by it shall have power to report to the committee from time to time.”

3. Standing Order No. 22C requires me, as Accounting Officer, to produce a memorandum on the financial consequences of any motion to be considered by the House if the motion would have a direct consequence of additional expenditure under the House of Commons:

Administration Estimate estimated to be £50,000 or more. This memorandum relates to the provisions in paragraph A of the motion entitled 'Standing Orders Etc (Machinery of Government Changes) (Exiting the European Union). The provisions of paragraphs B to G are consequential and have no significant financial effects. (It may also be helpful to note that I am not producing an equivalent memorandum in respect of the other changes arising from other Machinery of Government changes: the change in name of the Business, Innovation and Skills to the Business, Energy and Industrial Strategy Committee has no significant financial effects, and the operational costs of the International Trade Committee established under Standing Order No. 152 (departmental select committees) would be offset by the savings from the abolition of the Energy and Climate Change Committee.)

4. The levels of staffing support required for the committee will depend to a substantial degree on the approach the Committee takes to its role. In view of the political importance of the subject area, I expect the Committee would need an initial staff of 7, costing around £420,000 a year. Initially it is envisaged that staff would be provided by transferring staff from existing select committees and other offices in the House to ensure that the committee benefits from existing expertise on the subject area and the operational challenges. Staff so transferred will be replaced largely through internal or external recruitment. It is possible that some specialist staff would be seconded from outside the House of Commons Service, although this is unlikely significantly to affect the overall costs.
5. Similar uncertainty surrounds the level of demand placed on the Office of Speaker's Counsel for assistance in consequence of the provisions of paragraph (5) about the assistance of Speaker's Counsel. My initial assumption is that one further legal post would be required, at a cost of £70,000.
6. My estimate is that costs of travel, legal and specialist advisers, transcription, publications etc. would amount to about £100,000 a year.
7. My estimate of the total extra annual recurring cost of establishing the Committee is therefore £590,000 in each financial year from 2017-18 to 2019-20. All net additional costs in 2016-17 will be met from contingency. Ongoing costs thereafter will have to be factored in to baseline budgets from 2017-18 onwards.

**David Natzler**

Clerk of the House and Accounting Officer

4 October 2016