Consultation
Did you take part in any consultation exercise preceding the Bill and, if so, did you comment on the financial assumptions made?
The estimated costs and savings in the Financial Memorandum are based on information on current levels of costs from the two organisations. The Business case was developed with both organisations involved in the consideration of options and assumptions. Accountable Officers have reviewed the Financial Memorandum to ensure it is a reasonable representation of the financial implications.

If applicable, do you believe your comments on the financial assumptions have been accurately reflected in the FM?
The estimated costs and savings in this financial memorandum are based on information on current levels of costs from the two organisations. The preparatory work being undertaken in both bodies in the period prior to the intended commencement date and the planned outcomes for the new organisation, while recognising that the Financial Memorandum is not a blueprint for the new organisation, are broadly reflected in the Financial Memorandum. The risk of underestimating costs has been mitigated by the use of optimism bias in accordance with the HM Treasury Green Book.

Did you have sufficient time to contribute to the consultation exercise?
The timetable was fixed around parliamentary requirements and assumptions were based on known information at that point.

Costs
If the Bill has any financial implications for your organisation, do you believe that they have been accurately reflected in the FM? If not, please provide details.
The costs of creating the new body are analysed using the framework of the Audit Scotland’s Good Practice Guide. The potential to achieve efficiencies is set out, with the assumption that any savings will be re-invested in the new organisation’s services and will off-set any costs related to the transition to the new organisation.

Do you consider that the estimated costs and savings set out in the FM are reasonable and accurate?
Costs and savings presented in the Financial Memorandum are presented on the basis of total expected figures for one-off costs, alongside recurring costs and efficiencies over a ten year period. The Financial Memorandum provides ranges for cost figures where there is a margin of uncertainty in the best estimate.

Accountable Officers have reviewed the Financial Memorandum to ensure it is a reasonable representation of the financial implications for the organisations. Any assumptions are subject to appropriate levels of Scottish Government grant-in-aid funding and business model decisions in 2015.
If applicable, are you content that your organisation can meet any financial costs that it might incur as a result of the Bill? If not, how do you think these costs should be met?
Assumptions are based on the pre-commencement preparatory work already undertaken at that point in time and optimism bias has been used to address the margins of uncertainty. Any assumptions are subject to appropriate levels of Scottish Government grant-in-aid funding and business model decisions in 2015.

Does the FM accurately reflect the margins of uncertainty associated with the Bill’s estimated costs and with the timescales over which they would be expected to arise?
The cost figures in the Financial Memorandum were adjusted for optimism bias in accordance with HM Treasury Green Book guidance. Optimism bias is the recommended method of mitigating the risk that major costs are underestimated, particularly in the early stages of development. The Financial Memorandum does not represent a blueprint for the finalised organisational structure and priorities, which will require decision-making by the incoming board.

Wider Issues
Do you believe that the FM reasonably captures any costs associated with the Bill? If not, which other costs might be incurred and by whom?
No Comment.

Do you believe that there may be future costs associated with the Bill, for example through subordinate legislation? If so, is it possible to quantify these costs?
No Comment.