

2025 Estimates Methodology and Considerations

1. Introduction

1.1 Purpose: The purpose of this document is to detail the methodology and process used, the key cost components and the assumptions made for the 2025 estimates of Coimisiún na Meán.

1.2 Key Enablers:

People and Organisational Development Team (“POD”): Provided headcount assumptions for new hires and the 2025 recruitment plan.

Project Management Office (“PMO”): Collaborated with Commissioners and Directors in each Division to compile the Coimisiún na Meán’s Work Programme, which identified non-pay cost requirements for Projects and certain Business as usual (BAU) items.

Finance: Partnered with Divisions to determine day-to-day operational costs based on historical trends and data.

1.3 Definition of key words

Division:	Coimisiún na Meán is organised into the following Divisions: <ul style="list-style-type: none"> - Platform Supervision & Investigations - Policy, Strategy and Research - Communications & User Support - Media Landscape - Data & Technology - Legal Services - Corporate Services
Team:	Teams within a Division e.g. Finance is part of the Corporate Services Division.
Levy categories:	Sectors regulated by Coimisiún na Meán and subject to levy charges.
Work programme:	A plan for fulfilling functions aligned with Coimisiún na Meán's strategic objectives.
Direct costs:	Costs directly attributable to a specific levy or multiple levy categories.
General overhead:	Costs of a general nature, such as rent, utilities, and back-office administration expenses.

2. Overview of key components of 2025 Estimates

Approach: The 2025 Estimates comprises **Pay** and **Non-Pay** costs:

- **Pay Costs:** Covers existing staff and assumptions for new hires (see details in Section 3).
- **Non-pay costs:** Includes direct costs and general overhead based on the Work Programme and BAU operational costs (see details in Section 4).

Key Factors Considered:

- Workforce planning and sanction
- Detailed work programme reflecting 2025 strategic priorities and deliverables
- Projected growth or changes in operational needs
- Coimisiún na Meán's VAT status
- Legal cost assumptions

The 2025 Estimates are prepared at the divisional/team level and then converted to levy category levels through direct attribution or apportionment.

Apportionment rates: Some costs cannot be directly attributed to specific levy categories and are allocated from divisional/team level to levy categories using apportionment rates (see Section 5).

3. Pay Costs

Components: Gross salary, Employer's PRSI, and Pension contributions.

Pay costs are calculated based on existing headcount plus anticipated recruitment. Headcount figures are determined at the team level and apportioned to levy categories using apportionment rates.

Key Assumptions for 2025:

- Projected pay scale increases under the 2024-26 Public Sector Pay Deal and staff anniversary pay increments have been factored into the pay estimates.
- Planned recruitment is based on the sanction application for 98 additional roles, assuming sanction will be obtained in 2025.

2025 Pay Cost Estimates Assumptions:	
Headcount	308 (303 staff + 5 Commissioners) by the end of 2025
Gross Salary	<p>Pay costs are calculated at Teams level, which is one level under Division</p> <p>Existing staff, including temporary staff cover (e.g. maternity leave):</p> <p>Based on salaries per the last payroll of 2024 adjusted for unpaid leave and outliers. Adjusted for Public Sector Pay Deal scale increases and staff anniversary pay increments.</p> <p>New Hires</p> <p>Based on workforce plan and headcount per sanction application. Calculated at the first point of the PayScale per grade.</p>
Employer's PRSI	11.15%
Employer (ER) pension contribution	<p>A blended rate of 16.5%, reflecting the combination of:</p> <ul style="list-style-type: none"> • BAI pension scheme, ER contribution rate of 25% of gross pay for employees paying Class A PRSI and 30% for those paying Class D PRSI. In line with Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media (DTCAGSM) guidance. • Single Public Service Pension Scheme, ER contribution rate is equal to three times the employee contribution paid by the Single Scheme member. In line with Department of Public Expenditure, NDP Delivery and Reform (DPENDR) guidance.

4. Non-Pay Costs

Components:

- **Direct costs** Direct costs are primarily derived from work programme/projects, with allocations assigned directly to levy categories where applicable.
 - Direct costs predominately comprise of Consultancy, Legal and Administrative costs.
 - PMO worked closely with Commissioners and Directors to develop the 2025 work programmes. Associated estimated spend in terms of consultancy, legal or administrative costs were provided by the Directors. Costs directly linked to specific projects were attributed to corresponding levy categories unless general in nature.

The 2025 work programme includes ongoing projects carried over from 2024, along with new initiatives planned for 2025.

 - Where projects are general but specific to a particular Division, associated costs will be allocated to levy categories using apportionment rates for that Division.
- **General operational costs** refer to expenses of a general nature. These costs are allocated to levy categories using General Apportionment rates.

Key Assumptions for 2025:

- Project costs are estimates based on the best available information; adjustments may occur during detailed planning or procurement stages.
- Litigation contingency was included in the 2025 legal estimates.
- BAU costs are based on historical trends and adjusted for inflation.
- All costs include VAT. This follows tax advice received that the levies charged by Coimisiún na Meán should be regarded as being outside the scope of VAT.
- Coimisiún na Meán will no longer apply VAT to levy invoices and will no longer recover VAT on supplier charges. As a result, Levy Payers will see an increase in levy charges excluding VAT from 2025.
- Assumes no change to Working Capital requirements from 2024 levels, with the result that no Working Capital charges have been included for 2025 Estimates.
- Given that Coimisiún na Meán is still a new and growing organisation, the Commissioners decided that at this time, the best way to address uncertainty and ensure sufficient working capital is to put in place a new loan facility with the NTMA.
- Assumes Ministerial sanction for staffing resources is received in line with the request submitted in 2024 and that recruitment commences from Q2 2025.

5. Apportionment rates

Apportionment rates are applied to allocate costs that cannot be directly attributed to specific levy categories.

Methodology for 2025:

- Step 1: Assign time and effort for each team to different levy categories.
 - Each team works on different projects or activities funded by various sources.
 - Directors and Commissioners provided percentages of each team's time spent on each levy category.
- Step 2: Weight individual team's time allocation based on the number of people in each team.
 - Different teams have different sizes. To make it fair, the number of people in each team was considered to adjust the time allocation accordingly. This gives us a "weighted" calculation of how much effort goes to each levy category.
- Step 3: Calculate the average team for each Division, based on the individual team weightings.
 - Divisions are made up of multiple teams. The average team size for each Division was calculated to account for how much effort (weight) each Division contributes.
- Step 4: Work out the Apportionment rates.
 - Divide the sum of the weighted headcount per levy category by the total weighted headcount (excluding the General category).
 - Based on the calculated general rate, the Commission reviewed and adjusted the rates slightly to reflect the fact that many of the projects and areas of budgetary growth in the General Category for 2025 are designed to support the new online functions and to ensure an appropriate allocation in line with this.

Application

The apportionment rates are applied to costs that cannot be directly attributed to specific levy categories. These include:

- General operational costs.
- Costs from projects of a general nature.

Approach for 2025:

2025 Apportionments are driven by the estimated time and effort that individual teams work on projects or activities funded by different levy categories.