

The £2 Billion+ Cost of Legacy in Northern Ireland



Measuring the Financial Burden on the
United Kingdom

Jeffrey Dudgeon MBE, Dr Graham Gudgin CBE
and Iain Mansfield

Foreword by Rt Hon Jeremy Hunt MP

Introduction by Roger Bootle



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Foreword

Rt Hon Jeremy Hunt MP is the former Chancellor of the Exchequer

Every Chancellor of the Exchequer must carry out a fine balancing act. Whether it is additional spending for core services, money to deliver manifesto initiatives, tax cuts, or the need to respond to unanticipated developments, there are always more worthy calls on the public purse than there is money available. When a shift in global conditions – or the impact of previous decisions to raise taxes and borrowing – can cause the OBR to downgrade the UK’s growth forecasts, wiping out anticipated headroom at a glance, every penny of Government spending must be ruthlessly focused on Government’s objectives.

Yet under this Government there appears to be an exception. As Policy Exchange’s careful analysis has shown, the costs of Legacy in Northern Ireland are apparently exempt from the usual scrutiny. It is rightly a priority for any government to resolve the many complex issues in Northern Ireland, not least to preserve peace going forward. But there appears to have been little consideration of what this might amount to.

This is wrong, not least when short-term penny pinching has lost the UK a £450m vaccine manufacturing plant investment from AstraZeneca. When every line of additional departmental spending must run the Treasury gauntlet, is it right that there should be no such checks on the total cost of inquiries whether concerning Northern Ireland or indeed anywhere else? The £8.5 million saved by the Government’s surprising decision to halve support for the highly successful Advanced Mathematics Support Programme would be lost within the cost overruns of even a single major inquiry.

Legacy legislation has always been complex and controversial. There is no perfect solution to be found, only attempts to move on from the divisions of the past. Over time, imbalances have emerged. There have been flurries of inquiries into some areas but not others, and discrepancies in the way in which some of those, undoubtedly complicit in violence, have been able to enter government, whilst police officers and soldiers have faced repeated trials and inquiries. The Governments of which I was part sought to rectify these imbalances, and to move forward.

If the additional sums being committed by this Government to legacy matters were genuinely helping to bring about peace and reconciliation, the country would pay them cheerfully. But there is scant evidence that this is the case; indeed, scant evidence that such factors are even being

considered. Rather, the approach to legacy appears at times to be being dictated by a maximalist approach to legalism, without regard to the underlying benefits or costs.

Fortunately, the future costs of legacy are not set in stone. As Policy Exchange's note makes clear, if Government decides order more open-ended inquiries, or to enact the Remedial Order that would open the door for Gerry Adams and hundreds of others detained in the 1970s to claim compensation, that will be an active choice by the Government. They should do so with full understanding of the trade offs involved which is what this welcome report will help everyone to do.

Introduction

Roger Bootle is a Senior Fellow at Policy Exchange

The Government is approaching a fiscal crisis. Sluggish growth, an ageing population and a succession of international crises have put increasing pressure on the public finances. This has been exacerbated by the decision to increase both tax and borrowing, not, primarily, to invest in productive infrastructure, but to fund current spending and public sector pay rises.

One option would be to raise taxes. Yet the increase in employers' National Insurance in the recent Budget is already affecting business confidence – and the Government has pledged not to raise income tax, employees' National Insurance or VAT. The overall economic situation calls for fiscal tightening – which means that public spending must be reined in.

Given the straitened fiscal environment, one might imagine that Government spending would be ruthlessly focused upon those sorts of spending that are core to the stated priority of supporting growth, or to funding the public services upon which it campaigned to improve. Yet Policy Exchange's report demonstrates that, on the issue of legacy, such constraints are largely lacking. On the contrary, the Government is taking a series of decisions that stand to commence lengthy inquiries and to increase its liability to civil suits, all with little regard to costs. While the exact scale of the liabilities is, necessarily, an estimate, what is undoubtedly true is that the total amount is large.

The opportunity cost of this spending should also be considered. As a nation, we need to save and invest more. The funding identified in this Research Note could be invested in transport facilities, energy infrastructure or other business support, initiatives that would improve the long-term growth potential and standard of living in Northern Ireland. It is far from clear that spending large sums on the legal profession will have the same beneficial effects.

The Government has a duty to act in pursuit of the national interest. Given our fiscal circumstances, an open-ended series of uncapped investigations and legal inquiries is something that we can ill-afford to indulge in.

Executive Summary

Policy Exchange estimates that the total “cost of legacy” in connection with the Northern Ireland ‘Troubles’ is between £2.2 billion and £2.7 billion, in 2024 prices. This is equivalent to over five years of health capital expenditure in Northern Ireland, or more than the cost of two new hospitals or 70 new secondary schools.

This sum includes an estimated £840 million - £1.4 billion of costs already incurred and an estimated £1.3 billion of costs which will be incurred in the future. These estimates are conservative. Depending on what decisions are taken by the Government, future costs could be significantly greater.

This research note systematically estimates and documents both the historic and potential future costs of legacy and sets them in the context of the wider financial context of public spending in Northern Ireland. A summary table of historic and future costs can be found at the Annex.

Past Costs

Past costs include those of formal inquiries, including the Bloody Sunday and other inquiries; legal costs; the Victims’ Payment Scheme; and ongoing costs in a variety of Government organisations, including the Northern Ireland Office and the Police Service of Northern Ireland Legacy Investigation Branch.

In many cases, these costs are a function of cross-party policy towards Northern Ireland from the Good Friday agreement onwards, policy driven in part by the Strasbourg Court’s approach to Article 2 of the European Convention on Human Rights, but driven also by the political-diplomatic imperatives of preserving and furthering peace and reconciliation. In other cases, the extent, nature or necessity of certain costs have been criticised, with greater or lesser degrees of consensus.

This paper does not seek to assess which of, or to what extent these historic costs were or were not necessary, justified or valuable, but simply to itemise them methodically and factually.

Developments under the former Government

Whilst recognising the ongoing process of legacy, and its associated costs, the former Conservative Government took a number of steps to, in the words of then Prime Minister David Cameron, “come together to close this painful chapter on Northern Ireland’s troubled past.”¹

For example, following two public investigations, it decided in 2011 to undertake a review, rather than a more wide-ranging inquiry, into

1. Statement to the House of Commons on the conclusion of the Bloody Sunday Saville Inquiry, 2010, [Link](#)

the murder of the lawyer Pat Finucane. Nevertheless, legacy activities continued to accrue considerable costs across a variety of public sector organisations, with the Government announcing £55 million for reopened inquests in 2019.

An important development was the passage of the Northern Ireland Troubles (Legacy and Reconciliation) Act 2023 ('the Legacy Act'), which would have limited some, but not all, future expenditure on legacy-related issues. This included sections 46 and 47, which prevented claims for compensation arising out of *R v Adams* [2020] UKSC 19, preventing Gerry Adams and hundreds of others detained in the 1970s from claiming compensation for what should always have been recognised as lawful detention. It also included section 43, which prevented Troubles-related claims (all of which concerned events that took place between 25 and 57 years ago) from being brought or continued after the coming into force of the Act.

Recent Developments

Following the 2024 General Election, the Government has made a number of decisions that are likely to increase the future cost of legacy. This includes the decision, announced by Northern Ireland Secretary Hillary Benn, to hold an inquiry into the murder of Pat Finucane², despite the previous decision in 2011 to hold a review.

One of the most significant choices has been the commitment to repeal and replace the Legacy Act, as well as, following a decision of the High Court in Northern Ireland, to make a Remedial Order that will set aside sections 46 and 47 of that Act. A critique of the latter decision, and why it was both unnecessary and inappropriate, is laid out in Policy Exchange's report, *Misjudging Parliament's reversal of the Supreme Court's judgment in R v Adams* (2024).³ As indicated above, this will open the door for Gerry Adams and many others to claim compensation. (The Remedial Order will also repeal section 43, reigniting many claims.)

Although Prime Minister Keir Starmer has said that he will look at 'every conceivable way' to prevent Gerry Adams from receiving compensation, he has thus far not undertaken the obvious step, which is to withdraw the draft Remedial Order and leave sections 46 and 47 in force. In an article in the *Tribune*, Gerry Adams has written that 'Mr Starmer's stated intention to subvert the laws he is supposed to uphold will come as no surprise to those in Ireland' and sets out that he 'will continue to pursue this case.'⁴ Whatever the Government may say, its proposed action thus far seems intended to enable Gerry Adams to claim compensation.

Future Costs

The total extent of future costs will depend upon the decisions of Government, not only regarding the Legacy Act and the Remedial Order, but with regards to requests and future inquiries. Given the number of deaths in the Troubles, there are potentially hundreds of inquiries that could be undertaken, should the Government be of a mind to, and well

2. [Link](#)

3. [Link](#)

4. Starmer Waives the Rules, Gerry Adams, 2025, [Link](#)

over a thousand civil cases that could be settled or contested. Other decisions, such as how to respond to the Commission for Victims and Survivors Northern Ireland’s proposal for a bereavement payment scheme, also have the potential to impact the total future liability by hundreds of millions of pounds.

One significant factor that is likely to impact this approach is the Government’s current maximalist approach to legalism, and in particular to the Human Rights Act.⁵ It is remarkable, for example, that the Government explained its decision to abandon a winnable appeal against the Northern Ireland court’s declaration of incompatibility (of sections 46 and 47 of the Legacy Act) by arguing that to do so ‘underlines the Government’s absolute commitment to the Human Rights Act.’⁶ The ability to appeal a first instance decision is an integral part of the rule of law, and in no way showcases a failure of commitment to the Act.

Similarly, the Attorney General, Lord Hermer, who has a background of participation in Northern Ireland litigation, including for Gerry Adams, prior to his appointment, has set out his maximalist approach to the law on a number of occasions, including in his Guidance on Legal Risk⁷ and in his Bingham Lecture.⁸ He recently stated that, “The new UK government will never withdraw from the ECHR or refuse to comply with judgments of the Court or requests for interim measures given in respect of the UK.”⁹

The future of legacy

A significant amount of money has already been spent upon legacy, with large sums set to be spent in future. Some of those costs may be fully justified, while others may be less so. Where the Government is taking decisions that are likely to significantly increase the cost of legacy, it is reasonable to expect it to set out why it thinks this future spending is warranted.

The Government has a duty to assess the merits of policy and take responsibility for the use of public money. This should include a consideration of whether or not the decisions it adopts, with respect to future inquiries and other activities, are likely to promote peace and reconciliation, or rather to reignite old tensions; as well as to whether or not activities resolve, or create, discrepancies and injustices between how different parties are treated. They should also consider whether or not money devoted to legacy activities would not be better spent delivering the fruits of peace in Northern Ireland, by supporting investment, education, or other economically beneficial activities. At a minimum, this should include reversing its decision to lay the remedial order, and taking a more discerning attitude towards the desirability of future inquiries.

Despite what some may say, the Government has significant choices before it – choices that will fundamentally shape the future cost of legacy. It should not simply and uncritically adopt a maximalist approach to human rights law in making them, but rather use its judgement to act in the best interests of Northern Ireland, and of the United Kingdom.

5. As set out, for example, in Policy Exchange’s report, *From the Rule of Law to the Rule of Lawyers?*, 2024, [Link](#)

6. Statement in the House of Commons, Hilary Benn, 2024, [Link](#)

7. Attorney General’s Guidance on Legal Risk, 2024, [Link](#). See also Policy Exchange’s report, *From the Rule of Law to the Rule of Lawyers?*, 2024, [Link](#)

8. Attorney General’s Bingham Lecture on the rule of law, 2024, [Link](#)

9. Attorney General Lord Hermer, 2025, [Link](#)

Estimated Past Costs of Legacy¹⁰

‘Costs of legacy’ refers to all costs associated with inquiries, inquests, legal cases, settlements, civil suits or administrative costs resulting from or occurring as a result of the ‘Troubles’ and subsequent peace process. These costs can be divided into two broad types:

- Specific inquiries, operations and other allocations where the total costs have been explicitly allocated to that budget line and are a matter of public record.
- Ongoing costs of legacy undertaken by various government bodies involved in handling legacy issues.

Specific inquiries, operations and other allocations

Costs set out in this section are given in nominal figures, as they are recorded in the historical record. In each case, the equivalent sum at 2024 prices has been calculated by considering a representative year and adjusting for inflation using the Bank of England inflation calculator.¹¹ The representative year used in each case is set out in the summary table at the Annex.

Stevens Inquiry

Written evidence from the Police Service of Northern Ireland to the House of Commons Select Committee on Northern Ireland Affairs set out that the Stevens Inquiry cost £2.86 million, or £4.6m in 2024 prices.¹²

Bloody Sunday Saville inquiry

In response to a Parliamentary Question, Lord Shutt of Greetland, then Deputy Chief Whip in the House of Lords, set out that the Bloody Sunday inquiry cost £191.5 million, or £290 million in 2024 prices.¹³

Judge Cory ordered public inquiries: Billy Wright, Rosemary Nelson, Robert Hamill

In response to a Parliamentary Question, Lord Shutt of Greetland, then Deputy Chief Whip in the House of Lords, set out that these inquiries cost £30.6 million (Billy Wright), £46.5 million (Rosemary Nelson) and £33 million (Robert Hamill) respectively, or £45 million, £68 million and £48 million in 2024 prices.¹⁴

10. A table itemising these costs can be found at the Annex.

11. [Link](#)

12. [Link](#)

13. Lords answer 24 May 2011: Column WA424, [Link](#)

14. Ibid

Operation Kenova

Operation Kenova commenced in 2016. There are four operations under the Kenova heading: Kenova, Mizzenmast, Turma and Klina. The total cost to date has been at least £40 million, or £50.3 million in 2024 prices.¹⁵

Reopened inquests

In 2019 the Department of Justice of Northern Ireland released £55 million to speed up legacy inquests and deal with outstanding cases.¹⁶

The cost of inquests vary. As of December 2024. £48.86 million has been spent¹⁷.

UK Research and Innovation grants to Queen's University Belfast

Nine grants totalling £3.9 million were granted by the Economic and Social Research Council and the Arts and Humanities Research Councils (both part of UK Research and Innovation) to academics at Queen's University Belfast, or £4.3 million in 2024 prices.¹⁸

Troubles Permanent Disablement Payment Scheme (Victims' Payments Scheme)

The scheme has been running for three years and, according to the Victims' Payments Board's annual report, costs approximately £14 million per year.¹⁹

Ongoing costs of legacy undertaken by various government bodies

Many organisations in Northern Ireland, such as the Northern Ireland Office or the Office of the Police Ombudsman, have ongoing costs related to legacy which they have been carrying out over a number of years. It is not always possible to definitely establish the proportion of their activities related to legacy or how these have changed over time, though in some cases specific legacy-related costs in particular years are available.

Costs in this section are, necessarily, estimates and, in each case, we have provided a range of estimated costs, with both a lower and an upper range. Where information is limited, conservative assumptions have been made about both the lower and upper ranges of these estimates.²⁰

Historical Enquiries Team (HET) 2005-2014

In response to a Parliamentary Question, Shaun Woodward MP, then Secretary of State for Northern Ireland, set out that the annual expenditure on HET investigations averaged approximately £5 million per year between 2005 and 2008.²¹

The upper range of estimated costs assume that expenditure continued at this rate over the whole of the period, for a total of £50 million, or £78 million in 2024 prices. The lower range of estimated costs assume that expenditure decreased over the rest of the period, such that the average expenditure in the remaining six years was only half that of the initial four

15. Information obtained via Freedom of Information request, F-2020-01668

16. [Link](#)

17. Correspondence between the authors and the Legacy Inquest Unit, February 2025

18. Memorializing the Troubles and the Limitations of the UK Research and Innovation Councils, Cillian McGrattan (2022)

19. [Link](#)

20. In particular, it is assumed that expenditure in any given year is never higher, in real terms, than in the highest year for which information is available.

21. [Link](#)

years, for a total of £35 million, or £55 million in 2024 prices.

PSNI Legacy Investigation Branch (LIB), legal costs for inquiries and inquests

In a written response to the Northern Ireland Policing Board Performance Committee in 2019, the Chief Constable set out that the LIB's costs relating to inquiries and inquests, excluding Operation Kenova (which is itemised elsewhere), were approximately £14 million in that year.²²

The upper range of estimated costs assume that expenditure continued at this rate over the whole of the last 25 years, for a total of £350 million, or £440 million in 2024 prices. The lower range of estimated costs assume that the average expenditure per year over the period was a fifth of the expenditure in 2019, in real terms, for a total of £70 million, or £88 million in 2024 prices.

Office of the Police Ombudsman Northern Ireland (OPONI) historic inquiries

In 2023, 'Historic Investigations and Legacy' was set out to be £2.2 million of their budget. Based on a qualitative assessment of their reports, the actual cost is likely to be a higher proportion of their £11 million budget, once one takes into account back-office costs, admin and running expenses; however, £2.2 million has been taken as the formal figure.²³

The upper range of estimated costs assume that expenditure continued at this rate over the whole of the last 25 years, for a total of £66 million, or £67 million in 2024 prices. The lower range of estimated costs assume that the average expenditure per year over the period was a fifth of the expenditure in 2023, in real terms, for a total of £13 million, or £13 million in 2024 prices.

Northern Ireland Office (NIO) legacy and legal costs including compensation awards

In response to a Parliamentary Question, Baroness Anderson of Stoke on Trent set out the legacy and legal costs of the NIO for the years 2018-19 to 2022-23. These were, on average, approximately £4 million per annum.²⁴

The upper range of estimated costs assume that expenditure continued at this rate over the whole of the last 25 years, for a total of £100 million, or £123 million in 2024 prices. The lower range of estimated costs assume that the average expenditure per year over the period was a fifth of the expenditure in 2023, in real terms, for a total of £23 million, or £25 million in 2024 prices.

Public Prosecution Service Northern Ireland (PPSNI) legacy costs

The budget of the PPSNI in 2023-24 was just over £40m, of which from an assessment of their activities we have estimated at least a tenth, or £4 million, is related to legacy costs (it is possible that this figure could be significantly higher).²⁵

22. [Link](#)

23. [Link](#)

24. [Link](#)

25. [Link](#)

The upper range of estimated costs assume that expenditure continued at this rate over the whole of the last 25 years, for a total of £100 million in 2024 prices. The lower range of estimated costs assume that the average expenditure per year over the period was a fifth of the expenditure in 2023, in real terms, for a total of £20 million in 2024 prices.

Commission for Victims and Survivors Northern Ireland (CVSNI)

The CVSNI was established under the Commission for Victims and Survivors Act

(Northern Ireland) 2008 and has been operating for approximately 15 years. Its Annual Report sets out that its Budget was £0.9 million in 2023-24.²⁶ From assessing previous annual reports, this Budget has been relatively consistent over its 15 years of operation. Its total costs are therefore estimated at approximately £13.5m in 2024 prices.

Estimated Potential Future Costs of Legacy

These costs only consider those inquiries, cases and other initiatives that have already been announced or proposed. In some cases, the exact cost is dependent on what action is taken by Government, for example, whether or not its proposed Remedial Order to remove sections of the Legacy Act 2023, allowing Gerry Adams and others detained in the 1970s to claim compensation, proceeds successfully through Parliament. Wiser actions could therefore reduce the future costs of legacy.

It is also possible that additional inquiries or initiatives may be commissioned, which would further increase the cost of legacy beyond that detailed here. Furthermore, many of the organisations detailed under 'Past Costs' may be expected to continue to undertake legacy-related activities, further increasing costs. It is therefore possible, or even likely, that these costs may be a significant underestimate of the future costs of legacy.

Independent Commission for Reconciliation and Information Recovery (ICRIR)

In response to a Parliamentary Question, Baroness Anderson of Stoke-on-Trent set out that £230 million has been allocated for the establishment and operation of the ICRIR. This funding derived from the £150 million allocated to implement the Stormont House Agreement and £100 million allocated through the New Deal, New Approach agreement.²⁷

Memorialisation and official history measures under the Legacy Act 2023

In response to a Parliamentary Question, Baroness Anderson of Stoke-on-Trent set out that £20 million has been allocated for “memorialisation and official history measures that seek to promote wider societal healing/reconciliation.”²⁸

26. [Link](#)

27. [Link](#)

28. Ibid

Omagh Bomb Inquiry

The terms of reference for the Omagh Bomb Inquiry were published in February 2024²⁹. No estimation or limit on costs has been set out by Government. The costs have been conservatively estimated at approximately a quarter of those of the Bloody Sunday Inquiry, which cost £191.5 million (£290 million in 2024 pounds), or £70 million. This may be a considerable underestimate.

Finucane Public Inquiry

The Finucane Inquiry was announced in September 2024.³⁰ The costs of this have been estimated as being the average, adjusting for inflation, of the costs of the Billy Wright, Rosemary Nelson and Robert Hamill inquiries, or £55 million. This may well be an underestimate, as the Finucane case is widely understood to be one of the most complex cases arising from the Troubles.

Reopened inquests

In 2019 the Department of Justice of Northern Ireland released £55 million to speed up legacy inquests and deal with outstanding cases.³¹ £48.86 million of this has already been spent and is accounted for in Past Spending.

There are a further 30 inquests in the pipeline.³² These are conservatively estimated to have a cost of approximately £1 million per inquest, for a total of £30 million. The cost could be significantly larger, if inquests cost more than £1 million each or if further inquests, not yet in the pipeline in 2023, are added.

Civil Suits against Government Departments

In a letter in 2023, Chris Heaton-Harris, then Secretary of State for Northern Ireland, set out that there are approximately 1000 legacy-related cases already in the system.³³

In answer to a Parliamentary Question, Lord Caine, then Parliamentary Undersecretary of State for Northern Ireland, stated that there are 300 to 400 internment-related civil claims against the Northern Ireland Office brought on a similar basis to that of the case of R vs Adam.³⁴

The amount for which cases are settled or awarded can vary greatly. Information obtained by Action on Armed Violence from the Ministry of Defence (MOD) has revealed that between 2019 and 2024 the MOD paid out £12.5 million in Northern Ireland Legacy claims to 82 claimants, for an average payment of approximately £140,000 each.³⁵

Applying this number to the cases within the system gives an estimated total of £196 million.

29. [Link](#)

30. [Link](#)

31. [Link](#)

32. Correspondence between the authors and the Legacy Inquest Unit, February 2025

33. [Link](#)

34. [Link](#)

35. [Link](#)

Troubles Permanent Disablement Payment Scheme (Victims' Payments Scheme)

According to the Victims' Payments Board's annual report, costs are currently approximately £14 million per year.³⁶ Assuming the Scheme continues to pay out for a further 30 years, and that the annual costs decrease approximately linearly over this period as recipients pass away, the total costs are estimated at £210 million.

CVSNI proposal for a Bereavement Payment Scheme

The CVSNI was established under the Commission for Victims and Survivors Act

(Northern Ireland) 2008. In 2023 it set out advice to Government on the 'Provision of a bereavement payment scheme and services for people bereaved as a result of the Troubles / conflict.' The Government has yet to respond to this advice.

The CVSNI provided a range of options, of varying costs, for such a scheme, with the highest costing over £1.9bn. These are listed below. For the purposes of this document, a mid-range option, of £2,000 per person for a period of 20 years, has been chosen as indicative, giving an estimated cost of £517 million. However, the cost could be considerable higher if the Government chose to implement a more expensive option.

One off payment

Relation	Number of beneficiaries	£10,000	£20,000	£50,000	£100,000
Spouse Children Parent	6828	£68,280,000	£136,560,000	£341,400,000	£682,800,000
Sibling	6107	£61,070,000	£122,140,000	£305,350,000	£610,700,000
		£129,350,000	£258,700,000	£646,750,000	£1,293,500,000

Recurrent payment £2000 per annum⁹⁰

Relation	Number of beneficiaries	£2000 p/a	10 years	20 years	30 years
Spouse Children Parent	6828	£13,656,000	£136,560,000	£273,120,000	£409,680,000
Sibling	6107	£12,214,000	£122,140,000	£244,280,000	£366,420,000
			£258,700,000	£517,400,000	£776,100,000

Recurrent payment £5000 per annum

Relation	Number of beneficiaries	£5000 p/a	10 years	20 years	30 years
Spouse Children Parent	6828	£34,140,000	£341,400,000	£682,800,000	£1,024,200,000
Sibling	6107	£30,535,000	£305,350,000	£610,700,000	£916,050,000
			£646,750,000	£1,293,500,000	£1,940,250,000

36. [Link](#)

37. Ibid

The Financial Context for Legacy Costs in Northern Ireland

We can put the costs set out above in context by comparing them with current levels of public expenditure in Northern Ireland. We should note that some of these legacy costs will be borne directly from Westminster rather than coming out of the Northern Ireland Block Grant. This includes the ICRIR and the Finucane Inquiry. The sources of funding for other costs are uncertain, but we can assume that most will involve funds additional to the Block Grant. If the costs are borne by Westminster they can be regarded as an addition to the Northern Ireland economy if they pay for such things as the fees for locally-based lawyers. Even compensation paid to local residents will boost the Northern Ireland economy in so far as the compensation leads to higher spending in Northern Ireland rather than to spending abroad (e.g. on foreign holidays) or to saving. Only if the costs come out of the existing Block Grant, without any top up of the latter from Westminster, will they be a burden on Northern Ireland citizens. We can, however, question why, if funds are available for legacy issues in Northern Ireland, could that same money not instead be made available for general public services in Northern Ireland.

Legacy costs are contextualised here by comparing them with annual public spending in Northern Ireland using the latest estimates from the Northern Ireland Department of Finance. Table 1 below shows planned aggregate public spending for the current financial year (2024-25). Total planned spending is £28.8 billion. Of this overall figure, £3.5 billion comes from local sources i.e. fees, rents, rates etc paid directly to Government in Northern Ireland. The rest comes out of general taxation paid by taxpayers across both Northern Ireland and GB. The 'Resource Departmental Expenditure Limit' (RDEL) in the first row of Table 1 is the running cost for all Northern Ireland Departments and associated bodies. This covers the annual costs of running the education, health and justice systems as well as public housing, public transport etc. Running costs cover wages and the purchase of materials and services required for public services but they exclude things such as social security benefits and pension payments. The Annual Managed Expenditure in row 3 includes payments to households and firms in the form of social security payments, pensions, grants and subsidies.

Table 1 - Summary of Supply provision sought, 2024-25

1	2 2024-25 Plans (£'000)
Total Resource Departmental Expenditure Limit	15,271,900
Total Capital Departmental Expenditure Limit	1,819,968
Total Resource Annually Managed Expenditure	10,712,521
Total Capital Annually Managed Expenditure	374,087
Total Net Budget	28,178,476
Total Non-Budget Resource Expenditure	369,318
Total Non-Budget Capital Expenditure	225,000
Total Resource and Capital in Estimates	28,772,794
Resource to cash adjustments	-3,517,167
Total Net cash requirement	25,255,627

Since the total annual running costs of Northern Ireland Government is currently £15.3 billion, we can say that the estimated legacy costs of £2.2 billion to £2.7 billion are equivalent to around 15% of the annual running costs of Government in Northern Ireland. As suggested above, the two figures are not directly comparable since the legacy costs cover a period of years whereas the running costs of Government are for one year.

The running costs for individual departments are shown in table 2 below. By far the largest of these departmental budgets is that for Health at £7.2 billion, followed by Education (i.e. the school system) at £2.9 billion, Economy (economic development and higher and further education) at £1.3 billion and Justice also at £1.3 billion. In more detail, further and higher education (including student grants) costs £974.6 million.

Estimated legacy costs are thus a little under the cost of running the school system in Northern Ireland for a year. An alternative comparison could be with the Economic Development budget in Northern Ireland (InvestNI, NI Screen and Tourism NI) which has annual costs (including grants) of £162.8 million. Hence, estimated legacy costs would be equivalent to around 15 years of funding of economic development in Northern Ireland.

Table 2 - Resource Departmental Expenditure Limits 2024-25

1	4 Total (£'000)
Department	
Northern Ireland Departments	
Department of Agriculture, Environment and Rural Affairs	609,100
Department for Communities	872,701
Department for the Economy	1,346,982
Department of Education	2,876,860
Department of Finance	257,096
Department of Health	7,953,956
Department for Infrastructure	688,865
Department of Justice	1,350,148
The Executive Office	185,593
Sub-total Northern Ireland Departments	16,141,301
Other Public Bodies	
Food Standards Agency	12,102
Northern Ireland Assembly Commission	58,454
Northern Ireland Audit Office	10,486
Northern Ireland Authority for Utility Regulation	533
Northern Ireland Public Services Ombudsman	4,665
Public Prosecution Service for Northern Ireland	43,623
Sub-total Other Public Bodies	129,863
Total	16,271,164

One can also consider the capital expenditure, which is set out below. The cost of legacy is thus equivalent to approximately a year of the entire Northern Ireland capital expenditure, to over five years of health capital expenditure (new hospitals and hospital repairs), or to approximately a decade of expenditure for education (new schools and school repairs).

Table 3 - Capital Departmental Expenditure Limits 2024-25

1	4 Total (£'000)
Department	
Northern Ireland Departments	
Department of Agriculture, Environment and Rural Affairs	95,000
Department for Communities	163,271
Department for the Economy	225,630
Department of Education	254,253
Department of Education - Teachers' Superannuation	-
Department of Finance	38,876
Department of Finance - Superannuation and Other Allowances	-
Department of Health	416,810
Department of Health - Health and Social Care Pension Scheme	-
Department for Infrastructure	820,089
Department of Justice	91,947
The Executive Office	17,845
Sub-total Northern Ireland Departments	2,123,721
Other Public Bodies	
Food Standards Agency	526
Northern Ireland Assembly Commission	3,203
Northern Ireland Audit Office	40
Northern Ireland Authority for Utility Regulation	70
Northern Ireland Public Services Ombudsman	30
Public Prosecution Service for Northern Ireland	701
Sub-total Other Public Bodies	4,570
Total	2,128,291

Annex: Summary of Historic and Potential Future Costs of Legacy

Overall Summary

Past Spending (Specific inquiries, operations and other allocations)	£601 million
Past Spending (Ongoing costs of legacy)	£238 million - £739 million
Planned and Potential Future Spending	£1330 million
OVERALL TOTAL	£2.17 billion to £2.73 billion

Summary of Past Spending

Specific inquiries, operations and other allocations

ITEM	Amount (£ million)	Representative year for inflation calculation	Amount 2024 prices (£ million)
Stevens Inquiry	2.86	2008	4.6
Bloody Sunday Saville inquiry	191.5	2010	290
Judge Cory ordered public inquiry: Billy Wright	30.5	2011	45
Judge Cory ordered public inquiry: Rosemary Nelson	46.5	2011	68
Judge Cory ordered public inquiry: Robert Hamill	33	2011	48
Operation Kenova	40	2019	50
Reopened inquests	48.9	2024	48.9
UK Research and Innovation grants to Queen's University Belfast	3.9	2022	4.3

Troubles Permanent Disablement Payment Scheme (Victims' Payments Scheme)	42	2023	42
TOTAL	439		601

Ongoing costs of legacy undertaken by government bodies

ITEM	Low Range (£ million)	High Range (£ million)	Representative year for inflation calculation	Low Range, 2024 prices (£ million)	High Range, 2024 prices (£ million)
Historical Enquiries Team (HET) 2005-2014	35	50	2009	78	55
PSNI Legacy Investigation Branch (LIB), legal costs for inquiries and inquests	70	350	2019	88	440
Office of the Police Ombudsman Northern Ireland (OPONI) historic inquiries	13.2	66	2023	13	67
Northern Ireland Office (NIO) legacy and legal costs including compensation awards	20	100	2020	25	123
Public Prosecution Service Northern Ireland (PPSNI) legacy costs	20	100	2024	20	100

Commission for Victims and Survivors Northern Ireland (CVSNI)	13.5	13.5	2024	13.5	13.5
TOTAL	172	680		238	799

For a total past spending (2024 prices) of £839 million to £1,400m.

Summary of Planned and Potential Future Spending

ITEM	Amount (£m)
Independent Commission for Reconciliation and Information Recovery (ICRIR)	230
Memorialisation and Official History Measures under the Legacy Act	20
Omagh Bomb Inquiry	75
Finucane Public Inquiry	55
Reopened Inquests	30
Civil Suits Against Government Departments	196
Troubles Permanent Disablement Payment Scheme (Victims' Payments Scheme)	210
CVSNI proposal for a Bereavement Payment Scheme	514
TOTAL FUTURE	1330



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