Enterprise and Culture Committee

9th Report 2005

Stage 1 Report on the St Andrew's Day Bank Holiday (Scotland) Bill

Volume 1
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Enterprise and Culture Committee

9th Report 2005

Stage 1 Report on the St Andrew's Day Bank Holiday (Scotland) Bill

Published by the Scottish Parliament on 29 September 2005
Enterprise and Culture Committee

Remit and membership

Remit:

To consider and report on matters relating to the Scottish economy, business and industry, energy, training, further and higher education, lifelong learning and such other matters as fall within the responsibility of the Minister for Enterprise and Lifelong Learning; and matters relating to tourism, culture and sport and such other matters as fall within the responsibility of the Minister for Tourism, Culture and Sport.

Membership:

Alex Neil (Convener)
Shiona Baird
Mr Richard Baker
Susan Deacon
Murdo Fraser
Mr Michael Matheson
Christine May (Deputy Convener)
Mr Jamie Stone

Committee Clerking Team:

Clerk to the Committee
Stephen Imrie

Senior Assistant Clerk
Douglas Thornton

Assistant Clerk
Seán Wixted
Introduction

1. The St Andrew’s Day Bank Holiday (Scotland) Bill was introduced by Dennis Canavan MSP (the member in charge of the bill) on 19 May 2005. The Enterprise and Culture Committee was designated lead committee for the St Andrew’s Day Bank Holiday (Scotland) Bill. In summer 2005, the Committee began its consideration of the bill at Stage 1 (consideration of the general principles of the bill). In addition, the Finance Committee has also considered the bill’s Financial Memorandum. A copy of the Finance Committee’s report is set out in Annex A. Since the bill (as introduced) does not contain any provisions for subordinate legislation, the Subordinate Legislation Committee has not considered the bill.

2. Although the Committee recognised that the member in charge had already undertaken substantial research and collected a large volume of written submissions, a final call for additional views was launched by the Committee prior to the summer recess. The call for evidence closed on 24 August 2005, by which time the Committee had received a number of written submissions as well as various expressions of opinion from individuals and organisations (mostly via email). Details of these submissions are set out in a separate volume (Volume II).

3. The Committee also held two oral evidence sessions on the bill. At its meeting on 8 September 2005, the Committee took evidence from Paul Jennings, Association of Scottish Visitor Attractions; Alan Mitchell, Confederation of British Industry in Scotland; Fiona Moriarty, Scottish Retail Consortium; Dave Moxhan, Scottish Trade Union Congress; Professor Charles Munn, Committee of Scottish Clearing Banks and Niall Stuart, Federation of Small Businesses in Scotland. At its meeting on 13 September 2005, the Committee took evidence from Dennis Canavan MSP, the member in charge of the bill.

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1 SP Bill 41
2 http://www.scottish.parliament.uk/business/committees/finance/reports-05/fir05-StAndrew-00.htm
Report on the general principles

4. The Committee is agreed that the bill has a single provision, which is to amend the Banking and Financial Dealings Act (1971) so that 30 November each year (St. Andrew’s Day), or the Monday following if 30 November should fall on a Saturday or Sunday, would become a bank holiday.

5. The Committee notes the intentions of the member in charge as set out in the policy memorandum that accompanies the bill. The Committee shares the aspirations of the member in charge that St Andrew’s Day should be an occasion marked as one of national pride and a celebration of Scottish culture and heritage. However, the Committee agrees that, although the member in charge’s desire is for this new bank holiday, falling, as it would, on or near St Andrew’s Day, to become a ‘national day of celebration’, the bill does not in of itself fulfil this purpose. The establishment of an additional bank holiday does not place a statutory obligation on employers to grant it as part of employee holiday entitlement. Whether the bill is passed or not, the Committee is of the view that the Scottish Executive should bring forward a comprehensive set of proposals to enhance the celebration of St Andrew’s Day both domestically and internationally.

6. In light of the above, the Committee recommends that the Parliament agree the general principles of the bill.

FINANCIAL MEMORANDUM

7. In the Financial Memorandum accompanying the bill, the member in charge states that the “establishment of an additional bank holiday does not place a statutory obligation on employers to grant it as part of employee holiday entitlement […] Legislation on bank holidays provides for designated days on which banking transactions are suspended without penalty. Therefore any additional costs to employers are entirely dependent upon the outcome of negotiations with employees in relation to holiday entitlement.”

8. He also notes “[t]here would be zero cost to the Scottish Administration if the St Andrew’s Day holiday were simply included within the existing total annual holiday entitlement of employees or if it were substituted for an existing holiday, as is the case with some public sector employment at present. The Scottish Parliamentary Corporate Body intimated this to be the case in a written answer to the member in charge of the Bill, stating that there is no additional cost of granting a St Andrew’s Day holiday to its employees.”

9. However, the member in charge recognises that if the holiday is established as an additional holiday, “costs on the Scottish Administration would arise from its role as an employer and the additional amount would be equal to current costs incurred as a result of granting its employees one additional day’s holiday

3 St Andrew’s Day Bank Holiday (Scotland) Bill, Policy Memorandum, SP Bill 41-PM
4 St Andrew’s Day Bank Holiday (Scotland) Bill, Explanatory Notes, paragraph 12, SP Bill 41-EN
5 Ibid, paragraph 13
entitlement”. He cited a written answer to a parliamentary question in which the Scottish Executive estimate the costs to be about £0.64 million.

10. As part of its work, the Finance Committee considered the Financial Memorandum at its meeting of the 20 September 2005. The Finance Committee recommended that the Enterprise and Culture Committee should consider the Financial Memorandum for the St Andrew’s Day Bank Holiday (Scotland) Bill as adequate.

11. We recommend, therefore, that Parliament should be content with the Financial Memorandum as provided by the member in charge.
ANNEX A

EXTRACT FROM THE REPORT BY THE FINANCE COMMITTEE

Finance Committee

Report on the Financial Memorandum of the St Andrew’s Day Bank Holiday (Scotland) Bill

The Committee reports to the Parliament as follows—

Introduction

1. Under Standing Orders, Rule 9.6.3, the lead committee in relation to a Bill must consider and report on the Bill’s Financial Memorandum at Stage 1. In doing so, it is obliged to take account of any views submitted to it by the Finance Committee.

2. This report sets out the views of the Finance Committee on the Financial Memorandum of the St Andrew’s Day Bank Holiday (Scotland) Bill, for which the Enterprise and Culture Committee has been designated by the Parliamentary Bureau as the lead committee at Stage 1.

3. At its meeting on 8 September 2005, the Committee took evidence from Dennis Canavan MSP, the Member in Charge of the Bill. Oral evidence for this meeting can be viewed by clicking here. In addition, the Committee received written submissions from COSLA, the Federation of Small Businesses (FSB), the Scottish Retail Consortium (SRC) and the Scottish Trades Union Congress (STUC).

4. The Committee would like to express its thanks to all those who submitted their views.

Objectives of the Bill

5. The Bill is straightforward; its single provision being to amend the Banking and Financial Dealings Act 1971 so that 30 November each year, or the Monday following if 30 November should fall on a Saturday or Sunday, would become a bank holiday.

Costs of the Bill

6. The Financial Memorandum makes clear that ‘the establishment of a bank holiday does not place a statutory obligation on employers to grant it as part of employee holiday entitlement’ (Financial Memorandum paragraph 12). The Financial Memorandum sets out estimated costs if the holiday were to be adopted as follows:
Table 1: Costs on the Scottish Executive, local authorities and other public bodies

<table>
<thead>
<tr>
<th></th>
<th>Cost if included in existing holiday entitlements</th>
<th>Cost if adopted as additional holiday</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scottish Executive</td>
<td>£0 million</td>
<td>£0.64 £</td>
</tr>
<tr>
<td>Local Authority</td>
<td>£0</td>
<td>£24.5 £</td>
</tr>
<tr>
<td>NHS Scotland</td>
<td>£0</td>
<td>£16.5 £</td>
</tr>
<tr>
<td>Total costs</td>
<td>£0</td>
<td><strong>41.64</strong> £</td>
</tr>
</tbody>
</table>

7. The Financial Memorandum does not specifically identify costs on other bodies, individuals and businesses, again recognising that individual negotiations would be required which would determine whether the costs would be incorporated into existing arrangements or would be additional.

8. The Memorandum states that increased retail sales could be in the region of £28 million. It also quotes an independent brewery commenting on similar proposals for England that a national day could generate around £38 million from tourism and festivities.

9. The FM further sets out some potential benefits relating to employees in terms of reduced stress and to employers in the context of increased recruitment potential and enhanced employer image.

Summary of evidence

10. In general terms the key issue for costs on the public purse is whether or not the proposed holiday would be adopted by public bodies as an additional day’s holiday. If it were to be subsumed within existing entitlements there would be no additional cost. The Finance Committee has had no evidence from the Executive or from other public bodies (although these were asked to comment) as to whether it would be their intention to add a day’s leave to current totals. This means that the Committee is unable to take a view on the potential cost to the public purse.

Day of proposed holiday

11. The draft Bill specifies that the bank holiday should take place on 30 November itself or, if 30 November falls on a Saturday or Sunday, on the nearest Monday or Friday.

12. The Committee heard some evidence which suggested that the economic benefits of a long weekend might outweigh those of a single weekday holiday, although members also recognised that a fixed long weekend might mean some

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7 Source: written answer S2W-14190 (1 March 2005)
8 ibid
9 ibid
10 Scottish Retail Consortium, written evidence
Scots would leave the country and thus take their spending power elsewhere\(^{11}\). The Member in Charge noted however that any such losses could be more than offset by incoming tourists to Scotland, citing the example of the festivals in Edinburgh in August\(^{12}\).

**Economic benefits**

13. The Financial Memorandum set out potential economic benefits of the order of some £30 million. This is necessarily an estimate; figures from Ireland, however, suggest a contribution of €80 million (roughly £50 million) to the Dublin economy alone in 2003\(^{13}\).

14. The Committee heard that the recent establishment of the Scotland Funds, which has a stated mission to ‘activate and involve the Scottish Diaspora, initially in North America, in the funding and delivery of projects which will address the issues of education, cultural development and economic regeneration in Scotland. By doing so The Scotland Funds will enrich the lives of all those who participate\(^{14}\). The Committee heard that the establishment of a St Andrew’s Day Bank Holiday could provide a focus for the Funds as well as for international promotion of Scotland.

**Recommendation**

15. The Finance Committee recommends to the Enterprise and Culture Committee that the Financial Memorandum for the St Andrew’s Day Bank Holiday (Scotland) Bill is adequate.

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\(^{11}\) Official Report, 8 September 2005, col 2753
\(^{12}\) Official Report, 8 September 2005, col 2749
\(^{14}\) Further information available from www.scotfunds.org
Members who would like a printed copy of this *Numbered Report* to be forwarded to them should give notice at the Document Supply Centre.