

This document relates to the Coronavirus (Scotland) (No.2) Bill (SP Bill 71) as introduced in the Scottish Parliament on 11 May 2020

Coronavirus (Scotland) (No.2) Bill

Financial Memorandum

Introduction

1. As required under Rule 9.3.2 of the Parliament's Standing Orders, this Financial Memorandum is published to accompany the Coronavirus (Scotland) (No.2) Bill, introduced in the Scottish Parliament on 11 May 2020.
2. The following other accompanying documents are published separately:
 - Explanatory Notes (SP Bill 71–EN);
 - a Policy Memorandum (SP Bill 71–PM);
 - Statements on legislative competence by the Presiding Officer and the Scottish Government (SP Bill 71–LC).
3. This Financial Memorandum has been prepared by the Scottish Government to set out the costs associated with the measures introduced by the Bill. It does not form part of the Bill and has not been endorsed by the Parliament.

Policy objectives of the Bill

4. The purpose of introducing the Bill is to put in place necessary and urgent measures in order to address the threats posed by the continued coronavirus outbreak in Scotland. The outbreak represents a severe and sustained threat to human life in Scotland. The Scottish Government is committed to taking all steps necessary to address that threat.

This document relates to the Coronavirus (Scotland) (No.2) Bill (SP Bill 71) as introduced in the Scottish Parliament on 11 May 2020

5. The Bill complements and supplements the Coronavirus (Scotland) Act 2020¹, passed by the Scottish Parliament on 1 April 2020, and the Coronavirus Act 2020, passed by the UK Parliament on 25 March 2020, which the Scottish Parliament gave its consent to on 24 March 2020. It is part of a concerted and coordinated effort within Scotland, and across the UK, to tackle the coronavirus outbreak. The temporary measures included in the Bill are largely intended to supplement the Coronavirus (Scotland) Act 2020 by:

- making adjustments to specific statutory timescales;
- making medium-term changes to reflect the reality that the gradual easing of restrictions is likely to continue for some time;
- addressing concerns raised by Members of the Scottish Parliament during the passage of the Coronavirus (Scotland) Act 2020.

6. Current public health guidance requires business and public authorities to operate very differently to the way they have done until now by implementing, for example, social distancing policies, or by requiring their workforce to work from home, where possible. In addition the Health Protection (Coronavirus) (Restrictions) (Scotland) Regulations 2020² (S.S.I. 2020/103) (“the 2020 Regulations”) have required the closure of businesses selling food or drink for consumption on the premises, and of a wide range of other business set out in the regulations to protect against risks to public health. The 2020 Regulations also prohibit those living in Scotland from leaving the place where they live without reasonable excuse, and ban public gatherings of more than two people.

7. Public health guidance is likely to require some adjustment to normal life for some time, as the effort to limit and control the coronavirus outbreak continues. The requirements and restrictions in the 2020 Regulations will continue until they are terminated by the Scottish Ministers by direction, or until they expire under regulation 11 of the 2020 Regulations.

8. The Scottish Government considers that in order for essential public services to continue to be able to discharge their functions in the way they were intended to, some temporary changes need to be made to the way

¹ <http://www.legislation.gov.uk/asp/2020/7/contents>

² <http://www.legislation.gov.uk/ssi/2020/103/contents/made>

This document relates to the Coronavirus (Scotland) (No.2) Bill (SP Bill 71) as introduced in the Scottish Parliament on 11 May 2020

they operate and the way that they are regulated. The Scottish Government also considers that some changes need to be made to provide support and flexibility for business, and for those using public services, to reflect new restrictions, in both guidance and legislation, on the way people can live and work.

9. The Scottish Government is therefore committed to putting in place all necessary measures to help respond to the coronavirus outbreak. However, while it is the Scottish Government's view that these measures are necessary, they are only required to respond to the current set of specific circumstances and therefore the powers under the Bill will expire on 30 September 2020, unless otherwise specified in the Bill. It will be possible for the Parliament to choose to extend the availability of these powers for two periods of six months if the circumstances at the relevant time require it.

Overview

Provisions in the Bill

Temporary notice to leave periods for students in Purpose Built Student Accommodation and Halls of Residence (Schedule 1, Part 1)

10. Provisions in this Bill temporarily introduce:

- a 7-day notice to leave period for those currently tied into a student accommodation contract; and
- a 28-day notice to leave period for agreements entered while the Coronavirus (Scotland) Act 2020 is in force.

11. These measures will ensure that students who left their accommodation, or have been unable to return to it, due to the coronavirus outbreak and who wish to end their contract early, are able to do so. They also give students looking to find suitable accommodation for the next academic term reassurance that should restrictions continue and they are unable to take up the accommodation, that they will not be forced to pay for accommodation they are not using for a full academic term, during the time the provisions are in force. The measures are not expected to result in cost implications for the Scottish Administration or local authorities. Cost implications for other bodies, individuals and businesses are set out later in the memorandum.

This document relates to the Coronavirus (Scotland) (No.2) Bill (SP Bill 71) as introduced in the Scottish Parliament on 11 May 2020

The Coronavirus Carer's Allowance Supplement (Schedule 1, Part 2)

12. The Bill will make provision to provide carers in receipt of Carer's Allowance with extra financial support due to the loss of income and increased costs many face as a result of the coronavirus outbreak. It is intended that this will help to mitigate negative financial impacts of the outbreak and help to relieve some of the stress associated with additional and different caring responsibilities. This extra support will be known as Coronavirus Carer's Allowance Supplement (CCAS) and will be paid as an increased amount of Carer's Allowance Supplement for the period from 01 April 2020 to 30 September 2020 to address the effects of the coronavirus outbreak.

13. The operation of these measures will be kept under review. CCAS is not expected result in cost implications for local authorities or other bodies, individuals and businesses. Cost implications for the Scottish Administration are set out later in the memorandum.

Personal insolvency (Schedule 1, Part 3)

14. The Bill makes provision to: make bankruptcy easier to access for those who need it; make it harder for creditors to make individuals (and sole traders) bankrupt; and make both bankruptcy processes easier to administer. It is not anticipated that these measures will have significant additional costs on local authorities. Costs anticipated in relation to the Scottish Administration and potential impacts on other bodies, individuals and businesses are set out later in the memorandum.

Mental health law – named person (nominee acceptance) - temporary removal of the requirement for a witness (Schedule 1, Part 4)

15. Under the Mental Health (Care and Treatment) (Scotland) Act 2003 ("the 2003 Act"), a patient aged 16 or over may choose an individual to be his or her named person. A named person represents the interests of and supports a patient subject to proceedings under the 2003 Act. Due to the coronavirus outbreak there are difficulties arranging for a prescribed person to formally witness the named person 'docket', as required by s250(2A)(c) of the 2003 Act. Where dockets have not been witnessed, the validity of named person nominations is affected. Workforce priorities and changes to practice to reflect the impact of the outbreak have resulted in this service being assigned a lower priority especially given face to face discussions

This document relates to the Coronavirus (Scotland) (No.2) Bill (SP Bill 71) as introduced in the Scottish Parliament on 11 May 2020

are minimised and travel is kept to only absolutely essential journeys. In order to ensure that the safeguards a named person offers remain effective during the coronavirus outbreak and to minimise the obstacles to this caused by the outbreak, the Bill temporarily removes the requirement for a nominated person to have their signature witnessed by a prescribed person when they agree to become a named person. The removal of this requirement is not expected to result in cost implications for the Scottish Administration, local authorities or other bodies, individuals and businesses.

Statutory time limits relating to criminal procedure (Schedule 2, Part 1, Paragraph 1)

16. The Bill makes provision to suspend certain time limits contained in the Criminal Procedure (Scotland) Act 1995 (“the 1995 Act”) so that, from the coming into force date of these provisions, there is a period during which these time limits will not apply and the court can adjourn a case for such period as it considers appropriate. The time limits to which the provision applies are those at:

- section 145 of the 1995 Act which relates to the power of the court to adjourn a summary case at first calling where the accused is present to allow time for inquiry into the case or for any other cause which it considers reasonable;
- section 145A of the 1995 Act which is the corresponding provision covering the scenario where the accused is not present at first calling;
- section 200 of the 1995 Act which relates to cases where the court finds that an accused person has committed an offence punishable with imprisonment and it appears to the court that, before the method of dealing with the person is determined an inquiry ought to be made into their physical or mental condition; and
- section 245J of the 1995 Act which relates to cases where an offender appears before the court in respect of their apparent failure to comply with a requirement of a community payback order, drug treatment and testing order or restriction of liberty order.

17. The suspension of these time limits is not expected to result in cost implications for local authorities or other bodies, individuals and

This document relates to the Coronavirus (Scotland) (No.2) Bill (SP Bill 71) as introduced in the Scottish Parliament on 11 May 2020

businesses. The cost implications for the Scottish Administration are set out later in the memorandum.

Ability for Prisoner Custody Officers to provide services for hearings conducted in police stations (Schedule 2, Part 1, Paragraphs 2 - 5)

18. At present, custody hearings in criminal procedure are usually held in person in a court building, with all parties physically present. During the coronavirus outbreak, this exposes parties involved to an increased risk of infection. To adhere to strict guidance regarding self-isolation and physical distancing, some virtual custody courts have been organised to take place within dedicated police hubs across Scotland.

19. The Bill will make provision to allow the Scottish Ministers to make arrangements for prisoner custody officers ('PCOs') to undertake duties within police stations for the purpose of facilitating the appearance before a court by electronic means of detainees in police custody. In practice, this will involve persons in custody appearing before the court by video link from police stations, known as virtual custody courts.

20. This will allow PCOs to be able to carry out those functions in relation to detainees within a police station as they would in relation to those persons on court premises. Such functions would include the service of papers, managing the timetable of the virtual court, solicitor consultations, the movement of detainees between cells and the virtual court room, attending to wellbeing, and the release and remanding of detainees thereafter.

21. The introduction of virtual courts, and a lower crime rate, has resulted in a significant reduction of custody throughput at police custody centres and subsequent custody court appearances. In recent weeks there has been an average of 35-40 custody hearings per day, which compares to 150-200 across the same period in 2019. This reduction is currently being managed by Police Scotland but it is expected that an increase in custody hearings as we enter the recovery period will put pressure on resources; the deployment of PCO staff will be central to managing this work and will protect police officers for other front line duties.

22. It is not anticipated that PCOs undertaking duties within police stations will have cost implications for local authorities. Costs anticipated in

This document relates to the Coronavirus (Scotland) (No.2) Bill (SP Bill 71) as introduced in the Scottish Parliament on 11 May 2020

relation to the Scottish Administration and potential impacts on other bodies, individuals and businesses are set out later in the memorandum.

Continuation of undertakings in relation to non-attendance at court as a result of the coronavirus outbreak (Schedule 2, Part 1, Paragraph 6)

23. Where a person is in police custody and has been arrested under a warrant or is arrested without a warrant and is subsequently charged with a criminal offence, that person may be released by the police on giving a written undertaking under section 25(2)(a) of the Criminal Justice (Scotland) Act 2016. The undertaking requires the person to appear at a specified court at a specified time. The Scottish Government wishes to prevent the expiry of an undertaking and any protective conditions attached to it in the situation where an accused fails to appear at court in accordance with their written undertaking due to a reason related to the coronavirus outbreak and (a) the court is not prepared to sanction the accused by issuing a warrant for their arrest, which would preserve the undertaking and any conditions attached to it or (b) the Procurator Fiscal is unable to modify the undertaking by changing the time specified at which the person is due to appear at court because timely notice of the accused's non-appearance is not given. In these circumstances, the loss of protective conditions attached to the undertaking creates public and witness safety concerns, with particular risks associated with cases relating to domestic abuse.

24. The Scottish Government considers providing the court with a power to modify the terms of an undertaking in order to continue the undertaking to a later date (thereby preserving any protective conditions attached to the undertaking) will resolve the risk to public safety which may otherwise arise. Provision in the Bill will achieve that. The measure is not expected to result in cost implications for local authorities or other bodies, individuals and businesses. Potential cost implications for the Scottish Administration are set out later in the memorandum.

Permitted periods as set out in section 99 of the Proceeds of Crime Act 2002 (Schedule 2, Part 2, Paragraph 7)

25. Under section 99 of the Proceeds of Crime Act 2002 ("the 2002 Act"), the court may postpone confiscation proceedings under section 92 of that Act (making a confiscation order) for a specified period of time. Whilst this specified period can be extended, it cannot be extended beyond the "permitted period" which is two years from the date of conviction. Section

This document relates to the Coronavirus (Scotland) (No.2) Bill (SP Bill 71) as introduced in the Scottish Parliament on 11 May 2020

99(4) of the 2002 Act provides that where there are exceptional circumstances a period of postponement may end after the “permitted period” of two years. The Crown Office & Procurator Fiscal Service (COPFS) is concerned that, given delays to court proceedings and investigations caused by the coronavirus outbreak, that the “permitted period” of two years may expire before the necessary work in relation to a confiscation order can be completed.

26. The Bill makes provision so that confiscation orders can continue to be applied for despite delays caused by the postponement of court business and associated difficulties caused by the coronavirus outbreak. It will put beyond doubt that the coronavirus outbreak is to be regarded as an exceptional circumstance under section 99(4) of the 2002 Act. Enabling confiscation orders to continue to be applied for under these circumstances is not expected to result in cost implications for the Scottish Administration, local authorities or other bodies, individuals and businesses.

Permitted periods as set out in sections 116 and 117 of the Proceeds of Crime Act 2002 (Schedule 2, Part 2, Paragraph 8)

27. The Bill makes provision so that individuals who have been unable to pay a confiscation order within the permitted period for reasons arising from the coronavirus outbreak and the public health measures taken to control and limit its spread are not prejudiced or treated unfairly. This amendment to the Proceeds of Crime Act 2002 (“the 2002 Act”) will allow the Court, if it finds that the accused is unable to realise assets due to the coronavirus outbreak and pay the order, to extend the period in which the order should be paid as the sheriff considers appropriate.

28. Section 117 of the Act requires the court to apply interest to the amount of the confiscation order. Accordingly, the Bill makes a consequential amendment to the 2002 Act to ensure that no amount of interest is to be paid during any extended period that is fixed by the court in excess of 12 months. The amendments to the 2002 Act are not expected to result in cost implications for the Scottish Administration, local authorities or other bodies, individuals and businesses.

Display of court documents (Schedule 2, Part 3)

29. The Bill will allow documents related to sheriff court business to be displayed on the Scottish Courts and Tribunals Service (SCTS) website. It

This document relates to the Coronavirus (Scotland) (No.2) Bill (SP Bill 71) as introduced in the Scottish Parliament on 11 May 2020

will remove the existing requirement in commissary procedure to intimate petitions on the walls of court and in other civil procedures will give the sheriff the option of utilising the website in place of the walls of the court. This Bill will enable dative petitions in commissary procedure to be intimated and allow vital commissary business to progress. In other civil cases, where provided for, it will allow the court to utilise the website in place of the walls of the court where a party's whereabouts are unknown. The display of court documents on the SCTS website is not expected to result in cost implications for local authorities or other bodies, individuals and businesses. The cost implications for the Scottish Administration are set out later in the memorandum.

Establishment of a Nitrogen Balance Sheet (Schedule 3, Paragraph 1(2))

30. The Bill makes provision to extend, by six months, the deadline in section 8A(1) of the Climate Change (Scotland) Act 2009 to have established, by way of regulations subject to the affirmative procedure, a Nitrogen Balance Sheet. The Scottish Government's reprioritisation of resources in response to the coronavirus outbreak limits capacity to progress the initial phases of a project to establish a Balance Sheet, given that the project needs to encompass a wide range of policy areas (e.g. agriculture, waste management, transport, climate change, etc.) in order to be effective. Furthermore, the outbreak also limits the scope for the undertaking of programmes of research work (e.g. data development) and stakeholder engagement to inform the project. The current deadline for this process to have concluded is 23 September 2021 (which is 18 months after the relevant provisions were commenced). Under the Bill provision, the deadline would be extended until 23 March 2022. The extension of the deadline for the establishment of a Nitrogen Balance Sheet is not expected to result in cost implications for the Scottish Administration, local authorities or other bodies, individuals and businesses.

Timing of citizens assembly on climate change holding and reporting to Ministers and Parliament (Schedule 3, Paragraph 1(3))

31. The Bill makes provision to introduce a degree of flexibility into the deadline in section 32A(10) of the Climate Change (Scotland) Act 2009 for a citizens assembly on climate change to have concluded its work and reported to the Scottish Parliament and Scottish Ministers by 28 February 2021. The Bill provision retains this target date but recognises that it may

This document relates to the Coronavirus (Scotland) (No.2) Bill (SP Bill 71) as introduced in the Scottish Parliament on 11 May 2020

also become necessary, as a result of the coronavirus outbreak, for the conclusion of the process to occur as soon as reasonably practicable after 28 February 2021. The introduction of a degree of flexibility to the deadline for the conclusion of the citizens assembly is not expected to result in cost implications for local authorities or other bodies, individuals and businesses. Possible cost implications for the Scottish Administration are set out later in the memorandum.

Registered Social Landlords – extension of the deadline for submission of audited annual accounts (Schedule 3, Paragraph 2)

32. The Bill provides Registered Social Landlords (RSLs) with additional time to submit audited annual accounts to the Scottish Housing Regulator and protects RSLs from risk of prosecution and criminal conviction where they are unable to submit accounts within the existing deadline. The additional time to submit audited accounts is not expected to result in cost implications for the Scottish Administration, local authorities or other bodies, individuals and businesses.

Amendment to the Public Finance and Accountability (Scotland) Act 2000 (Schedule 3, Paragraph 3)

33. The Bill makes provision to amend references in paragraphs 15(1) and 15(3) of schedule 6 of the Coronavirus (Scotland) Act 2020. Regulations made under paragraph 15(1) are to be in respect of accounts for the financial year 2019/2020 and not 2020/2021. The reference in paragraph 15(3) is also to be changed so that regulations made under paragraph 15(1) may be in respect of accounts for the financial year 2020/2021 and not 2021/2022. This allows amendments to the Public Finance and Accountability (Scotland) Act 2000 in respect of periods most likely to be affected by the coronavirus outbreak. These amendments are not expected to result in cost implications for the Scottish Administration, local authorities or other bodies, individuals and businesses.

The deadline for publication of a Ministerial Statement on Local Connection (Schedule 3, Paragraph 4)

34. The Bill makes provision to extend the 12 month deadline for the Scottish Ministers to publish a statement on exercising the power to modify

This document relates to the Coronavirus (Scotland) (No.2) Bill (SP Bill 71) as introduced in the Scottish Parliament on 11 May 2020

local connection³, as required under section 33B(1) of the Housing (Scotland) Act 1987 (“the 1987 Act”). The aim of extending the deadline is to provide flexibility to postpone the launch of the consultation on the Ministerial Statement, which is required under section 33B(3) of the 1987 Act. Due to the uncertainty and pressures of responding to the coronavirus outbreak, the Scottish Government does not consider that it is practically possible at this time to conduct the necessary statutory consultation on the statement. Local authorities and third sector partners are facing particular challenges in their efforts to accommodate and support people who were rough sleeping and to prevent further homelessness during the outbreak. This significantly limits their capacity to engage at this time. These measures provide the necessary flexibility to postpone the launch of the consultation until the organisations within the homelessness sector are able to participate, while retaining the Scottish Government’s intention to proceed with the consultation just as soon as it is practical to do so. The extension of the deadline is not expected to result in cost implications for the Scottish Administration, local authorities or other bodies, individuals and businesses.

UEFA European Championship (Scotland) Act 2020 (Schedule 4, Paragraph 1)

35. UEFA EURO 2020 was to take place during June and July 2020 with Glasgow due to host four matches at Hampden Park. However, as a result of the coronavirus outbreak, UEFA announced on 17 March 2020 that the Championship would be postponed until June and July 2021. Primary legislation is therefore needed to amend the UEFA European Championship (Scotland) Act 2020⁴ (“the 2020 Act”), which had been brought forward to ensure that there was appropriate commercial rights protection for UEFA and its sponsors in order to meet the requirements to host matches in Glasgow as part of the Championship.

³ Local connection is defined in the Housing (Scotland) Act 1987 as a connection which a person has with an area because: they are or were in the past normally resident in it, and this residence was of their own choice; or they are employed in it; or they have family associations; or they have special circumstances.

⁴ <http://www.legislation.gov.uk/asp/2020/1/contents/enacted>

This document relates to the Coronavirus (Scotland) (No.2) Bill (SP Bill 71) as introduced in the Scottish Parliament on 11 May 2020

36. The Bill amends the 2020 Act in order to:

- Change the dates of the Championship period, change the definition of Championship and repeal dates currently specified as dates in 2020;
- Correct a European Convention on Human Rights compliance issue with an exception to the ticket touting offence for auctions of match tickets where the proceeds are given to charity.

37. Prior to postponement of EURO 2020, the financial costs associated with delivery of the 2020 Act were set out in the UEFA European Championship (Scotland) Bill Financial Memorandum⁵. Following postponement of the Championship to the summer of 2021, and the resultant changes to primary legislation, there are expected to be minor additional costs as a result of delivering the changes contained in this Bill. These are set out later in the memorandum.

Extending the limit of duration for Listed Building and Conservation Area Consents (Schedule 4, Paragraph 2)

38. The Bill provides for the limit of duration for Listed Building⁶ and Conservation Area⁷ Consents to be extended for those consents due to lapse during the emergency period (which is the period beginning with the coming into force of these provisions and ending on 6 October 2020). They will instead lapse at the end of an extended period (which ends on 6 April 2021) unless works have commenced before the end of the extended period. This would remove the risk, for applicants unable to carry out works during this period, of their consents lapsing before they can commence development. The Coronavirus (Scotland) Act 2020 includes provision for extending the duration of planning permissions. This Bill brings the heritage management consents procedures in line with planning permissions and avoids complaints or challenges from applicants who are unable to

5

https://www.parliament.scot/S5_Bills/UEFA%20European%20Championship%20Bill/SPBill54FMS052019.pdf

⁶ Listed building consent is the mechanism by which planning authorities ensure that any changes to listed buildings are appropriate and sympathetic to their character. It helps to protect what is a rare and unique resource.

⁷ Conservation area consent controls the demolition of unlisted buildings in conservation areas.

This document relates to the Coronavirus (Scotland) (No.2) Bill (SP Bill 71) as introduced in the Scottish Parliament on 11 May 2020

commence works as a result of current restrictions. The extension of the limit of duration for these consents is not expected to result in cost implications for the Scottish Administration or other bodies, individuals and businesses. Costs for local authorities are set out later in the memorandum.

Electronic registration in the Register of Inhibitions and the Register of Judgments (Schedule 4, Paragraphs 3 - 4)

39. The Bill makes temporary provision to enable the Keeper of the Registers of Scotland to accept for registration both in the Register of Inhibitions⁸ and the Register of Judgments⁹, documents or copies of documents which may be registered in those registers which are submitted electronically, in a similar manner to the provision in paragraphs 11 to 14 of schedule 7 of the Coronavirus (Scotland) Act 2020 for the Land Register and Register of Sasines. These changes are expected to be cost neutral for local authorities and other bodies, individuals and businesses. The cost implications for the Scottish Administration are set out later in the memorandum.

Land and Buildings Transaction Tax Additional Dwelling Supplement: extension of repayment period (Schedule 4, Paragraph 5)

40. The Scottish Government seeks to assist those taxpayers whose ability to reclaim the Land and Buildings Transaction Tax (LBTT) Additional Dwelling Supplement (ADS)¹⁰ has been most directly affected by the coronavirus outbreak. These are considered to be the taxpayers who had paid the ADS in relation to a transaction with an effective date prior to 25 March 2020 and have intentions to reclaim it (whether or not they indicated this at the time that ADS was paid), but have not yet sold a previous main residence and were still within their 18 month window on that date. Taxpayers in this group, who will have had an effective date for a relevant transaction of between 24 September 2018 and 24 March 2020, will in

⁸ The Register of Inhibitions notifies the public about individuals who can't competently enter into property transactions.

⁹ The Register of Judgments contains documents relating to judgments from certain overseas courts.

¹⁰ ADS is an additional amount of LBTT payable on the purchase of a second residence in Scotland.

This document relates to the Coronavirus (Scotland) (No.2) Bill (SP Bill 71) as introduced in the Scottish Parliament on 11 May 2020

general not have been able to take into account the impact of the outbreak on the housing market when paying the ADS.

41. The Bill provisions will increase by nine months the period in which these taxpayers can dispose of a relevant previous main residence and still be eligible for a repayment of the ADS. This would result in relevant taxpayers having 27 months rather than 18 months to dispose of their previous main residence and still be eligible for a repayment of the ADS.

42. Given the current uncertainty about the extent and duration of any coronavirus outbreak-related housing market disruption, the Bill will allow for the possibility, through the use of future secondary legislation, for the nine month period to be extended, or for the extension to apply to transactions over a longer period of time. Any powers in relation to this could however only be exercised where Scottish Ministers are satisfied that it would be appropriate to make an Order for a reason related to the coronavirus. As no specific proposals are contained in the Bill, the potential costs of that are not covered in this memorandum. A detailed costing would however be prepared to accompany any relevant legislation.

Power to introduce non-domestic rates relief (Schedule 4, Paragraph 6)

43. The Bill will provide the Scottish Ministers with the power to introduce non-domestic rates (“NDR”) relief through subordinate legislation in the year 2020-21 for all or part of the year should they choose to do so. Faced with continued uncertainty over the duration, and potential economic impact, of the coronavirus outbreak on businesses, the power in the Bill will enable the Scottish Ministers to introduce further NDR relief through subordinate legislation in the year 2020-21 for all or part of the year with the ability to backdate relief, which will provide an additional mechanism through which businesses may potentially be supported. Potential costs on the Scottish Administration, local authorities and other bodies, individuals and businesses are discussed later in the memorandum.

Costs on the Scottish administration

44. Costs incurred by the Scottish Government for each policy area set out in the Bill are included below, covering each policy area in the order in which they appear in the policy memorandum, as follows:

- The Coronavirus Carer’s Allowance Supplement

This document relates to the Coronavirus (Scotland) (No.2) Bill (SP Bill 71) as introduced in the Scottish Parliament on 11 May 2020

- Personal insolvency
- Statutory Time Limits relating to Criminal Procedure
- Ability for Prisoner Custody Officers to provide services for hearings conducted in police stations
- Continuation of undertakings in relation to non-attendance at court as a result of the coronavirus outbreak
- Display of court documents
- Timing of Citizens Assembly on climate change holding and reporting to Ministers and Parliament
- UEFA European Championship (Scotland) Act 2020
- Electronic registration in the Register of Inhibitions and the Register of Judgments
- Land and Buildings Transaction Tax Additional Dwelling Supplement: Extension of Repayment period
- Power to introduce non-domestic rates relief

45. Further details on each of these policy areas are provided below. Costs to be met by the Scottish Government, whether upfront payments or reimbursement of costs met by other bodies, will be provided for in the relevant Budget Acts and budget revisions.

The Coronavirus Carer's Allowance Supplement

46. Scottish Fiscal Commission¹¹ costings set out that, assuming that a single payment of CCAS of £230.10 is made to those eligible for Carer's Allowance Supplement on 13 April 2020, and based on the forecasts of the numbers in receipt of Carer's Allowance¹², this would cost circa £19 million¹³.

¹¹ The Scottish Fiscal Commission is the independent fiscal institution for Scotland. Its statutory duty is to provide independent and official forecasts of Scottish GDP, devolved tax revenues and social security spending to inform the Scottish Budget.

¹² It is estimated the number of unpaid carers in receipt of Carer's Allowance in Scotland on the eligibility date will be 83,000.

¹³ SFC (2020): Supplementary Costings: Coronavirus (Scotland)(No. 2) Bill

This document relates to the Coronavirus (Scotland) (No.2) Bill (SP Bill 71) as introduced in the Scottish Parliament on 11 May 2020

47. There are minimal additional costs to the Scottish Social Security Agency expected as a result of implementing these changes. The CCAS will be paid at the same time as the next planned payment of Carer's Allowance Supplement in June using existing payment methods. There will only be minimal associated administrative costs to the agency, such as developing communications to inform recipients of the additional payment.

Personal insolvency

48. Costs arise mainly from lost fee income to the Accountant in Bankruptcy ("the Agency"). Estimating fee income is challenging, as it depends on accurate forecasting of the numbers of new awards made whilst these Bill provisions are in force. Numbers are expected initially to fall – both as a result of creditor forbearance and as a result of disruption in the money advice sector – and then to increase significantly above current levels as individuals address the economic impacts of the coronavirus outbreak on their individual financial circumstances. It is difficult to estimate when, and how fast, this upswing might be.

49. Purely for illustrative purposes, in 2019-20 the Agency received £996,220 in income from application fees, split as follows:

	£
Debtor Application Fee	361,350
Creditor Petition Fees	458,200
MAP Fees	176,670

50. Assuming the same case volumes as last year, and simply taking account of the direct fee reductions, Minimal Asset Procedure (MAP) fees might fall by 75%, whilst full administration fees could fall by 25%. Adjustments for the changes in MAP thresholds would be required, which would see cases that were previously full administration bankruptcies become MAP. Finally, the increase in creditor minimum debt levels would, all other things being equal, reduce the number of creditor petitions. For the initial five month period of the Bill, costs for the Agency might therefore be expected to be in the region of £100,000.

51. It should be noted that this costing is based on the assumptions that the number of cases, and the split into the various categories, remain unchanged from last year. In reality, the Agency's income is likely to be

This document relates to the Coronavirus (Scotland) (No.2) Bill (SP Bill 71) as introduced in the Scottish Parliament on 11 May 2020

changed more dramatically by the coronavirus outbreak's impact on case volumes than on these fee changes themselves.

Statutory time limits relating to criminal procedure

The Crown Office and Procurator Fiscal Service (COPFS)

52. It is likely that there will be small savings to COPFS during the suspension period. These will result from reduced staffing costs as there will not be a need to make applications to extend time limits in individual cases.

Scottish Prison Service (SPS)

53. It is expected that the reduced capacity of the courts to process criminal cases as a result of the coronavirus outbreak could have a financial impact on SPS arising from its impact on the prison population. These costs do not necessarily arise from the suspension of statutory time limits applying in criminal cases as, under the existing law, it is possible for the parties to apply for these time limits to be extended on cause shown. If there were no provision for the suspension of statutory time limits in all criminal cases, it is likely that in most, if not all, cases, the time limits would be extended on a case-by-case basis. The impact of delays in court business on the prison population is difficult to estimate as it is highly dependent on how the courts react to any reduction in capacity both in terms of how business is prioritised and how decisions on, for example, bail, are made.

54. In comparison with the time limits suspended by the Coronavirus (Scotland) Act 2020, which came into effect on 6 April, the impact of suspending the time limits contained in these provisions on the overall prison population is not anticipated to be significant. The time limits at sections 145 and 145A of the 1995 Act are only being extended in cases where the accused person is not being remanded in custody. The time limit at section 200 of the 1995 Act relates to cases where the accused has been convicted and is awaiting sentencing. The Scottish Government anticipates that the courts would only consider remanding the offender in custody where they are giving serious consideration to imposing a custodial sentence. As such, any extension to the time that they spend in remand awaiting sentencing would be taken into account when their sentence is imposed. Section 245J of the 1995 Act relates to cases where an offender is suspected of having breached the terms of certain types of order. There may be a small number of cases where the court decides to remand the

This document relates to the Coronavirus (Scotland) (No.2) Bill (SP Bill 71) as introduced in the Scottish Parliament on 11 May 2020

offender in custody while it makes further inquiries, and the suspension of the time limits that apply could result in that offender being held in custody for longer than would otherwise be the case, though in the context of the broader impact of the coronavirus outbreak on the size of the prison population, the impact is unlikely to be significant.

Ability for Prisoner Custody Officers to provide services for hearings conducted in police stations

55. At present, PCOs are required to facilitate the escort of detained persons and prisoners between relevant premises, including police stations, courts, prisons and hospitals. These officers are also responsible for ensuring the custody of detained persons while they on court premises, or temporarily away from prison. The statutory duties, as provided in section 102(2) of the Criminal Justice and Public Order Act 1994, are provided for through a contract which is managed by the Scottish Prison Service.

56. This contract, the 'Scottish Court Custody and Prison Escort Service' (SCCPES) includes a fixed monthly fee and a number of variable elements that are volume dependent, including court buildings, court rooms and routes operated. The contract allows for the redeployment of PCOs to police stations and is expected to be cost neutral.

57. Police Officers and other police staff are currently facilitating the appearance of custodies at court via video links across 11 custody centres. It is assessed that it takes around three officers per site to support this; across all sites this is estimated to cost around £37,000 per week.

58. These provisions will enable an expansion in the use of virtual custodies across an additional six custody centres. This is unlikely to have an impact on the contract costs of providing PCOs, but additional costs would be incurred for technical infrastructure, such as internet connections and software licences for video systems. Police Scotland has estimated this cost to be in the region of £30,000 to £40,000, in addition to the costs of setting up the existing 11 custody centres.

59. Extended use of virtual custodies will enable redeployment of some officers usually based in court premises; this will free-up some capacity for priority duties.

This document relates to the Coronavirus (Scotland) (No.2) Bill (SP Bill 71) as introduced in the Scottish Parliament on 11 May 2020

60. The impact on the Scottish Courts and Tribunals Service (SCTS) is expected to be largely cost neutral overall. The decrease in physical custody hearings enabled by this provision is unlikely to deliver any measurable cashable savings because the administrative and resource demands for SCTS do not differ significantly as a result of the virtual appearance by the accused. While an increase in virtual courts does offer an opportunity for organising business in a more efficient way, any efficiencies gained will be offset by demands on buildings and staff for other activity as court business starts to resume both virtually and physically where appropriate.

61. Similarly, the impact to COPFS is expected to be neutral. Prosecution staff will still be required to attend custody hearings, but this will be done remotely where possible to reduce attendance at the court building.

62. In summary, the direct impact of this provision is expected to be largely cost neutral. The planned increase in virtual courts enabled by this provision is likely to have small cost for new infrastructure and technology to Police Scotland. However, the policy will allow for some increases to operational capacity across SCTS and Police Scotland. Any increases will be directed towards other areas of priority business in responding the coronavirus outbreak.

Continuation of undertakings in relation to non-attendance at court as a result of the coronavirus outbreak

63. It is anticipated any costs associated with this provision are largely notional as there will not be an increase in volume to overall court business as a result of the measure. Instead, what the measure will do is preserve any protective conditions attached to an undertaking which may otherwise be lost.

64. There may be minimal legal and administrative costs upon the Crown Office and Procurator Fiscal Service (COPFS) due to the requirement to give notice to the accused of the continuation of an undertaking if the court appoints a new date. There would also be minimal costs to COPFS in notifying Police Scotland of any modification to the date the person is to appear at court and costs to Police Scotland in updating relevant victims and witnesses. This is especially important in domestic abuse cases due to risk and safety considerations for victims.

This document relates to the Coronavirus (Scotland) (No.2) Bill (SP Bill 71) as introduced in the Scottish Parliament on 11 May 2020

65. Use of this new provision will be considered on a case-by-case basis by the courts. While the measure provides the court with a power to continue an undertaking hearing to a later date in the situation where an accused fails to attend court in accordance with their undertaking, COPFS would, in the absence of this new power, and where it remains in the public interest to do so, consider what steps were required in order to proceed with the criminal case and to secure protective conditions for victims. There is a concern, however, that, without the measure, the potential loss of protective conditions attached to the undertaking creates public and witness safety concerns which could also result in additional costs to Police Scotland in managing risk and victim safety. Any costs associated with managing risk and victim safety in the event that protective conditions of undertaking are lost would depend on an assessment of the individual facts and circumstances of each case.

66. In addition, in the absence of this measure, and where the accused fails to attend court in accordance with their undertaking due to a reason attributable to the coronavirus outbreak, Police Scotland may require to direct significant resource to the management of those alleged offenders in the community who are no longer subject to protective conditions of undertaking.

Display of court documents

67. In order to facilitate the displaying of documents on the SCTS website as provided for in the Bill, there are no associated IT system change costs. Court staff will utilise the current web publication process using the SCTS website. Operationally, costs are likely to increase minimally. Per annum staff costs directly attributable to moving to this process will be approximately £18,000. The estimate of increased staff costs has been calculated by using historical data to predict the number of documents this will affect multiplied by both the increased time taken for a clerk to upload the document to the web and the hourly rate of the grade of staff that would take forward this work. These costs are unavoidable but are offset against the advantages realised from maintaining court business.

68. Depending on the duration of the coronavirus outbreak it may be necessary to develop an IT solution which would enable automatic notification from the SCTS Integrated Case Management System (ICMS).

This document relates to the Coronavirus (Scotland) (No.2) Bill (SP Bill 71) as introduced in the Scottish Parliament on 11 May 2020

Timing of citizens assembly on climate change holding and reporting to Ministers and Parliament

69. The introduction of a degree of flexibility to the deadline for the conclusion of the Citizens Assembly on climate change is not expected to change the costs associated with holding the Assembly, nor is it expected to result in any additional costs, though it may result in some of the costs falling to a subsequent financial year (2021-22 onwards).

UEFA European Championship (Scotland) Act 2020

70. The Scottish Government will incur some additional administrative costs in working with other members of the Local Organising Committee (the Scottish Football Association, Glasgow City Council, Police Scotland and EventScotland) and UEFA on implementation of the provisions in this Bill. This includes engaging with businesses and members of the public, supporting the publication and delivery of guidance on the restrictions, and development of secondary legislation. Taking into account publication costs of roughly £1,000 and staffing costs these overall administrative costs have been estimated at £15,000-£25,000 and will be met from the Scottish Government's existing administrative budget.

71. While not core Scottish Government costs, the changes to the legislation are not anticipated to result in any additional costs for the Crown Office and Procurator Fiscal Service and Scottish Courts and Tribunals Service beyond those contained in the financial memorandum for the 2020 Act¹⁴.

Electronic registration in the Register of Inhibitions and the Register of Judgments

72. In order to facilitate the remote submission of applications for registration as provided for in the Bill, additional functionality will be required to be made to the Keeper of the Register of Scotland's existing online services. Based on an assumption of a team of 15 at an average day rate of £550 per day, the Scottish Government anticipates a technical build taking approximately 130-160 days of effort across 3-4 weeks of time with a forecast cost of between £71,500 and £88,000.

14

https://www.parliament.scot/S5_Bills/UEFA%20European%20Championship%20Bill/SPBill54FMS052019.pdf

This document relates to the Coronavirus (Scotland) (No.2) Bill (SP Bill 71) as introduced in the Scottish Parliament on 11 May 2020

73. Operationally, costs are likely to be neutral with costs relating to staff training and stakeholder awareness raising expected to be offset by potential savings realised from electronic submission.

74. Depending on the duration of the coronavirus outbreak it may be necessary to further develop the proposed solution.

Land and Buildings Transaction Tax Additional Dwelling Supplement: extension of repayment period

75. The financial implications for the Scottish Administration of this measure are considered under two headings:

- The impact on the Scottish budget which will occur as a result of certain taxpayers becoming eligible to claim a repayment of the supplement as a result of the extension.
- Any administrative and compliance costs that Revenue Scotland are likely to incur as the Tax Authority responsible for dealing with any repayment of tax.

i. Tax Revenues

76. The provisions of the Bill will enable some taxpayers to reclaim a repayment of the LBTT Additional Dwelling Supplement who would not otherwise be able to do so if no change were made. As such, it is expected to result in an increase in the amount of ADS which is reclaimed over a period of time, relative to the position as it would otherwise have been. These additional costs will largely fall in the 2020/21 and 2021/22 financial years, with the potential for some repayments to occur in 2022/23. This is on the basis that the extended deadline by which the relevant taxpayers must sell a previous main residence to reclaim their ADS will begin to expire from December 2020 (for a transaction from September 2018) and run to June 2022 (for a transaction from March 2020).

77. The Scottish Fiscal Commission is the independent fiscal institution for Scotland. Its statutory duty is to provide independent and official forecasts of Scottish GDP, devolved tax revenues and social security spending to inform the Scottish Budget.

This document relates to the Coronavirus (Scotland) (No.2) Bill (SP Bill 71) as introduced in the Scottish Parliament on 11 May 2020

78. The Commission has published a report on its website setting out its costing of the impact on the Scottish Budget of the ADS provisions in the Bill. The table below shows the costing¹⁵.

£million	2020-21	2021-22	2022-23
	-4	-6	-1

Source: SFC (2020): Supplementary Costings: Coronavirus (Scotland)(No.2) Bill

79. The Commission’s objective is to ensure the Scottish Parliament has an independent estimate of the effect of a policy change on revenues or spending, known as a policy costing, associated with any proposed legislation relating to taxes or benefits. As a result it costs only policies announced at fiscal events or which accompany legislative changes introduced in the Scottish Parliament.

ii. Revenue Scotland

80. Revenue Scotland already has in place a team of tax and compliance specialists to ensure the efficient collection and management of LBTT. The Bill will require Revenue Scotland to draw upon existing staff resources for processing any repayments.

81. Revenue Scotland does not expect that the provisions of the Bill will require significant changes to the Revenue Scotland IT system.

82. Taking this into account, Revenue Scotland’s costs to implement the provisions in the Bill are not expected to exceed £40,000.

Power to introduce non-domestic rates relief

83. As this provision is an enabling power to introduce non-domestic rates (“NDR”) relief, it does not in itself create any costs for the Scottish Administration. However, purely for illustrative purposes, if 100% NDR relief were applied to all non-domestic properties excluding the public

¹⁵ The cost in each year has been rounded to the nearest million pounds. It should be noted that, with the estimates for each year being rounded, the cumulative total is £11 million. However, the overall estimated cost across the three financial years is £10 million.

This document relates to the Coronavirus (Scotland) (No.2) Bill (SP Bill 71) as introduced in the Scottish Parliament on 11 May 2020

sector and utilities (e.g. properties used for the generation of electricity) for one month in 2020-21, the Scottish Government estimates that this would lead to a reduction in NDR liabilities (and a saving to ratepayers) of £102 million, while a three-month relief at 50% for these properties would reduce NDR liabilities by an estimated £153 million, and a 12-month relief at 100% for them would reduce NDR liabilities by £1,226 million. The cost of a relief introduced by regulations using these powers would be funded from the Scottish budget.

84. The Scottish Government has responsibility for setting national NDR policy (including rates, reliefs and exemptions) and the legislative framework for the tax. Responsibility for the day-to-day administration of the NDR system, including the billing and collection of rates due and administration of NDR reliefs, rests with each of Scotland’s 32 local authorities for the properties in their area.

85. The funding available to local government through the settlement consists of the general revenue and capital grants, the distributable amount of non-domestic rates and a number of ring-fenced specific grants, both revenue and capital. The Scottish Government guarantees each local authority’s formula share of the combined general revenue grant (GRG) plus the distributable amount of non-domestic rates. GRG is distributed to each local authority according to a needs-based formula which has been agreed by the Convention of Scottish Local Authorities (COSLA) on behalf of Scotland’s 32 local authorities. NDR relief introduced using these powers would cause a decrease in net NDR income which would be funded from the Scottish Government budget.

Summary of estimated costs and savings to the Scottish Administration

	2020/2021
The Coronavirus Carer’s Allowance Supplement	The cost of a payment to all eligible recipients for the period from 01 April 2020 to 30 September 2020 is forecast to be circa £18.5 million Minimal additional costs to the Scottish Social Security Agency to implement and administer the payment
Personal insolvency	Costs might be expected to be in the region of £100,000

This document relates to the Coronavirus (Scotland) (No.2) Bill (SP Bill 71) as introduced in the Scottish Parliament on 11 May 2020

Statutory Time Limits relating to Criminal Procedure	<p><u>COPFS</u> Small savings expected due to reduced staffing costs</p> <p><u>SPS</u> It is difficult to estimate costs as these will be highly dependent on how the courts react to any reduction in capacity both in terms of how business is prioritised and how decisions on, for example, bail, are made</p>
Ability for Prisoner Custody Officers to provide services for hearings conducted in police stations	<p>It is estimated to cost around £37,000 per week for Police Officers and other police staff to facilitate the appearance of custodies at court via video links across 11 custody centres</p> <p>Additional costs related to technical infrastructure, such as internet connections and software licences for video systems are estimated to be in the region of £30,000 to £40,000</p> <p>The impact on both SCTS and COPFS is expected to be largely cost neutral overall</p>
Continuation of undertakings in relation to non-attendance at court as a result of the coronavirus outbreak	Minimal costs on COPFS
Display of court documents	Operational costs estimated at £18,000 per annum
Timing of Citizen’s Assembly on climate change holding and reporting to Ministers and Parliament	No expected change to costs, though some of the costs may fall to a subsequent financial year (2021-22 onwards)
UEFA 2020	Scottish Government additional administrative costs estimated at £15,000-£25,000
Register of Inhibitions and the Register of Judgments	<p><u>Functionality of online services</u> Cost are forecast between £71,500 and £88,000</p> <p><u>Operational costs</u> Expected to be cost neutral</p>
LBTT Additional Dwelling Supplement	<p><u>Tax Revenues</u> £10 million split over 3 financial years (Total figure varies from the sum of individual years due to rounding)</p> <p><u>Revenue Scotland</u></p>

This document relates to the Coronavirus (Scotland) (No.2) Bill (SP Bill 71) as introduced in the Scottish Parliament on 11 May 2020

	Costs are not expected to exceed £40,000
Power to introduce non-domestic rates relief	Purely for illustrative purposes, if 100% NDR relief were applied to all non-domestic properties excluding the public sector and utilities (e.g. properties used for the generation of electricity) for one month in 2020-21, the Scottish Government estimates that this would lead to a reduction in NDR liabilities (and a saving to ratepayers) of £102 million, while a three-month relief at 50% for these properties would reduce NDR liabilities by an estimated £153 million, and a 12-month relief at 100% for them would reduce NDR liabilities by £1,226 million. The cost of a relief introduced by regulations using these powers would be funded from the Scottish budget.

Costs on local authorities

86. Costs incurred by Local Authorities for each policy area set out in the Bill are included below, covering each policy area in the order in which they appear in the policy memorandum, as follows:

- UEFA European Championship (Scotland) Act 2020
- Extending the limit of duration for Listed Building and Conservation Area Consents
- Power to introduce non-domestic rates relief

87. Further details on these policy areas are provided below.

UEFA European Championship (Scotland) Act 2020

88. Further to costs detailed in the original financial memorandum¹⁶, Glasgow City Council has estimated an additional £4,000-£5,000 will be required as a result of the provisions in this Bill. These estimated additional costs will cover redesign, printing and distribution of guidance, as well as an increase in staffing costs to resource engagement sessions with businesses and members of the public.

¹⁶

https://www.parliament.scot/S5_Bills/UEFA%20European%20Championship%20Bill/SPBill54FMS052019.pdf

Extending the limit of duration for Listed Building and Conservation Area Consents

89. Extending the duration will not incur any costs for planning authorities where the development is commenced within the extended period set out in the legislation. There could be a small resource saving for planning authorities where applicants might otherwise have had to apply to vary conditions of consents to deal with delays caused by the coronavirus outbreak.

Power to introduce non-domestic rates relief

90. As this provision is an enabling power to introduce non-domestic rates (“NDR”) relief, it does not in itself create any costs for local authorities.

91. As local authorities administer and collect NDR, the introduction of further NDR relief may incur both set-up and running administrative costs (including to update IT systems) to local authorities. These would depend on the eligibility criteria for the relief(s) and whether or not an application is required in order to receive it and it is therefore not possible to estimate costs. The administration of NDR is funded from local authorities’ budgets. The expected costs related to additional NDR relief will be considered and published should secondary legislation be made to provide for that.

92. All NDR income collected by a local authority is retained by that authority to help fund local services, including those benefiting non-domestic properties. Any reduction in NDR income as a result of a relief introduced using the powers set out in this provision would be equal to the reduction in NDR liabilities.

Summary of estimated costs and savings to local authorities

	2020/2021
UEFA 2020	Glasgow City Council costs estimated at £4,000-£5,000
Listed Building and Conservation Area Consents	Small resource saving for planning authorities
Power to introduce non-domestic rates relief	Potential set-up and running administrative costs Cost neutral in terms of local authority income

Costs on other bodies, individuals and businesses

93. Costs incurred by other bodies, individuals and businesses for each policy area set out in the Bill are included below, covering each policy area in the order in which they appear in the policy memorandum, as follows:

- Temporary notice to leave periods for students in Purpose Built Student Accommodation and Halls of Residence
- Personal insolvency
- Ability for Prisoner Custody Officers to provide services for hearings conducted in police stations
- UEFA European Championship (Scotland) Act 2020
- Land and Buildings Transaction Tax Additional Dwelling Supplement: Extension of Repayment period
- Power to introduce non-domestic rates relief

94. Further details on these policy areas are provided below.

Temporary notice to leave periods for students in Purpose Built Student Accommodation and Halls of Residence

Students

95. The Scottish Government does not anticipate any additional financial implications to students by giving them a temporary right to give their landlord a 7 day or 28 day notice to leave during the period that these are in force.

University and colleges

96. The Scottish Government understands that all universities and colleges have voluntarily allowed the early release of students in accommodation they provide in this academic year. At present, colleges and universities are monitoring government restrictions and considering if this will impact the start of the academic year. Given this decision will be made at an institutional level and will likely be made in the coming months, the Scottish Government cannot accurately estimate the financial implications for colleges and universities at present. It is understood that some institutions are considering a short delay to the academic year and

This document relates to the Coronavirus (Scotland) (No.2) Bill (SP Bill 71) as introduced in the Scottish Parliament on 11 May 2020

they might thus consider delaying contracts until the start of the academic year. However, the introduction of statutory notice to leave periods might allow students further flexibility to terminate their contract should circumstances require.

97. Given the approach taken to date by universities and colleges to allow early release, the Scottish Government does not anticipate any additional financial implications from the introduction of a 7 days' notice to leave period in this academic year.

98. There will be some financial implications for universities and colleges should it be necessary for students to end accommodation for the new academic year early, however, it is difficult to assess this given the uncertainty around what impact, if any, there will be at the start of the new academic year and whether institutions will seek to delay contracts starting in response. No official statistics are available on the average rental costs for university and college accommodation. It is therefore difficult to assess the financial impact of these measures in the time available, however, research¹⁷ suggests that the UK average weekly rent per person in university accommodation is £137. Based on a 1 to 2 months void period due to a delay in the start of the academic term, there may be a loss of between around £548 and £1096 per student who gives their landlord a 28 day notice to leave.

99. It has not been possible in the time available to accurately estimate the number of students who might need to make use of the 28 day notice to leave period.

Purpose Built Student Accommodation (PBSA) providers

100. While some PBSA providers have voluntarily allowed the early release of students living in their properties, the Scottish Government understands that a number of providers have not changed their practices and are holding students to the original term of their accommodation contract. For providers in these circumstances there will be some financial

¹⁷ National Student Accommodation Survey 2019 - <https://www.savethestudent.org/accommodation/national-student-accommodation-survey-2019.html#rent-costs>

This document relates to the Coronavirus (Scotland) (No.2) Bill (SP Bill 71) as introduced in the Scottish Parliament on 11 May 2020

implications due to loss of income from an early end to the accommodation contract.

101. The majority of student accommodation contracts align with the academic term and therefore end around mid to end June. Research¹⁸ suggests that the UK average weekly rent per person in private halls is £126. Depending on when the provisions in the Bill come into force this could equate to around:

- 1 to 4 weeks rental loss for those students making use of the 7 day notice to leave resulting in a loss between £126 and £504; and
- Based on a 1 to 2 months void period due to a delay in the start of the academic term, a loss of between around £504 and £1008 per student who gives their landlord a 28 day notice to leave.

102. It has not been possible in the time available to accurately estimate the number of students locked into contracts who would be looking to make use of the 7 or 28 day notice to leave periods.

103. There may also be some additional administration costs for providers related to the return of any money paid by the student where upfront rental payments have been made. Given the variation in contracts and the time available it has not been possible to quantify these costs.

Letting agents

104. There may be cost implications for letting agents relating to additional administration costs (which will depend on the size and processes of individual agents) and where management fees charged by agents are linked to rental income. However, given the proximity to the end of the academic year, the Scottish Government anticipates that any additional costs will be minimal.

Personal insolvency

105. In the case of debtors seeking bankruptcy, there will be no costs and some savings to individuals and businesses. Creditors will face no

¹⁸ National Student Accommodation Survey 2019 - <https://www.savethestudent.org/accommodation/national-student-accommodation-survey-2019.html#rent-costs>

This document relates to the Coronavirus (Scotland) (No.2) Bill (SP Bill 71) as introduced in the Scottish Parliament on 11 May 2020

increase in direct cost, but for a limited period will be unable to seek to make their debtors bankrupt for debts of less than £10,000. There is nothing to suggest these changes will lead to an increase in default rates.

Ability for Prisoner Custody Officers to provide services for hearings conducted in police stations

106. It is not anticipated that there will be any direct costs or savings to other bodies or individuals through these provisions.

107. There are likely to be some costs to businesses running the SCCPES contract for the training and support of PCOs; however, it is expected that the costs of this will be met from the existing contract with the Scottish Prison Service.

UEFA European Championship (Scotland) Act 2020

108. It is not anticipated that there will be any direct costs or savings to other bodies or individuals through these provisions. The impact of the legislation on businesses remains as set out in the previous Financial Memorandum¹⁹.

Land and Buildings Transaction Tax Additional Dwelling Supplement: extension of repayment period

109. The Bill may result in costs for any individual who appoints an agent to assist in reclaiming any ADS which becomes possible as a result of this legislation. However, these costs will be the same as they would be under any other repayment scenario. The legislation will otherwise not result in any additional costs for bodies, individuals and businesses.

Power to introduce non-domestic rates relief

110. Non-domestic rates (“NDR”) are paid on rateable non-domestic properties. All non-domestic properties are rateable and entered on the valuation roll except where they are specifically exempt by law. Non-domestic properties are properties such as shops, offices, warehouses and factories, and any other property that is not classed as domestic property,

19

https://www.parliament.scot/S5_Bills/UEFA%20European%20Championship%20Bill/SPBill54FMS052019.pdf

This document relates to the Coronavirus (Scotland) (No.2) Bill (SP Bill 71) as introduced in the Scottish Parliament on 11 May 2020

whether in the private, public or third sector. Rates are payable by the occupier.

111. NDR relief may be provided by subordinate legislation using the powers conferred by section 153 of the Local Government etc. (Scotland) Act 1994 (some reliefs are also set out in primary legislation or set out in subordinate legislation using other powers as well).

112. The Scottish Ministers prescribe the rules of the NDR relief, including eligibility criteria, the amount by which the rate is to be reduced and the duration of the relief (single year, multi-year, or open-ended). These powers have been used to deliver a wide range of reliefs over time. Relief can for instance be universal (i.e. applied to all non-domestic properties) (e.g. the 1.6% universal relief for 2020-21)²⁰, for properties within a certain rateable value bracket (e.g. Small Business Bonus Scheme relief²¹), for properties used wholly or mainly for prescribed purposes (e.g. 100% relief for day nurseries²²), for properties in specific geographic locations (e.g. 100% relief for tower or mast sites in particular grid references²³).

113. As this provision is an enabling power, it does not in itself reduce any NDR liabilities.

114. NDR income is forecast by the Scottish Fiscal Commission²⁴ to be £1,874 million in 2020-21. This was reduced from £2,749 million by £875 million following the introduction of 1.6% relief for all non-domestic properties (£51 million) and 100% for retail, hospitality, leisure and airports (£824 million) as set out in The Non-Domestic Rates (Coronavirus Reliefs) (Scotland) Regulations 2020.

115. Purely for illustrative purposes, if 100% NDR relief were applied to all non-domestic properties excluding the public sector and utilities (e.g.

²⁰ The Non-Domestic Rates (Coronavirus Reliefs) (Scotland) Regulations 2020

²¹ The Non-Domestic Rates (Levying) (Scotland) Regulations 2020

²² The Non-Domestic Rates (Day Nursery Relief) (Scotland) Regulations 2018

²³ The Non-Domestic Rates (Telecommunications Installations) (Scotland) Regulations 2016

²⁴ <https://www.fiscalcommission.scot/wp-content/uploads/2020/03/NDR-Supplementary-Costings-Post-UK-Budget-March-2020-FINAL.pdf>

This document relates to the Coronavirus (Scotland) (No.2) Bill (SP Bill 71) as introduced in the Scottish Parliament on 11 May 2020

properties used for the generation of electricity) for one month in 2020-21, the Scottish Government estimates that this would lead to a reduction in NDR liabilities (and a saving to ratepayers) of £102 million, while a three-month relief at 50% for these properties would reduce NDR liabilities by an estimated £153 million, and a 12-month relief at 100% for them would reduce NDR liabilities by £1,226 million.

Summary of estimated costs and savings to other bodies, individuals and businesses

	2020/2021
Student notice to leave periods	
<ul style="list-style-type: none"> Students 	Nil
<ul style="list-style-type: none"> Universities and Colleges 	7 day notice period - Nil 28 day notice period – Based on 1 to 2 months void due to delay in the start of the academic term, a loss of between around £548 and £1096 per student.
<ul style="list-style-type: none"> PBSA providers 	7 day notice – potential loss of 1 to 4 weeks rent i.e. £126 to £504 per student. 28 day notice - Based on a 1 to 2 months void period due to delay in the start of the academic term, a loss of between around £504 and £1009 per student. There may be administration costs related to the return of upfront rental payments. It is not possible to estimate what these might be.
<ul style="list-style-type: none"> Letting agents 	Minimal
Personal insolvency	Creditors will face no increase in direct cost, but for a limited period will be unable to seek to make their debtors bankrupt for debts of less than £10,000.
Ability for Prisoner Custody Officers to provide services for hearings conducted in police stations	There are likely to be some costs to businesses running the SCCPES contract for the training and support of PCOs; however, it is expected that the costs of this will be met from the existing contract with Scottish Prison Service

This document relates to the Coronavirus (Scotland) (No.2) Bill (SP Bill 71) as introduced in the Scottish Parliament on 11 May 2020

UEFA European Championship (Scotland) Act 2020	No additional direct costs. The impact on businesses remains as set out in the 2020 Act Financial Memorandum.
LBTT Additional Dwelling Supplement	There may be costs for any individual who appoints an agent to assist in reclaiming any ADS which becomes possible as a result of this legislation
Power to introduce non-domestic rates relief	Purely for illustrative purposes, if 100% NDR relief were applied to all non-domestic properties excluding the public sector and utilities (e.g. properties used for the generation of electricity) for one month in 2020-21, the Scottish Government estimates that this would lead to a reduction in NDR liabilities (and a saving to ratepayers) of £102 million, while a three-month relief at 50% for these properties would reduce NDR liabilities by an estimated £153 million, and a 12-month relief at 100% for them would reduce NDR liabilities by £1,226 million

This document relates to the Coronavirus (Scotland) (No.2) Bill (SP Bill 71) as introduced in the Scottish Parliament on 11 May 2020

Coronavirus (Scotland) (No.2) Bill

Financial Memorandum

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