

# Housing (Cladding Remediation) (Scotland) Bill

## [As amended at Stage 2]

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## Supplementary Financial Memorandum

### Introduction

1. As required under Rule 9.7.8B of the Parliament's Standing Orders, this supplementary Financial Memorandum is published to accompany the Housing (Cladding Remediation) (Scotland) Bill (introduced in the Scottish Parliament on 1 November 2023) as amended at Stage 2.
2. The Memorandum has been prepared by the Scottish Government. It does not form part of the Bill and has not been endorsed by the Parliament. It should be read in conjunction with the original Financial Memorandum published to accompany the Bill as introduced.
3. The purpose of this supplementary Financial Memorandum is to set out the expected costs associated with the new and amended provisions included in the Bill following the amendments made at Stage 2. This document addresses those amendments with anticipated or potential cost implications. Amendments agreed at Stage 2 which are not covered in this supplementary Financial Memorandum (including those relating to additional work assessments) are considered not to significantly or materially affect the assumptions in the original Financial Memorandum.

### Responsible Developers Scheme

4. Part 4 of the Bill gives Ministers the power to establish a Responsible Developers Scheme (RDS) to ensure that developers in the construction industry contribute to identifying and remediating buildings with problematic cladding. Eligible developers who are not members of the RDS may be subject to constraints that inhibit their right to operate as a developer in Scotland.
5. Section 20 gives Scottish Ministers the power to establish an RDS by regulations. A new subsection (5) was added at Stage 2 of the Bill and this requires Scottish Ministers to consult persons representing the interests of organisations constructing residential buildings in the construction or development industry, and

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other consultees as Scottish Ministers consider appropriate. This consultation requirement will incur additional cost for the Scottish Government not included in the Financial Memorandum for the Bill as introduced.

6. It is estimated that the design/publication costs of consulting on the Responsible Developers Scheme will be up to £25,000. This figure includes publishing and formatting support from APS and is based on the cost of previous consultations that are deemed to be of a similar scale. This does not include the potential cost of bringing in external consultants to analyse the responses. It is estimated that if that were included the cost would be in the region of £30k - £40k. However given the relatively low number of responses expected it is anticipated that analysis will be undertaken by Scottish Government staff.

7. The expected cost of Scottish Government staff required to undertake the consultation, given below, is a rough estimate and we would expect this work to be managed within existing resources. We estimate it would take 10 weeks of one FTE C1 to write the consultation paper, arrange publication, analyse the results and arrange publication of the responses and analysis. Ten weeks of C1 staff time is approximately  $10/52 \times £86,659$  (based on figures for January to April 2024), i.e. £16,665. In practice this would include a mix of more senior, more junior and legal staff.

|                         |         |
|-------------------------|---------|
| Design/Publication Cost | £25,000 |
| Staff Cost              | £16,665 |
| Total                   | £41,665 |

8. We would expect the time and cost for stakeholders of responding to the consultation to be negligible and would be the time involved in completing an online consultation.

## Overall

9. We therefore estimate a cost of around £41,665 to consult on the Responsible Developers Scheme.



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