The Committee will meet at 10.00 am in Committee Room 2 to consider the following agenda items:

1. **Education (School Meals) (Scotland) Bill and Schools (Health Promotion and Nutrition) (Scotland) Bill:** The Committee will take evidence on the financial memoranda from—

   Frances Curran MSP; and Felicity Garvie, Parliamentary Coordinator, Scottish Socialist Party.

   And then from—

   Maria McCann, Head of Branch, Support for Learning Division, Education Department and David Cowan, Bill Team Leader, Support for Learning Division, Education Department, Scottish Executive.

2. **Protection of Vulnerable Groups (Scotland) Bill:** The Committee will take evidence on the Financial Memorandum from—

   Lucy McTernan, Director of Corporate Affairs and Russell Gunson, Policy and Communications Officer, Scottish Council for Voluntary Organisations

   And then from—

   Andrew Mott, Bill Team Leader, Children and Families Division; Claire Monaghan, Head of Children and Families Division; Ian Storrie, Children Young People and Social Care Economics Team and James Laing, Police Information Technology, Scottish Executive

3. **Decisions on taking business in private:** The Committee will decide whether to consider a draft report on the Financial Memorandum of the Commissioner for Older People (Scotland) Bill in private at its next meeting, whether to consider its draft report on the Financial Memoranda of the Education (School Meals etc.) (Scotland) Bill, the Schools (Health Promotion and Nutrition) (Scotland) Bill and its report on the Protection of Vulnerable Groups (Scotland) Bill in private at its meeting on 21 November, and whether to consider its draft report on the
Financial Memorandum of the Custodial Sentences and Weapons (Scotland) Bill in private at its meeting on 28 November.

Susan Duffy
Clerk to the Committee
Room T3.60
Extn 85215
The papers for this meeting are:

**Agenda Item 1**

*Education (School Meals) (Scotland) Bill and accompanying documents* (previously circulated to Members in hardcopy only, copies available from the Scottish Parliament website)

*Education (School Meals) (Scotland) Bill SPICe Briefing* (previously circulated to Members in hardcopy only, copies available from the Scottish Parliament website)

*Schools (Health Promotion and Nutrition) (Scotland) Bill and accompanying documents* (previously circulated to Members in hardcopy only, copies available from the Scottish Parliament website)

*Schools (Health Promotion and Nutrition) (Scotland) Bill SPICe Briefing* (previously circulated to Members in hardcopy only, copies available from the Scottish Parliament website)

**PRIVATE PAPER**

**Agenda Item 2**

Submissions from
- COSLA;
- SCVO; and
- The Care Commission.

*Protection of Vulnerable Groups (Scotland) Bill and accompanying documents* (circulated to Members in hardcopy only, copies available from the Scottish Parliament website)

**PRIVATE PAPER**
Finance Committee

27th Meeting 2006 – Tuesday 7 November 2006

Scrutiny of Financial Memorandum – Evidence on the Protection of Vulnerable Groups (Scotland) Bill

1. The Protection of Vulnerable Groups (Scotland) Bill was introduced to Parliament on 25 September 2006. The Education Committee has been designated the lead committee at Stage 1.

2. The Finance Committee agreed at its meeting on 3 October to adopt a level 3 approach to its scrutiny of the Financial Memorandum of the Protection of Vulnerable Groups (Scotland) Bill. Specifically, the Committee agreed to issue its standard questionnaire to potentially affected organisations and take oral evidence from an affected organisation followed by evidence from Executive officials.

3. The evidence session on 7 November will consist of one panel of representatives from the Scottish Council for Voluntary Organisations (SCVO). The Committee will then take evidence from Executive officials.

4. The following responses to the questionnaire have been received so far and these are attached:
   - SCVO.
   - COSLA; and
   - Scottish Commission for the Regulation of Care (the Care Commission).

Susan Duffy
Clerk to the Finance Committee
SUBMISSION FROM SCVO

About SCVO

SCVO is the umbrella body for the voluntary sector in Scotland. Our 1300 members represent a large constituency covering the majority of charitable activity in Scotland. Many of these members are themselves intermediary bodies representing the interests of many thousands of voluntary organisations locally and with respect to specific types of work. Through them we maintain a further contact with the sector at large and the issues that affect it.

The elected SCVO Policy Committee represents large and small, local, national and international organisations, covering many different fields of activity. The Committee’s experience and knowledge is instrumental in informing our policy positions.

Background

The protection of vulnerable groups is a very important issue for the voluntary sector. Voluntary organisations work with a disproportionate number of vulnerable groups.

We estimate that there are up to 106,000 paid staff, 850,000 volunteers and tens of thousands of voluntary organisations that will come within the scope of this proposed legislation. Any legislation on the issue will therefore have a very large impact on the work we do as a sector.

The proposed Vetting and Barring scheme will be the third major upheaval relating to working with vulnerable groups in recent times, following only a year after the (as yet incomplete) implementation of the Protection of Children (Scotland) Act 2003 (PoCSA) provisions. We therefore hope that this legislation will create a system that will work successfully for many years to come and we will work enthusiastically to make this happen.

However on the basis of the explanatory notes and financial memorandum accompanying the bill as introduced we are far from convinced that sufficient consideration has been given to the realities of implementation. We are appreciative of the opportunity presented by the Finance Committee to identify some serious omissions in these documents. These points have been raised directly with Scottish Executive officials since the Bill’s introduction.

Key Points

Start up costs
- The new scheme will bring additional start-up costs to the voluntary sector of up to £3 million, deriving from disclosure costs for paid staff. Under the current system only new staff and staff moving position have been compelled to be checked. While volunteer checks are free (and will seemingly remain so), checks for paid staff are currently charged at £20 each. This has led the sector to spend around £150,000 per year, accessing 7500 paid disclosure checks. The proposed
scheme will bring all staff (new and existing) into the system. Disclosure costs are likely to rise to £26 for each full check. (according to the Financial Memorandum of the Bill) Therefore, in accessing up to 106,000 paid checks, the new scheme will see new costs for the voluntary sector to up to £3 million over the phasing-in period, a period which the financial memorandum indicates will be three years. This is new cash which is not currently in the system.

Training Costs

- The Financial Memorandum makes £600,000 available to train the whole of the adult/childcare workforce. This is – we believe - insufficient to adequately provide suitable training. Under PoCSA, £360,000 was made available to the voluntary sector for one year only. With the addition of adults into the protection system for the first time, and the substantial changes to the children’s protection system proposed by the Bill, we believe that £1 million will be required to train the voluntary sector alone. This resource should provide training in the lead up to the commencement of the legislation and over the phasing-in period.

Administration Costs

- We estimate that the administration costs from checking all paid staff and volunteers across the voluntary sector will be up to £20 million. Bringing up to 106,000 paid staff and 850,000 volunteers into the protection system will incur significant additional administrative costs over the phasing-in period. Under the current system only new staff or staff moving positions have been required to be checked, leading to the voluntary sector accessing around 60,000 checks a year (including 7500 paid staff checks). Based on figures supplied by organisations deploying significant numbers of volunteers of this is estimated to have cost already the equivalent of £2 million which would aggregate up to some £20 million to bring all affected staff and volunteers into the system. This is in addition to the £3 million start-up costs, and £1 million training costs mentioned previously.
i) Consultation – Questions 1 – 3

1. Did you take part in the consultation exercise for the Bill, if applicable, and if so did you comment on the financial assumptions made?

2. Do you believe your comments on the financial assumptions have been accurately reflected in the Financial Memorandum?

3. Did you have sufficient time to contribute to the consultation exercise?

SCVO was disappointed overall with the consultation process for the Bill.

On the plus side - we were happy that the Executive gave sufficient time for responses and we were happy that information events, focus groups, and interviews took place to supplement the written responses given by organisations. The voluntary sector took full part in all of these ways.

However, we were very disappointed that many of the Executive’s proposals to which organisations were asked to respond were less than fully worked up. We believe that the consultation occurred too late in the process to influence the principles of the proposed legislation and too early in the Executive’s thinking to comment on many of the specific proposals for action. Follow-up dialogue to the consultation relating to implementation and resource issues which we expected during the summer did not materialise. We believe it would have been better to have focused on the financial implications more intently before now as this will have a significant bearing on the effectiveness of any scheme.

Many in the sector have the impression that the general approach from the Executive to this piece of legislation has been to pass primary legislation at great speed and work out the details later, in secondary legislation. We believe that it is crucial that implementation of this complex legislation must be considered at this stage, side by side with the Bill itself by both the Education and Finance Committee. We also believe that more certainty is required in the primary legislation regarding some of the details of the proposals, especially those with financial implications.

There were very few financial details given in the consultation paper. However SCVO’s own submission, and many of the voluntary organisations separately responding, commented on the financial implications of the proposals during the consultation process. We do not see that these have been addressed in the face of the Bill and accompanying explanatory notes and financial memorandum as introduced.
ii) Costs – Questions 4 – 6

4. If the Bill has any financial implications for your organisation, do you believe that these have been accurately reflected in the Financial Memorandum? If not, please provide details.

5. Are you content that your organisation can meet the financial costs associated with the Bill? If not, how do you think these costs should be met?

6. Does the Financial Memorandum accurately reflect the margins of uncertainty associated with the estimates and the timescales over which such costs would be expected to arise?

Financial Implications

We do not believe that the true costs to voluntary organisations have been accurately reflected in the financial memorandum and some of the figures do not appear to be based on hard evidence but are ‘guestimates’. More worryingly, those with the necessary expertise or knowledge were not consulted on their derivation or basis.

Funding

It is unrealistic to expect the vetting and barring scheme to be self financing. The voluntary sector cannot write a blank cheque for these proposals. We believe a cap on disclosure costs for the voluntary sector should be placed in the face of the Bill. If the Executive are serious about protecting vulnerable groups then substantial additional resources will be required. These are not currently contained in the Financial Memorandum.

Start up costs of the scheme

_The new scheme will bring additional start up costs of up to £3million for voluntary organisations._

Under the current PoCSA legislation only new staff, or staff moving positions, have been compelled to be disclosure checked. However, under the Bill, as introduced, all staff (existing and new) will need to join the scheme within a prescribed period. This will be a significant additional cost to the sector, currently not acknowledged in the Bill or accompanying documents.

Under PoCSA, the voluntary sector has accessed a total of around 60,000 disclosure checks annually. Of these, around 7500 per year have been for paid positions, incurring a charge for voluntary organisations (overwhelmingly in practice organisations pay for checks rather than pass these on to individuals). This has amounted to a financial commitment from the voluntary sector of £100,000 2005/06 and £150,000 this year. However, with 106,000 paid staff in the sector, at the proposed fee level of £26, the new system will see additional start-up cost of around £3million to the sector over the phasing-in period.
We believe that unless the Executive finds funds to cover, or more practically, waive, this start-up cost, over the phasing-in period, a significant number of voluntary organisations will see a real reduction in frontline activity benefiting vulnerable groups or could even risk closure. There simply is not the financial slack in the voluntary sector to absorb an additional cost of this size.

**Disclosure Costs**

The proposed legislation is likely to see an initial rise in the cost of a disclosure check, from their current £20 to £26 (an increase of 30%). Due to inaccurate estimates of what the system requires to be ‘self-financing’ disclosure fees have already increased from £13.60 to £20 (an increase of 47%), only a year after commencement of PoCSA. While subsequent, nominal checks are likely to be charged at £10, the upfront costs of an increase in the cost of a disclosure could have a real impact across the sector. We believe the Executive must ensure disclosure fees from paid checks in the voluntary sector are capped at their current £20 level to avoid inhibiting frontline activity, benefiting vulnerable groups.

**Training costs**

*We estimate that the voluntary sector will require up to £1million for training over the lead up to, and phasing in of, the new Scheme.*

The voluntary sector will require a great deal of preparation for the new scheme. Once the secondary legislation has been drafted and passed we believe there should be a 12 month period before commencement. It is essential that awareness-raising and training takes place in the sector, many months before the legislation comes into force and over the phasing-in period to the new Scheme.

The Financial Memorandum accompanying the Bill allocates £600,000 for training to the ‘care/children workforce’ in relation to the new scheme. This figure is insufficient. In implementing the current PoCSA regime, the Executive made £360,000 available to the sector for training for one year. With the inclusion of protected adults into the new system for the first time, and with the significant changes to the children system, we believe that the voluntary sector alone will need at least £1million in training prior to and over the phasing-in period. Faith groups, public and private organisations will need equivalent funding for training.

**Administration costs**

*We estimate that the administration costs across the sector from checking all paid staff and volunteers will amount to up to £20million.*

It is crucial that the phasing-in period of the new Scheme is long enough to avoid irreparable damage to voluntary groups and organisations working to the benefit of vulnerable groups in Scotland. The additional administrative burden faced by voluntary groups could be very large indeed. We estimate that the total administrative cost faced by voluntary organisations over the phasing-in period of the new scheme
will be up to a value of £20million – an increase of over £18million on the sector’s current administrative burden from the PoCSA legislation.

This scale of additional bureaucratic burden, cost of staff and management committee time, paperwork and postage, could be catastrophic for voluntary organisations. We believe that more must be done to reduce the potential red tape stemming from the proposed legislation. An extended phasing-in period may contribute to the sector’s ability to absorb these costs, as should the proper implementation of full cost recovery in grants and contracts, at least to those delivering formal public services.

We are very concerned that the service-led definition of a ‘protected adult’ could lead to unintended additional costs for some organisations. A ‘protected adult’ is defined, in summary, as someone over the age of 16 in receipt of certain services delivered by an organisation registered with the Care Commission, an organisation delivering NHS or other clinic/hospital-based services or finally a community care service provided by a council or body acting on behalf of a council. This definition will mean a protected adult could be a fairly fluid and transient term.

For organisations delivering non-regulated services to adults this definition could have very serious costs. For these organisations it will be an administrative treadmill to keep up with which clients are and which are not protected adults, and therefore which staff members can and cannot be scheme members.

**Individuals**

The Bill as introduced will also increase the administrative burden on individuals volunteering or in paid employment. For example, we are very worried about the requirement in the Bill that members of the Scheme must update their address within 3 months of it changing. We believe that this is an unnecessary burden on individuals, and could also mark a change in the relationship between volunteer and voluntary organisation. Furthermore we question whether those that are actually likely to generate vetting information are likely to update their personal details. This could therefore paradoxically place the heaviest burden on those least likely to be a risk.

We would suggest one solution could be to ask, and compel, scheme members to update their address each time they request a full scheme, short scheme, or statement of barred status rather than within three months of a change. This would be an easy way to reduce the red tape stemming from this legislation without harming the Bill’s intentions.

**Uncertainty**

Despite the Bill’s length we believe that inappropriate levels of detail have been left for secondary legislation. The Bill enables powers for Ministers that, depending on how they are used, could cause serious problems for the voluntary sector. This has led to a great deal of uncertainty as to how this legislation will look in practice, and makes it very difficult to quantify likely costs for the voluntary sector.
We believe amendments to the primary legislation, or at least public statements of policy intention, must be made to reduce this damaging uncertainty and allow Parliamentarians to accurately consider the likely costs of the new system.

In the absence of reassurances of this kind the following uncertainties exist:

1. **Calculations the Financial Memorandum is based on.**
   As far as we are aware the Executive has not made contact with the key voluntary sector bodies regarding the costs of the proposed legislation. We would be very interested to see the Executive calculations on which the Financial Memorandum is based.

   For example, the Financial Memorandum states that the workforce covered by the proposed Scheme will be up to 1million individuals across all sectors. We are unsure from where the Executive obtained these figures. SCVO estimate that in the voluntary sector alone, up to 106k paid staff, and up to 850k volunteers, will be included in the Scheme. We’d assume significant numbers of additional staff exist in the faith, public and private sector.

   There is some allowance in the Financial Memorandum for new costs for the voluntary sector’s Disclosure agency – the CRBS – but it is unclear how this figure was arrived at, whether it includes all relevant system and capital costs, and therefore whether future costs are likely.

2. **Ongoing disclosure costs**
   If the Scottish Executive has incorrectly estimated the numbers of checks going through the new scheme, the projected fee levels will be inaccurate and could rise substantially from their likely initial £26. Under PoCSA we have seen a 47% increase in disclosure fees, due to inaccurate estimates, after only 12 months of the system being operational.

3. **Cost of reduction in volunteering**
   The Executive assumes rates of volunteering will remain constant following the introduction of this proposed legislation however we believe that the Bill could seriously inhibit voluntary activity. Volunteering contributes £2.52billion to Scotland. Even a small decrease in volunteering could therefore have serious financial implications for Scotland’s economy, disregarding the harm to vulnerable groups in Scotland.

4. **Turnover rates**
   We are unsure what calculations the Executive has made to determine the turnover rates of staff. Staff turnover rates – i.e. the rate at which individuals would, under the current system, be brought into the scheme by virtue of moving posts, will be very important in determining additional costs to the voluntary sector when setting the length of the phasing-in period. Through figures obtained from Disclosure Scotland/CRBS turnover of paid staff in this part of the voluntary sector can be calculated at around 7%, which is understood be less than the Executive’s estimates of the wider affected workforce.
5. **Employers will not ask for a full check if a nominal check is all that is required**
   We have received concerned feedback from voluntary organisations regarding the Scheme’s reliance on prospective employees to provide their original full vetting and barring disclosure certificate. Many organisations have stated that they could not trust the integrity of a further check that relied on the original certificate, seeing potential for fraud. If the system creates a weak link, because organisations feel they cannot ‘trust’ the nominal checks, then a greater number of full checks will be accessed by organisations. This will increase costs to individuals and organisations from Executive estimates.

iii) **Wider Issues – Question 7 and 8**

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<th>Question</th>
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<td>If the Bill is part of a wider policy initiative, do you believe that these associated costs are accurately reflected in the Financial Memorandum?</td>
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<td>8.</td>
<td>Do you believe that there may be future costs associated with the Bill, for example through subordinate legislation or more developed guidance? If so, is it possible to quantify these costs?</td>
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**Wider Policy Initiative**

**Funding for vulnerable groups’ services**

A vetting and barring scheme will form only one part of a fully functioning protection system. With funding for children’s services reported to be in shortfall at the local level by up to £160 million, with the children’s hearing system in shortfall by a reported £20 million, we query whether the financial implications of this Bill have been thought through properly. It is an open question as to the logic of spending many millions of pounds on a vetting and barring scheme when other services that do so much to protect vulnerable groups, and to benefit vulnerable groups, are under-funded.

**Volunteering**

There is a growing body of evidence that the Disclosure system is proving a barrier to volunteering. The exact value of which to organisations, to the individuals themselves, and to wider society is hard to quantify, yet undisputedly significant. One formula places the value of current rates of volunteering at £2.52 billion. The Executive’s National Volunteering Strategy and policy of promoting volunteering, which is widely supported in the sector and wider public, is jeopardised by this legislation if implementation is not seriously considered and resourced.

**Future costs**

1. **Fee structure**
The Bill provides powers for Ministers to charge a fee to join the Scheme, an annual subscription fee for remaining in the scheme, and even a fee to be removed from the scheme, in addition to fees for disclosure requests. Whether Ministers will use these powers and if so at what fee level is a clear outstanding uncertainty.

2. Phasing-in period
   If the phasing-in period is too short it could create unmanageable front-loaded costs for voluntary organisations. With administration costs estimated to be up to £20 million over the phasing-in period, we believe the voluntary sector will need longer than the three years indicated in the financial memorandum in order to absorb these costs without threatening a great deal of voluntary activity. Equally, if the phasing-in period creates too big a spike in numbers of disclosure checks (and associated direct and indirect costs), then costs will be repeated at the expiration of scheme membership.

3. Scheme membership expiration
   The Executive are proposing that membership of the Scheme would expire after a period of time. The length of this ‘lifetime’ will impact on the costs faced by individuals and organisation in the voluntary sector. The longer the lifetime the lower the costs will be (assuming the new system reduces administration costs in the long term).

4. Tracking ‘current’ organisations
   In giving notice of listing an individual, Ministers will need to know which organisations an individual is currently working for. We understand regulations will set out the system by which Ministers will keep track of ‘active’ organisations on a scheme record. If Ministers opt for an administratively burdensome method, such as an annual return for organisations, then this could bring further additional administrative costs to voluntary organisations. We would recommend consideration be given to strategic data-sharing between the sector itself and associated regulators.

5. Costs from the ‘duty to refer’
   Regulations will determine what information an employer will need to hold in order to satisfy the duty to refer relevant staff behaviour to the Scheme. This duty could bring large administrative costs for voluntary organisations, particularly the smallest.

6. Sharing Child Protection Information
   The Bill assigns duties and powers to employers in order that they share ‘child protection information’. A code of practice will be outlined in secondary legislation. Until regulations are set outlining the code, what ‘child protection information’ is, and what duties are placed on employers and employees, it will be impossible to quantify the costs of this part of the Bill. However it is clear that this part of the Bill will bring additional costs to a number of voluntary organisations.
SUBMISSION FROM COSLA

Further to your request for evidence, I am happy to enclose COSLA’s written evidence on the Financial Memorandum for the Protecting Vulnerable Groups Bill.

As you will see, the main thrust of our evidence is that it is impossible to assess the financial impact of the bill at this stage as there are too many elements which remain to be determined. Given that the oral evidence session is intended to allow the Committee to further explore the costs and other financial matters associated with the Bill, there seems little benefit in attending when we have nothing to add to our written submission. I therefore confirm that we will not be attending Committee on Tuesday, 7 November.

We would, of course, be very happy to provide the Committee with information which might be relevant when there is greater clarity around those aspects of the bill which are likely to have financial implications.

I will be happy to hear from you at any time in the future to discuss this matter.

Yours sincerely

Anna Fowlie
Team Leader – Children & Young People

Background

The Convention of Scottish Local Authorities (COSLA) is the umbrella body representing 31 of Scotland’s 32 councils. We welcome the opportunity to give evidence to the Finance Committee on the Protection of Vulnerable Groups (Scotland) Bill from a strategic perspective in relation to local government’s role as the key delivery agent of services to children and vulnerable adults, and as the Employer’s Organisation for local government. Individual local authorities will, of course, have their own distinct views. We would, however, question the timing of consideration of the financial memorandum as there are many aspects of this Bill and its implementation which are still very much in development and therefore it is difficult to determine what costs will result.

Detail

Much of the financial memorandum relates to the establishment of the new Vetting and Barring Unit. We will not comment on those costs as that is a matter for the Scottish Executive. Our comments therefore relate to those aspects which directly impact on local authorities, or points of general principle.

Summary of Costs

- In relation to the third bullet point, it is too early to make an assumption that costs will decrease and certainly too early to give a specific figure.
- Our views on the fifth bullet point will be covered later in relation to the fuller paragraph within the memorandum – it is naïve to say categorically at this stage that there will be no additional ongoing costs.
Basics of the Vetting and Barring Scheme

201 (b) we agree that there should be two fee levels
(c) we agree with a flat fee regardless of which part of the workforce is being checked
(d) while we acknowledge that the operating costs should be covered, we do not believe that it is possible to assess what those will be at this stage.
(e) we agree that the Scottish Executive should continue to meet the costs of volunteers working in the voluntary sector. However we believe that this should also apply to volunteers working in the statutory sector particularly in the instances where a statutory agency vets volunteers to benefit its community rather than direct services – for example a local authority handling vetting on behalf of Parent Teacher Associations or School Boards. We believe that all checks for volunteers ought to be free regardless of where they work. This would represent a relatively small number but would be significant to councils and would send a more consistent message regarding the Scottish Executive’s support for volunteering.

207 The term “personal employers” will include carers employed under Direct Payments. This is an area of activity which will only increase but the level of increase is impossible to assess at present. We do not believe that this has been taken into account. In addition, we understand that there are a variety of views on who should be responsible for meeting the costs of vetting relating to Direct Payments and if it is to be local authorities then that must be addressed within the financial memorandum.

219 We would opt for the first element of Model 2 as that gives the minimum disruption/fluctuation in costs.

223 This paragraph should stop at the first sentence – it is dangerous, and unnecessary, to try to project volume ten years hence. After all, who would have predicted 10 years ago that the current activity would be at the level it is? We should avoid creating hostages to fortune, but should build in a review after, for example, five years.

Costs on Local Authorities

224 This paragraph is naïve. Local authorities do pay for Disclosures and there is an expectation amongst the public and indeed within the Executive (see paras 229 and 231 below) that this will continue to be the case. It may well be that in the longer term costs will equalise or indeed decrease, but that will not be the case in the short-term. Local authorities are responsible for three quarters of the disclosures processed by Disclosure Scotland. In the most recent 6 months around 46,000 have been processed. This represents a cost of £920,000 at current fee levels, includes very little retrospective checking of existing staff. Given the higher fee level for initial checks and the projected increase in volume in the first 3 years of the scheme, which is likely to coincide with the next Local Government Settlement, councils would require transitional funding to ensure that the entire childcare and social care workforce is brought into the scheme.

225 As mentioned briefly above, the work has hardly commenced to determine what exactly will be involved for local authorities or indeed other bodies who will have a new duty to provide information to the Vetting and Barring Unit. On that basis, it is impossible to quantify any associated costs and it is naïve of
the Scottish Executive to assume that it will not result in significant additional costs.

Costs on Employers
226 This paragraph merely duplicates paragraph 224 but covering the wider range of employers rather than only local authorities. The same comments as above (224 and 225) therefore apply.

Costs on professional regulatory bodies
227 Regulatory bodies will also incur costs from fee increases as they carry out checks on all new registrants. That does not appear to have been taken into account. As the duty to provide information to the Vetting and Barring Unit is new for these bodies too, the comments on para 225 (above) will also apply.

229 The purpose of this paragraph is unclear – employers in the adult sector will have no different an experience than employers in the children’s sector and there are just as many regulatory bodies covering the children’s workforce. In cross-reference to the comments made at 224 above, this paragraph actually states that employers carrying out checks is a “matter of good recruitment practice.”

Costs on Individuals
231 This paragraph states that there is an expectation that employers will continue to meet the costs of checks, therefore there will be no additional costs to individuals. The Scottish Executive cannot have it all ways; the Financial Memorandum creates an illogical circle of responsibility for the costs – the employer won’t incur additional costs because the individual is required to pay, but the individual won’t incur additional costs because the employers generally pay. The facts are that there will be additional costs, at least in the short-term, and someone will have to meet them. If current practice continues then that someone will be the employer and in 75% of cases that is a local authority.

Sharing Child Protection Information
234 – 239 This part of the bill is so new and the potential impact of its implementation so unclear that it is impossible to assess what costs will be involved. It is correct that there will be training costs and the figures given seem a little light, considering the extent of the workforce covered. The financial memorandum is right to state that information sharing should be part of all professionals’ work in any event, but at this early stage it is not possible to assess whether the specifics of the legal duty will have an impact on resources. For example, it is likely that parallel policy developments such as Getting It Right For Every Child which facilitate information sharing for child protection reasons will require significant investment in IT. We would expect these developments to dovetail.

Costs on the voluntary sector
243 We would expect there to be an opportunity to revisit this paragraph if anything should change in relation to the expectations on the voluntary sector.
Conclusion
It is too early in the process to be able to cost the impact of this Bill, however, there will be transitional costs for all employers, most significantly for local authorities. The duty to provide information to the Vetting and Barring Unit in particular is impossible to cost as we have no clear idea about what it will involve. Any additional costs to local authorities should, in accordance with COSLA policy, be funded in full by the Scottish Executive.
SUBMISSION FROM THE CARE COMMISSION

Dear Ms Duffy

I refer to your letter of 18 October in relation to the above and would respond as set out below on behalf of the Care Commission.

Consultation

1. Did you take part in the consultation exercise for the Bill, if applicable, and if so did you comment on the financial assumptions made?

The Care Commission was invited to take part in the consultation exercise for the Bill. A formal response was submitted as requested on 27 March 2006.

2. Do you believe your comments on the financial assumptions have been accurately reflected in the Financial Memorandum?

The Care Commission commented in relation to ensuring that costs of vetting and barring disclosures are kept at reasonable levels. In particular we were keen to ensure that disclosures for volunteers should be free. We are pleased to note that the current proposals are in tune with the Care Commission’s view. We also welcome the passportability of checks as a means of reducing cost whilst maintaining protection for vulnerable people. We also agree with the proposed phasing.

3. Did you have sufficient time to contribute to the consultation exercise?

We were satisfied that there was sufficient time to respond to the original consultation.

Costs

4. If the Bill has any financial implications for your organisation, do you believe that these have been accurately reflected in the Financial Memorandum? If not, please provide details.

The Bill has no specific financial implications for the Care Commission in regard to vetting and disclosure. Paragraphs 224-249 contain proposals in relation to School Care Accommodation Services which if agreed, would potentially have financial impact on the Care Commission.

It is proposed that some school guardians, currently classified as Childminders and charged heavily subsidised fees would be included with the School Care Accommodation service definition, which bear full cost recovery level fees. The Care Commission fully supports this recommendation.
It has been pointed out, however, that some guardians, due to the nature of their service, will still be classified and registered as Childminders. We are currently carrying out a scoping exercise to estimate numbers which fall into this category. For these guardians it will still be necessary to separately regulate them, charge Childminder fees, and received the appropriate early years subsidy via the Sponsor Department.

5. Are you content that your organisation can meet the financial costs associated with the Bill? If not, how do you think these costs should be met?

Yes, as long as the issues outlined in 4 above are satisfactorily funded by our Sponsor.

6. Does the Financial Memorandum accurately reflect the margins of uncertainty associated with the estimates and the timescales over which such costs would be expected to arise?

It is obvious that significant work has gone into compiling the various cost estimates provided. The Care Commission is not able to comment on the detail of the figures provided, however, in general terms they would seem to provide a reasonable overall cost projection. We would point out that there seems to be an arithmetical error in table 2, the totals in the column ‘Cost YR 1-3’ would appear to be incorrect.

Wider Issues

7. If the Bill is part of a wider policy initiative, do you believe that these associated costs are accurately reflected in the Financial Memorandum?

We have no reason to believe otherwise.

8. Do you believe that there may be future costs associated with the Bill, for example through subordinate legislation or more developed guidance? If so, is it possible to quantify these costs?

We are not able to comment.

Yours sincerely

Mr Thomas Waters
Director of Finance and Administration

Mr Ronnie Hill
Director of Children’s Services Regulation