

# UEFA European Championship (Scotland) Bill

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## 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 UEFA European Championship (Scotland) Bill introduced in the Scottish Parliament on 24 September 2019. The contents are entirely the responsibility of the Scottish Government and have not been endorsed by the Parliament.
2. The following documents also accompany the Bill and are published separately:
  - Explanatory Notes (SP Bill 54–EN);
  - a Policy Memorandum (SP Bill 54–PM);
  - statements on legislative competence by the Presiding Officer and the Scottish Government (SP Bill 54–LC).
3. The Policy Memorandum explains in detail the background to the Bill and the policy intention behind the Bill. The purpose of this Financial Memorandum is to set out the costs associated with the measures introduced by the Bill, and as such it should be read in conjunction with the Bill and the other accompanying documents.

### Background

4. To commemorate the 60th Anniversary of the European Football Championship (“the Championship”) in 2020, UEFA has changed the usual format of the event so that 12 cities across the continent will host matches, instead of the Championship taking place in only one or two host nations. Glasgow was successful in its bid to be a host city. The other host cities are Amsterdam, Baku, Bilbao, Bucharest, Budapest, Copenhagen, Dublin, London, Munich, Rome and Saint Petersburg.

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5. The Championship will take place from 12 June to 12 July 2020. Hampden Park in Glasgow will host three group matches (on 15, 19 and 23 June) and one Round of 16 match (30 June). A Local Organising Committee (LOC) has been created to help deliver the event. The LOC is comprised of representatives from the Scottish Football Association, the Scottish Ministers, Glasgow City Council, Hampden Park Limited, Visit Scotland and Police Scotland.

6. Overall the Championship will provide another opportunity for Scotland to demonstrate to the world that Glasgow is a vibrant, cosmopolitan and dynamic city, building on the legacy of major events such as the Commonwealth Games in 2014 and the inaugural European Sports Championships in 2018. The Scottish Government believes that the event will reinforce Glasgow's reputation internationally as a major event and tourist destination.

## Purpose of the Bill

7. The purpose of the Bill is to help ensure successful delivery of the Championship. The legislation will prohibit ticket touting for profit and restrict street trading and advertising. It also provides for enforcement of these provisions. It does not make provision in relation to any of the broader preparations that are underway to host the event for which no additional legislative provision is required.

8. The draft Bill provides for three event zones in Glasgow where restrictions on street trading and advertising will apply: Hampden Park, the Merchant City and George Square. The provisions relating to ticket touting apply throughout and outwith Scotland, and prohibit ticket touting in person and by electronic methods.

9. The requirement for a Bill has arisen reasonably recently and so there has not been sufficient time for a full public consultation to be held prior to introduction. This has also limited the time available to estimate the potential costs of the Bill.

10. The financial impact of the Bill is considered to be relatively minor, especially in relation to the economic opportunity provided by co-hosting the Championship. The main costs are for Glasgow City Council in relation to enforcement activity that is required to ensure compliance with the

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provisions in the Bill. These costs will be incurred from early 2020 until shortly after the Championship ends, with the bulk of costs expected to arise in June and July.

11. The overall LOC budget for delivery of the Championship in Glasgow is £9 million, with £3.5 million of this being provided by the Scottish Government and the remainder from other LOC members. Any additional costs to LOC members arising directly as a result of this event-specific legislation will in the first instance be met from this existing budget. This budget does not include the stadium rental fee which is payable by UEFA.

## Costs on the Scottish administration

### Scottish Government

12. The Scottish Government will incur some administrative costs in working with other members of the LOC and UEFA on implementation of the Bill and for post-event evaluation. These have been estimated at £15,000-£20,000. These costs will be met from the Scottish Government's existing administrative budget.

### Crown Office and Procurator Fiscal Service and Scottish Courts and Tribunals Service

13. The new offences being created in the Bill are intended to act as a deterrent and will only be in place for a relatively brief period. There were no prosecutions as a result of the similar offences contained in the Glasgow Commonwealth Games Act 2008 and based on this experience it is expected that the vast majority of those affected will respect the restrictions. Where the restrictions are breached, enforcement action could include a warning being given to ensure the offender is aware how to comply with the restrictions or could result in confiscation and destruction of property. Prosecutions would be a last resort. That means that very few prosecutions, if any, are expected. However, the Scottish Government considers that it is important to have the ability to be able to take punitive action in the event of any breach of the restrictions contained in the Bill.

14. Custody is not an option available to the court upon conviction for any of the offences and so no costs would fall on the Scottish Prison Service. The costs of enforcing financial penalties imposed upon conviction are estimated to be minimal given that very few, if any, prosecutions are

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expected. Any costs that would arise would fall on the Scottish Courts and Tribunals Service who enforce payment of court imposed financial penalties.

15. The costs of the Bill to the Crown Office and Procurator Fiscal Service are estimated at £0-£6,000 and for the Scottish Courts and Tribunals Service are estimated at £0-£4,000. This has been estimated using a cost per case of £421 for the Crown Office and Procurator Fiscal Service and £441 for Scottish Courts and Tribunals Service<sup>1</sup>.

## Costs on local authorities

16. The Scottish Government has discussed potential costs with Glasgow City Council as part of the preparation of this Financial Memorandum.

17. Glasgow City Council will play a key role in delivering protection of commercial rights and the Bill provides it with the powers and responsibilities required to fulfil this role. In particular, costs will arise as the Council will be required to take on an enforcement function in relation to the offences contained within the Bill.

18. All of the existing 22 members of staff within the Trading Standards section in Glasgow City Council are experienced officers and most were designated enforcement officers for the Olympics (2012) and the Commonwealth Games (2014) where similar event specific legislation was in place. All the officers have further experience of large sporting and cultural events, for example the European Championships in 2018. Glasgow City Council intends to provide training on the Bill, the regulations made under it and the enforcement of them. To effectively cover the times

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<sup>1</sup> These are based on 2015-16 estimated cost per case prosecuted at the Sheriff Court in Scotland (the latest year for which published figures are available). The Scottish Government expect cases will follow the summary procedure. It is possible for the advertising and street trading offences to be prosecuted on indictment, in which case costs would be £4,238 and £2,234 per case for the Crown Office and Procurator Fiscal Service and Scottish Courts and Tribunals Service, respectively. Using this more expensive procedure is considered very unlikely unless a trading or advertising offence was being prosecuted along with other charges. The ticket touting offence may only be prosecuted using the summary procedure.

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that the event zones are expected to be in operation may require additional officers. Glasgow City Council is considering whether it may be possible to bring in enforcement officers from other local authorities on secondment in order to meet this short-term need, although there are a number of uncertainties that will affect how many officers will be required. This includes the countries drawn to play matches at Hampden, the extent of the event zones and operating hours of these zones.

19. Taking into account this uncertainty, the costs of this enforcement activity have been estimated at £45,000-£84,000, although some of this could be covered by the redeployment of existing resources. This includes staff costs of enforcing the restrictions in the event zones, staff training costs, undertaking an audit of existing advertising in place before the event, and the costs of removing any ambush marketing, as defined at section 11(5) of the Bill. The lower end of the estimate might be more likely to arise if the Scottish national football team does not qualify for the tournament, in which case fewer enforcement officers would be expected to be needed.

20. There are also expected to be some costs to Glasgow City Council associated with raising awareness of the new provisions (for example through publishing guidance and in offering existing street traders new trading arrangements). These costs have been estimated at £5,000-£10,000.

## Costs on other bodies, individuals and businesses

### Police Scotland

21. The costs to Police Scotland as a result of the Bill have been minimised through the Bill provisions to appoint enforcement officers, rather than relying on the police to enforce the Championship offences without enforcement officers. Police Scotland will retain all of its existing statutory powers in relation to Championship offences, and may be required to play a supporting role, much in the same way it already supports trading standards officers. For example, a constable would be required to accompany enforcement officers without a warrant when using their power of reasonable force to gain entry. Police Scotland has been consulted as part of the development of the Financial Memorandum and has estimated

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the costs of the enforcement function for the offences contained within the Bill at approximately £5,000 for staff training.

## Businesses

22. The Scottish Government believes that the Championship as a whole presents a significant economic opportunity for Scotland and for Glasgow in particular. For example, preparation for, and delivery of, the 2014 Commonwealth Games is estimated to have contributed approximately £740 million to Scotland's Gross Value Added (GVA), and approximately £390 million to Glasgow's GVA specifically, over the period 2007-2014<sup>2</sup>.

23. Specifically in relation to football, the gross impact of the 2007 UEFA Cup Final at Hampden has been estimated by Glasgow City Council to have resulted in expenditure of over £16.3 million. The net impact was nearly £10 million of expenditure in Glasgow including indirect and induced impacts, with a further £1.5 million outside Glasgow.

24. In terms of other impacts individuals and businesses, there is an obligation under the agreement with UEFA to host the event to protect the official sponsors from ambush marketing. Only businesses that have been authorised by UEFA or Glasgow Life will be able to advertise and trade within the event zones when these are in operation. Such authorisation would be achieved through becoming an official sponsor or trading partner. Official sponsors provide a vital source of funding for the Championship. The sale of such sponsorship rights provides a significant revenue stream for events which might otherwise have to rely more heavily on public subsidy. The Bill and associated regulations will not only help protect the investment of sponsors by preventing ambush marketing, but will also ensure a welcoming environment for spectators, protect the character of the event and help to ensure safe access to event zones.

25. The Bill will restrict commercial activity in the three proposed event zones when these are in operation. This is not anticipated to affect a large number of businesses, given the size of Glasgow as a whole, and the Scottish Government does not anticipate that businesses will have significant compliance costs – for example some businesses may have to

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<sup>2</sup> <https://www.gov.scot/publications/evaluation-legacy-glasgow-2014-commonwealth-games-post-games-report/>

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cover over or remove external advertising on the days a zone is in operation.

26. There are no street traders currently licensed to operate in the proposed George Square and Merchant City event zones. Street traders currently licensed to operate in the proposed Hampden Park event zone will not be permitted to trade in this zone on the days that it is in operation. These match days are in addition to the days on which these traders would usually expect to generate income in a year when the Championship was not taking place in Glasgow. As such the Scottish Government does not consider that the Championship will affect the income they would normally expect. However, it does acknowledge that these traders are likely to earn less than if they were able to operate in the Hampden Park event zone during the restricted period. The Bill places a duty on Glasgow City Council to offer affected traders alternative trading arrangements when the event zones are in operation, to mitigate any potential adverse impact of the restrictions and allow them to benefit from the economic opportunity the event provides.

27. The impact on these street traders and other businesses is considered in more detail in the Business and Regulatory Impact Assessment for the Bill<sup>3</sup>.

## Summary tables of estimated costs arising due to Bill

<b>Organisation</b>	<b>Category of Cost</b>	<b>Estimate (£)</b>
Scottish Government	Staff costs for Bill implementation and evaluation	15,000-25,000
Crown Office and Procurator Fiscal Service	Costs of prosecutions	0-6,000
Scottish Courts and Tribunals Service	Costs of prosecutions	0-4,000
Glasgow City Council	Enforcement Officer attendance at event zones	35,000-50,000
Glasgow City Council	Enforcement Officer Training	0-5,000

<sup>3</sup> Available at: <https://www.gov.scot/publications/>

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<b>Organisation</b>	<b>Category of Cost</b>	<b>Estimate (£)</b>
Glasgow City Council	Advertising audit and other pre-event checks	4,000-7000
Glasgow City Council	Enforcement action (such as removing advertising)	6,000-22,000
Glasgow City Council	Publication of guidance and offering alternative trading arrangements	5,000-10,000
Police Scotland	Staff training	5,000
	<b>Total</b>	<b>70,000-134,000</b>



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