

*These notes relate to the Ethical Standards in Public Life etc. (Scotland)
Act 2000 (asp 7) which received Royal Assent on 24 July 2000*

ETHICAL STANDARDS IN PUBLIC LIFE ETC. (SCOTLAND) ACT 2000

EXPLANATORY NOTES

FINANCIAL MEMORANDUM

Introduction

103. The main costs of implementing the provisions of this Act relate to the setting up and running of the Standards Commission for Scotland. These costs will fall to the Scottish Executive.

Costs on the Scottish Administration

104. The Act provides for the creation of a Standards Commission for Scotland. This Commission will have overall responsibility for dealing with allegations of breaches of the new codes of conduct for councillors and members of relevant public bodies. The Act provides that the expenses of the Commission will be paid out of money provided by Ministers.
105. The Act also provides for the appointment of a Chief Investigating Officer (CIO) who will be responsible for investigating alleged breaches of the codes of conduct. The CIO will be appointed by Scottish Ministers and will not be a member of the Commission. The CIO's salary and expenses will be paid out of money provided to the Commission by Scottish Ministers.
106. There is considerable uncertainty about the level of allegations the Standards Commission is likely to face. Given the difficulty in predicting workload, the Act is not prescriptive about the Commission's size, although it will require a minimum of three members, who may be full or part time, to carry out its functions. One of these members may be the Convener of the Commission. If caseload demands further members may be appointed. The Commission will require administrative staff and these will be provided by Scottish Executive staff on secondment. This will allow sufficient flexibility to create the complement of staffing required by the workload of the Commission.
107. The main costs of the Commission itself will comprise staffing, accommodation, and travel and subsistence costs. In addition to these there will be capital costs, which will principally arise at the outset, for items such as furniture and computers.
108. The Act provides for the Commission to hold a hearing into an alleged breach of a code of conduct on receipt of a report from the CIO. These hearings will be inquisitorial not adversarial and the Commission will have discretion to conduct these hearings in the manner it thinks fit. It is expected that the Commission will wish to take evidence from relevant individuals during a hearing and it will have discretion to pay expenses in this connection.
109. The total annual costs of the Commission, including those of the CIO, are expected to be £400,000-£450,000. Initial start up costs are expected to be £70,000.

110. The new ethical framework is expected to be established and to come into force in Spring 2001. The start up costs of the Commission will arise in 2000/2001; annual running costs will begin in the latter part of the same financial year.

Costs on Local Authorities and Relevant Public Bodies

111. The Act will impose a new duty on local authorities and relevant public bodies to assist their members to observe the relevant code of conduct. The Act provides flexibility for each of these bodies to carry out that duty in a way that is appropriate to individual circumstances, for example by establishing a standards committee, and by provision of advice and training to members. While this will be a new statutory duty it is recognised that local authorities and public bodies currently provide assistance to their members in relation to existing codes of conduct. Any new expenditure arising from this duty is expected to be minimal.

Teaching and welfare of children

112. Repeal of section 2A is expected to be cost neutral. Repeal of section 2A will remove a constraint on local authorities and will not require them to commit any expenditure. The Executive has set out the review of the package of safeguards in relation to education that will be undertaken before repeal comes into force. This review will incur some costs for the Executive but these are not expected to be significant.
113. [Section 26](#) will place a new duty on councils in regard to the performance of their functions in respect of children. The Executive believes that this provision builds on local authorities' duty of care and gives a statutory basis to the sensitive and appropriate teaching and delivery of services to children. Accordingly, it should not place a new financial burden on local authorities.