

Scotland's Strategic Framework: Business Closures

**BUSINESS AND REGULATORY
IMPACT ASSESSMENT**

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Title: Scotland's Strategic Framework: Business Closures

Purpose and intended effect:

The objective of Scotland's Strategic Framework is to set out a sustainable response to the pandemic to be implemented until either a vaccine or highly effective treatments to the virus are developed. The Framework covers the four key harms of the virus, how we will work to suppress the virus, and sets out our proposal to move to a strategic approach to outbreak management based on five levels of protection.

This BRIA is focused on the measures included within Scotland's Strategic Framework which relate to the following sectors:

- Accommodation
- Retail
- Close contact services
- Sports and exercise
- Stadia and events
- Indoor bowling, snooker and pool halls
- Soft play
- Arcades

However, individual measures need to be viewed within the broader context of the package of measures within each level, with the strategic framework taking a four harms approach to considering which interventions are introduced at each level through assessment of:

- direct health harms associated with COVID-19
- broader health harms
- social harms
- economic harms

Please also note that this forms the first tranche of BRIAs on Business Closures published by the Scottish Government. Further BRIAs will be published this month.

The Strategic Framework includes measures across a wide number of settings and provides a comprehensive approach to reducing infection rates and suppressing the spread of the virus. Each of the levels is designed to reflect the relative severity of the area it is being applied to, with progressively heightened restrictions implemented as necessary.

The measures within the Strategic Framework include restricting business activity to only essential purposes; requiring additional protective measures; restricting numbers or seating arrangements; restricting operations to outdoor settings; and closing businesses/premises in the highest levels where the virus is most severe. Other protective measures and guidance may also impact on the operation of these sectors. This includes:

- New guidance against non-essential travel in and out of level 3 and level 4 areas.
- The restrictions on socialising, in particular the rules for different households socialising.
- The hospitality restrictions, including restrictions to opening times and alcohol sales.
- The requirement to take measures, so far as reasonably practical, to minimise risk of exposure to coronavirus (including maintaining social distancing on premises).

Many of the sectors covered in this document were re-opened in a phased way following the initial lockdown period and this has been important in starting the recovery of Scotland's wider economy and wellbeing, albeit with many of the sectors operating in different ways and below usual capacity, and with

others not yet permitted to reopen. Re-opening has benefited businesses directly, and those employed within these sectors, and enabled consumer spending to return which has led to further economic benefits. Furthermore, it has also had wider positive social impacts. Measures in the strategic framework seek to suppress the virus to a low enough level to subsequently enable us to begin lifting restrictions on our daily lives, and continue to create a strong base for economic and social recovery.

Legislative Background:

The UK Coronavirus Act 2020 received Royal Assent on 25 March 2020. The Scottish Government immediately used powers conferred by that Act to make the Health Protection (Coronavirus) (Restrictions) (Scotland) Regulations 2020 (“the first regulations”), to implement physical distancing and impose restrictions on gatherings, events and operation of business activity. They came into force on Thursday 26 March 2020 and were amended over the following months to implement changes to restrictions nationally and locally.

The Health Protection (Coronavirus) (Restrictions and Requirements) (Scotland) Regulations 2020 came into force on 14 September 2020 and revoked and replaced the first regulations.

On 9 October 2020, the Health Protection (Coronavirus) (Restrictions and Requirements) (Additional Temporary Restrictions) Regulations 2020 (“the additional temporary restrictions”) set out additional restrictions, both nationally and specific to the central belt. These regulations suspended the effect of the Health Protection (Coronavirus) (Restrictions and Requirements) (Scotland) Regulations 2020 while the additional temporary restriction regulations were in force. The additional temporary restriction regulations were due to expire on 26 October but were extended by amendment until 6.00 am on 2 November to allow for consultation on the levels-based approach.

The Health Protection (Coronavirus) (Restrictions and Requirements) (Local Levels) (Scotland) Regulations 2020 implement the new Strategic Framework and were published on 30th October and came into force on 2 November. These Regulations were amended before they came into force by the Health Protection (Coronavirus) (Restrictions and Requirements) (Local Levels) (Scotland) Amendment Regulations 2020.

The regulations at all stages have been complemented by a comprehensive suite guidance on the Scottish Government website covering both what is required by the law and other measures that individuals and other organisations are advised take.

Scotland’s Strategic Framework:

Decision-making under the new Strategic Framework system is intended to be straightforward and transparent. It will build on existing structures and processes, will be informed by clinical advisers and evidence, and will continue the engagement with local leadership as decisions to move up and down levels are taken.

Decisions will continue to be made by Ministers, with input from relevant advisers, as implementing the measures outlined in the levels is the exercise of a statutory power for the protection of public health, for which Ministers are responsible and accountable.

Regular reviews of the levels system will take place and as soon as Ministers consider that any measure or requirement is no longer necessary to prevent, protect against, control or provide a public health response to the spread of COVID-19, they must revoke that measure or requirement.

Rationale for Government intervention

Strategic Intent

COVID-19 threatens health and life, but also how we live our lives, and our shared prosperity. The Scottish Government, in common with other UK Nations, is committed to suppressing the virus to the lowest possible level, and keeping it there, until we have a vaccine and/or effective treatments, and the virus is no longer the threat it is now. There is no acceptable number of people we are willing to let become infected.

The evidence base around transmission for this new virus is still emerging, so we are committed to taking decisive action based on the best evidence available to us, while keeping this under regular review.

We have considered a wide range of evidence in developing the Strategic Framework, incorporating information from a variety of sources.

Transmission

SARS-CoV-2 can be transmitted by three main routes: close-range respiratory droplets and aerosols, longer range respiratory aerosols, and direct contact with surfaces contaminated with virus. Transmission is strongly associated with proximity and duration of contact in indoor environments. It is possible for SARS-CoV-2 to be transmitted at distances of more than 2 metres.^{1 2}

We know from contact tracing, international evidence and scientific research that a wide range of social, residential and workplace settings have been associated with transmission. The highest risks of transmission, including those from super-spreading events, are associated with poorly ventilated and crowded indoor settings with increased likelihood of aerosol emission and where no face coverings are worn such as bars, nightclubs, parties/family gatherings, indoor dining, gyms and exercise classes. Poor ventilation and crowding have been suggested to be factors in numerous transmission clusters^{3,4}.

The Government recognises from Test and Protect data⁵ that a high proportion of new cases came from social interactions between different households in our homes, where it can be difficult to maintain physical distance and have good ventilation. Given transmission of the virus within homes is high risk^{6,7}, gatherings in private dwellings was targeted first and will be restricted to some degree across all of the 5 levels.

However, other setting also have the potential to transmit the virus due to the risk factors. Understanding settings where multiple risk factors come together, and large outbreaks are likely to

¹ [Transmission of SARS-CoV-2 and Mitigating Measures, SAGE EMG June 2020](#)

² <https://www.gov.uk/government/publications/sars-cov-2-transmission-routes-and-environments-22-october-2020>

³ Leclerc QJ FN, Knight LE. What settings have been linked to SARS-CoV-2 transmission clusters? [version 1; peer review: 1 approved with reservations]. Wellcome Open Res **2020**; 5:83

⁴ Dillon Adam PW, Jessica Wong et al. Clustering and superspreading potential of severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2) infections in Hong Kong

⁵ <https://www.gov.scot/publications/coronavirus-covid-19-update-first-ministers-speech-22-september-2020/>

⁶

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/925856/S0770_NPIs_table_pivot_.pdf

⁷ <https://www.gov.uk/government/publications/sars-cov-2-transmission-routes-and-environments-22-october-2020>

occur, is important in controlling the epidemic.

Risk Factors

High-risk factors associated with transmission of the virus⁸ include indoor spaces, where ventilation and physical distancing may be less easy to maintain, and are places where people come together to spend prolonged periods of time (more than 15 minutes) in close proximity, enabling the virus to spread easily from person to person. Risks are further compounded by speaking loudly and the effects of alcohol consumption⁹. Another risk factor is the when a 2m distance cannot be maintained, as evidence suggests that 1m distancing carries between 2 and 10 times the risk of 2m distancing¹⁰.

Risks outdoors are lower, with the risk of aerosol transmission considered to be very low outdoors due to high dilution of virus carrying aerosols and UV inactivation of the virus. The virus is not likely to survive for long periods of time on outdoor surfaces in sunlight, although it may survive for more than 24 hours in indoor environments. Outdoors, face to-face exposure (e.g. $\leq 2\text{m}$ for a prolonged period) should still be considered a potential risk for transmission via respiratory droplets.¹¹

Depending on the venue, issues of ventilation (with recirculation of air being particularly problematic), crowding (where it is hard to regulate the distance between people), and pinch points (at areas such as toilets) all contribute to risk. Keeping surfaces clean and regulating movement throughout the setting is a further challenge. Fundamentally, venues which are attended by many people, typically from different households, specifically to meet for long periods of time, all amplify the risk of transmission. The risks in some venues may be exacerbated by some behaviours – whether this be drinking alcohol (e.g. in nightclubs), which can cause people to lose their inhibitions, increase risk-taking and to make decisions they would usually would not¹² or breathing heavily (e.g. due to exercising in gyms)¹³. Many of the sectors covered in this document rely on people from many households coming together for prolonged periods (e.g. in theatres or stadia) and it is important to understand that the number of potential transmission events increase much more quickly than the number of people gathering¹⁴.

Each place an individual visits brings different risks depending on a range of factors, such as¹⁵:

- the mix and number of people present,
- the amount of time individuals are likely to spend there,
- the ability to maintain 2m distancing,
- the likelihood of pinch points where people might gather (e.g. toilets, entrances and exits),
- the standard and type of ventilation,
- the likelihood of people touching surfaces and goods, and
- the potential for significant aerosol projection activity¹⁶.

⁸ [COVID-19: NOTE BY THE CHIEF MEDICAL OFFICER, CHIEF NURSING OFFICER AND NATIONAL CLINICAL DIRECTOR 7th October 2020](#)

⁹ [Collins A and Fitzgerald N \(2020\)](#)

¹⁰ [Transmission of SARS-CoV-2 and Mitigating Measures, SAGE EMG June 2020](#)

¹¹ [Transmission of SARS-CoV-2 and Mitigating Measures, SAGE EMG June 2020](#)

¹² <https://www.nhsinform.scot/healthy-living/alcohol/the-risks-of-drinking-too-much>

¹³ SAGE papers 21 September 2020:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/925856/S0770_NPIs_table_pivot.pdf and

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/925854/S0769_Summary_of_effectiveness_and_harms_of_NPIs.pdf

¹⁴ SPI M paper 20 August 2020:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/916888/spi-m-o-statement-gatherings-s0704-sage-52-200819.pdf

¹⁵ [COVID-19: NOTE BY THE CHIEF MEDICAL OFFICER, CHIEF NURSING OFFICER AND NATIONAL CLINICAL DIRECTOR 7th October 2020](#)

¹⁶ <https://www.gov.uk/government/publications/sars-cov-2-transmission-routes-and-environments-22-october-2020>

The risk factors vary between these sectors and between different types of businesses operating within these sectors. Each sector's risk factors are considered in more detail within the relevant section of this document.

Risk factors for different businesses in different sectors vary hugely and most will have a number of risk factors to consider. Some places are riskier due to touch points, some due to limited ventilation, some due to the mix and number of people coming and going, some due to pinch points at which people may gather. Others may cause people to speak more loudly, breathe heavily or cheer, potentially projecting aerosol particles further. Businesses which rely on close contact or on people from different households visiting or coming together are inherently at a high risk of spreading the virus^{17 18}.

The Strategic Framework includes measures across a wide number of settings and provides a comprehensive approach to reducing infection rates and suppressing the spread of the virus. The specific measures, as set out in the Regulations and guidance, reflect the assessment of risk factors associated with a particular activity. Each of the Strategic Framework's levels are designed to reflect the relative severity of the area it is being applied to, with progressively heightened restrictions implemented as necessary.

Test and Protect

Understanding where transmission takes place and the modes of transmission is a very challenging task. Data from contact tracing provides initial clues as to the environments where people spend time, but does not give definitive information on where, when and how transmission occurred.

Test and Protect data in Scotland is examined on a weekly basis to analyse attendance of a range of settings, including shopping, 'personal care', exercising, entertainment and day trips, and sporting events. It of course does not cover sectors which have not yet reopened. It is important to note that due to the way the data is collated, there may be some overlap between settings and whilst a case mentions that they have been at a particular venue or gathering event this does not imply nor guarantee that they acquired infection at that location.

The following table is taken from the details of interviews that have been completed as part of Test and Protect up to week ending 1st November 2020. It includes places, events or activities relevant to this BRIA, along with some other interactions in order to provide context.

Place / event / activity	Number of cases that had visited these places	% of cases interviewed
Shopping	2663	29.9%
Personal Care	1900	21.4%
Eating out	1074	12.1%
Exercising	570	6.4%
Visiting friends / relatives	518	5.8%
Visiting Health and Social Care settings	501	5.6%
Entertainment and day trips	476	5.3%

¹⁷ SAGE papers 21 September 2020:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/925856/S0770_NPIs_table_pivot_.pdf and

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/925854/S0769_Summary_of_effectiveness_and_harms_of_NPIs.pdf

¹⁸ SPI M paper 20 August 2020:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/916888/spi-m-o-statement-gatherings-s0704-sage-52-200819.pdf

Sport events	134	1.5%
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Table showing information from Test and Protect interviews week ending 1 November 2020¹⁹

Whilst these figures do not demonstrate that the infection was acquired in each of these settings, they do demonstrate the types of settings the individuals may have been in while potentially infectious themselves. It is important to note, too, that 20% of people tested were asymptomatic and that asymptomatic and pre-symptomatic transmission of COVID-19 is now known to occur. This means that people who have no symptoms can still be infectious to others²⁰.

International Experiences

A number of European countries have introduced a range of restrictions on businesses, which cover similar actions for supporting a reduction in transmission of the virus as have been considered in Scotland and other parts of the UK. These countries continue to adapt their package of restrictions in response to rising infection rates. During the week commencing 23rd October the following were identified:

- **Germany** - an emergency month-long lockdown was announced on 28 October. This includes measures such as the closure of restaurants (which can only provide a takeaway service), bars, gyms and theatres; closure of beauty parlours and tattoo artists (hairdressers can stay open); and overnight accommodation will only be available for essential travel.
- **Ireland** - has entered its second week of the highest tier of restrictions nationwide. This includes the closure of non-essential shops, along with barbers' shops, beauty salons, gyms, leisure centres and cultural amenities. Pubs, cafes and restaurants will be allowed to serve takeout meals only.
- **Poland** - the Government has introduced tighter national restrictions, including requiring remote learning for all secondary and university students, limiting gatherings to five people, closing bars and restricting restaurants and cafes to takeaway services.
- **France** – on 28 October, a new nationwide lockdown was imposed, which includes the closure of all bars, restaurants, and all businesses considered "non-essential", and working from home will be the norm.
- **Belgium** - announced a strengthened lockdown on 27 October, including additional measures such as closure of non-essential shops (with click-and-collect and delivery services permitted), and closure of non-medical contact professions (such as hairdressers or beauty salons). This is in addition to existing restrictions, which include the closure of all restaurants and bars, a nationwide curfew, and closure of all cultural and indoor sports venues.
- **Czech Republic** - strict new measures came into force on 28 October. The Government has imposed a curfew between 9pm and 5am, shops selling essential goods must close on Sundays and by 8pm on weekdays. Schools will close to all students from 2 November, including kindergartens and special schools.

Conclusion

Limiting social mixing as much of possible in all settings is the most effective measure against

¹⁹ <https://beta.isdscotland.org/find-publications-and-data/population-health/covid-19/covid-19-statistical-report/4-november-2020/>

²⁰ Qiu X, Nergiz AI, Maraolo AE, Bogoch II, Low N, Cevik M. Defining the role of asymptomatic SARS-CoV-2 transmission: a living systematic review. medRxiv 2020: 2020.09.01.20135194.

transmission of the virus until a vaccine and treatments become available.

However, it is widely recognised that wider health and wellbeing is impacted by our ability to mix with other people. Our collective effort and sacrifices suppressed the virus to low levels during the summer. That came at a cost to education and learning, health and care services, and our ability to lead our lives freely. We recognise and take account of these wider risks, particularly the critical twin risks in health of a second wave potentially coinciding with the seasonal flu, and the wider pressures that the winter period brings, impacting across health and social care. While taking difficult decisions to suppress the virus, we continue to weigh this against the potential mental and physical health, social and developmental harm that may be caused by any measures.

In common with the wide range of other countries who have implemented similar measures, we know there will be significant financial hardships and risks for businesses as a result of the measures in the Strategic Framework. The levels approach sets out proportionate action to address the harm from the virus whilst acknowledging the wider health, social and economic harms. When the risk of Covid rises, so too will the measures in these sectors. Similarly as the risk falls, the measures will ease. This strategic approach to outbreak management is based on five levels of protection, each with graduated packages of measures to reduce transmission of the virus, that can be applied locally or nationally, according to the evolving patterns of infection and transmission.

Across all of the five levels we seek to balance:

- The positive impact on the transmission rate of the virus through restricting the opportunity for mixing, particularly in high risk settings
- Enabling as many businesses as possible to remain open safely, in ways that enable firms to remain viable and reduce the likelihood of redundancies
- The important role that these businesses and venues play in maintaining our wellbeing
- The risk of people gathering elsewhere in less safe environments
- The economic costs, including wider costs and the impact on the supply chain.

Title: Scotland’s Strategic Framework: ACCOMMODATION (Hotels, B&Bs, Self-catering, Caravan sites and Campsites.)

Purpose and intended effect:

The objective of Scotland’s Strategic Framework is to set out a sustainable response to the pandemic to be implemented until either a vaccine or highly effective treatments to the virus are developed. The Framework covers the four key harms of the virus, how we will work to suppress the virus, and sets out our proposal to move to a strategic approach to outbreak management based on five levels of protection.

This BRIA is focused on the set of **Accommodation** measures included within Scotland’s Strategic Framework. However, individual measures need to be viewed within the broader context of the package of measures within each level, with the strategic framework taking a four harms approach to considering which interventions are introduced at each level through assessment of:

- direct health harms associated with COVID-19
- broader health harms
- social harms
- economic harms

The Strategic Framework includes measures across a wide number of settings and provides a comprehensive approach to reducing infection rates and suppressing the spread of the virus. Each of the levels is designed to reflect the relative severity of the area it is being applied to, with progressively heightened restrictions implemented as necessary.

The key measures relating to **Accommodation** are set out in the table below:

ACCOMMODATION Measures (socialising and hospitality rules apply)	Level 0 (Baseline)	Level 1	Level 2	Level 3	Level 4
	Open – socialising and hospitality rules apply	Open – socialising and hospitality rules apply	Open – socialising and hospitality rules apply	Open – socialising and hospitality rules apply Guidance advises non-essential (leisure/tourism) use only by locals Essential, e.g. work related use can continue	Essential only, e.g. work-related (No tourism) Socialising and hospitality rules apply

NB For the accommodation sector the interaction with travel and socialising rules is particularly acute, with the business impact on the accommodation sector (below Level 4 where the sector is closed for tourism) arising as a result of measures put in place to limit socialising and travel, which in turn limit demand for accommodation. In view of this, this Accommodation BRIA should be cross referenced with the BRIA for Travel (when published) and the Socialising Rules in the regulations implementing the Strategic Framework. The basis for the measures in place at the various Levels for travel are set out in the Travel BRIA. The basis for the socialising rules at the various Levels are set out in the Strategic Framework.

Purpose and intended effect: Scotland’s Strategic Framework Accommodation Protections

Introduction

The **Accommodation** sector is a very important part of Scotland's economy and society. Accommodation is a key element of our visitor economy, as well as providing a service to support business.

This BRIA addresses the business and regulatory impact of measures and protections put in place across the 5 Levels of Scotland's Strategic Framework on the accommodation sector. This is a diverse sector which encompasses Hotels, B&Bs, Self-catering, Caravan and Campsites, as well as hostels that provide visitor accommodation.

In the main this BRIA relates to accommodation that is used by visitors/tourists, however accommodation is also used by workers for business purposes, and this BRIA therefore also covers decisions made regarding the use of visitor accommodation by workers. This BRIA does not cover where accommodation is used for residential purposes, or to house the homeless/asylum seekers or other non-visitor/tourism purposes.

It is estimated that the accommodation sector in Scotland comprises 2,865 registered enterprises and accounts for 52,700 jobs²¹ broken down as follows:

- 1,675 businesses in Scotland, supporting around 46,000 jobs – approximately a quarter of all jobs in Scottish tourism.
- 125 Holiday centres and villages, around 800 jobs
- 30 Youth hostels, supporting 350 jobs.
- 695 Other holiday and other short-stay accommodation (not including holiday centres and villages or youth hostels) supporting 2,250 jobs
- 250 Camping grounds, recreational vehicle parks and trailer parks supporting 2,500 jobs.
- 90 Other accommodation supporting 800 jobs.

Within the accommodation sector across Scotland, it is estimated that there are over 2,300 business premises classed as hotels across Scotland; over 1,500 premises classed as B&Bs; and over 17,000 premises classed as self-catering premises²².

The accommodation sector was estimated to contribute around £1.58 billion of GVA to Scotland's economy in 2018²³.

The accommodation sector, and broader accommodation and food services sector, have a number of important characteristics:

- Women are more likely than men to work in the accommodation and food sector industry. Women constitute 54.8% of the workforce in Accommodation and Food Services.²⁴
- A large proportion of the workforce are young people: 36.8% of the accommodation and food services sector workforce is aged 16-24 compared to 12.3% of the workforce as a whole.
- A large portion of the workforce in Accommodation and Food Services (45.4%) were employed in 'low skilled' occupations in 2019, compared with 10.8% of the workforce in the Scottish economy

²¹ Data on Registered Enterprises is sourced from the IDBR for 2019, while employment data is sourced from BRES and covers 2018.

²² Extract from the Non-Domestic Rates valuation roll, October 2020

²³ Scottish Government (2020) Growth Sector Statistics: <https://www.gov.scot/publications/growth-sector-statistics/>

²⁴ Scottish Government (2020), Scotland's Labour Market: People Places and Regions <https://www.gov.scot/publications/scotlands-labour-market-people-places-and-regions-background-tables/>

overall.

- The majority of those aged 18+ in Accommodation and Food Services (60.2%) earned less than the Real Living Wage in 2019, compared with 16.9% of all employees in Scotland.
- The large proportion of people working within accommodation work part time. In 2018, 29,000 employees (57%) worked full-time, while 22,000 (43%) worked part-time²⁵.
- The industry sector with the highest proportion of non-UK nationals in the workforce is distribution, hotels and restaurants – 12.5 per cent of its workforce are non-UK nationals²⁶
- Accommodation is an important activity across Scotland, forming an important part of the broader tourism industry in both rural and urban areas.
- The sector is an important contributor to Scotland's economic performance, and to economic opportunities for young people and those entering the labour market

COVID-19 and VISITOR ACCOMMODATION

BACKGROUND AND IMPACT

From 26th March 2020, visitor accommodation businesses were required by law to cease carrying on their business, subject to certain exceptions²⁷. Some businesses chose to close earlier than this.

The requirement to cease business was based the introduction of the stay at home requirements, including requirement not to be away from your primary residence overnight, and to remain within a limited distance of that primary residence, other than for essential/exempted purposes. Visitor accommodation offers people the opportunity to move around the country, and creates opportunities for social interaction, which was wholly incompatible with the restrictions put in place to suppress the spread of the virus.

A small number of visitor accommodation providers continued to carry on their business in accordance with the exceptions in the relevant regulations, for example, providing accommodation to key workers, or to allow for essential travel – for instance for travellers attending funerals. In the case of key worker accommodation some providers offered this free or at low cost. Even where visitor accommodation was leased for these purposes (for example use of hotels to house oil workers in quarantine before they travel offshore, or as part of the 'Everyone In' campaign to ensure that the provision of accommodation for the homeless) the income generated and the operating costs meant that these arrangements did not make up for losses.

Accommodation providers were also able to continue business to accommodate their own staff and where people might otherwise risk homelessness. This was particularly the case in caravan and holiday parks,

²⁵ Business Register and Employment Survey.

²⁶ Scottish Government (2020), Non-UK Nationals in Scotland's Workforce
<https://www.gov.scot/publications/non-uk-nationals-in-scotlands-workforce/>

²⁷ (4) These exceptions were:

- (a) to provide accommodation for any person, who—
 - (i) is unable to return to their main residence,
 - (ii) uses that accommodation as their main residence,
 - (iii) needs accommodation while moving house,
 - (iv) needs accommodation to attend a funeral,
- (b) to provide accommodation or support services for the homeless,
- (c) to host blood donation sessions, or
- (d) for any purpose requested by the Scottish Ministers or a local authority.

where although sites were technically non-residential, users might not have access to any alternative accommodation, as their only other place of residence might be overseas, or with family, or they might be living on site, due to building work taking place at their primary residence. Again these arrangements, where they existed, were not of a scale to offer a replacement income.

The accommodation sector was also impacted by the requirement to refund customers for forward bookings. Whilst some customers were happy to accept re booking or deferrals, consumer protection requirements, stipulated that, where a service could not be provided, then customers were entitled to a full refund, including any part of the booking (e.g. deposit) which was previously indicated to be non-refundable. In some circumstances booking agents still deducted their own booking/transaction fee, even when a full refund was required and no business took place, meaning there was a cost to the accommodation provider.

The majority of providers also found that any business insurance that they held did not pay out, although some of the sector has challenged this in the courts, so this position might change.

SUPPORT AVAILABLE

There is a comprehensive package of financial support from the UK Government and the Scottish Government for businesses to mitigate the negative impacts of the restrictions.

SG support available to the sector includes:

100% **rates relief** for all non-domestic properties in the retail, hospitality, leisure sectors.

The **Small Business Grant Scheme** and **Retail, Hospitality and Leisure Grant Schemes**, together worth over £1 billion.

Two levels of grant were available.

- A grant of £10,000 to all businesses with a rateable value of up to £18,000.
- A grant of £25,000 to businesses in the hospitality, leisure and retail sectors with a rateable value of up to £51,000.

Both grants were available in full for a first property and then at 75% value for subsequent properties

The £3m **Bed & Breakfast Support Fund**, for B&Bs not eligible for other support due to not having a business bank account.

The **Pivotal Enterprises Resilience Fund** providing grants for businesses which support Scotland's productive capacity, are of local economic importance, leverage on the wider business community, are a supplier or potential supplier to NHS or other COVID-19 vital services, are a supplier to other essential businesses, or demonstrate a need to rapidly scale up or diversify due to COVID-19.

The **Creative, Tourism and Hospitality Enterprises Hardship Fund** for small businesses in those sectors that are experiencing hardship, and ineligible for other support (excluding JRS).

The **Hotel Recovery Fund** - up to £14m for a Hotel Recovery Programme – to secure up to 3,000 jobs in the hotel sector – recognising the important contribution it makes to tourism and the wider economy. Core purpose to protect sustainable employment in the medium term within larger hotels (that have not receive NDR support) and keep people in employment until the new tourist season in 2021. Offering bespoke package of wrap-around support, in addition to funding packages of between £100,000 and £250,000 per unit.

The **Support Scheme for Self-Catering Businesses**, - a £1,000,000 fund for self-catering businesses in Scotland, open to self-catering businesses in Scotland with a rateable value of up to £50,999 which have not received any funding from any other Scottish Government Scheme. To be eligible for the grant,

businesses must have been registered as paying Non-Domestic Rates on the 17th March 2020. Provided one-off grant of £10,000, limited to one grant per ratepayer, regardless of number of properties or if a ratepayer in a number of different local authority areas.

All of the above schemes bar rates relief are now closed.

Following the regulations commenced on 2nd November new Scottish Government financial support will apply across all the relevant levels, and will provide:

- **Closure Fund** - grant of £2,000 or £3,000 (depending on rateable value) for business required to close by law, payable every four weeks for the duration protective measures are in place.
- **Hardship Fund** - hardship grant of £1,400 or £2100 (depending on rateable value) for businesses that remain open but are specifically required to modify their operations by protective measures laid down in law, payable every four weeks for the duration measures are in place

These grants will be provided regardless of level, to eligible businesses, and paid in fortnightly instalments (subject to discussions with local authorities).

In addition to these Scottish schemes businesses can access UK Government support:

UK government **Coronavirus Job Retention Scheme** whereby employees working for businesses will receive 80% of their salary paid for by government.

- This applies to all countries and regions of the UK and is not linked to specific tiers or restrictions.
- The Government will fund 80% of wages for hours not worked with employers' contributions initially limited to employers' NICs and pension costs – reflecting the terms and conditions of the CJRS applicable in August 2020. Employer contributions will be reviewed in January.
- All employees who were on the payroll as of 30th October are now eligible.
- Employees that were on the payroll as at 23 September but have since been made redundant can be re-employed and claimed for

The UK Government also announced increased **support for the self-employed** who will also receive 80% of their average trading profits for November to January, with a further, as yet unspecified, grant to follow covering February to April.

The UK Government also announced (2 November)

- An extension of the **Coronavirus Business Interruption Loan Schemes** until the end of January.
- Additional funding for Local authorities to support their local health response worth £500 million.
- An extension of mortgage and consumer credit payment holidays, lasting 6 months.

Subsequent to the regulations commencing on 2nd November, there have been changes to the financial support package, notably the extension of the UK Government Coronavirus Job Retention Scheme until the end of March 2021.

Policy Objective

In common with the wide range of other countries who have implemented similar measures, the objective of the restrictions set out within the Strategic Framework is to ensure that the operation of visitor

accommodation settings is appropriate to the level of COVID-19 risk within the Local Authority area, also taking into account the other restrictions in place. Any restrictions on operations are intended to help control and suppress the spread of the virus, ultimately minimising transmission rates, hospital admissions, deaths and the potential overwhelming of the NHS.

Transmission

Transmission of SARS-CoV-2 is most strongly associated with close and prolonged contact in indoor environments. Parts of the **visitor accommodation** sector, where guests are in crowded spaces over extended periods fulfil many of the high-risk criteria for COVID-19 transmission²⁸. The highest risks of transmission are in shared accommodation, where facilities such as bedrooms, kitchens and bathrooms are communal, and at pinch points, entries, exits etc. For this reason the mitigations require changes in how the sector operates in this regard, for example closing private shared areas or designation bathrooms, bedroom and kitchen to a single household group (either wholly, or at particular times with provision for cleaning in between). This is also why accommodation with shared entrances/spaces reopened later than fully self-contained accommodation. Particular guidance and provisions have also been put in place to safely address situations where groups of workers are required by circumstances to share accommodation. Further mitigations to reduce transmission available in the accommodation sector to suppress transmission are enhanced cleaning, controlling entrances and exits, introducing one way systems, wearing face coverings outwith bedrooms, and taking cognisance of the make-up of clientele/staff, for example some accommodation types attract more older people.

Current position of Accommodation Sector

SECTOR REOPENING

The accommodation sector reopened on a staged basis, with fully self-contained, self-catering, including caravans and motorhomes, statics etc., where accommodation had a private entrance (no shared stairs) only, able to reopen for 3rd July. The sector was permitted to reopen fully from 15th July.

The ability to reopen was subject to putting in place appropriate mitigations, mainly, in this sector, centred around hygiene and cleaning regimes. There are additional business costs associated with these mitigations, and in some cases, for example where the business model depends on shared areas, e.g. hostels, or large self-catering premises, these requirements mean that the business can no longer operate in its usual form.

The need to put in place mitigations, and other factors – for example where accommodation providers themselves were vulnerable/shielding meant that not all accommodation reopened on these dates. And in some cases accommodation did not reopen at all (this was observed in particular amongst some remote rural family run campsites etc).

Scottish Government worked closely with the sector, though Scottish Tourism Alliance (STA) Association of Scottish Self Caterers (ASSC) British Homes and Holiday Parks Association (BH&HPA), and others on the development of appropriate mitigations.

SECTOR PERFORMANCE

COVID-19 has had a substantial impact on the accommodation sector. Following reopening, industry data from STR has indicated that hotel occupancy and revenues have been notably lower across Scotland than in previous years, though there have been indications that other parts of the accommodation sector, such

²⁸ [Transmission of SARS-CoV-2 and Mitigating Measures, SAGE EMG June 2020](#)

as self-catering, benefited from increased demand for self-contained properties in rural or coastal areas. The impact of COVID-19 on the accommodation sector can be seen in a number of economic indicators for the wider Accommodation and Food services sector:

- The Scottish Government's Monthly GDP statistics for August show Accommodation and Food as 31% lower in August than in February, compared with 9.4% lower for the economy overall²⁹.
- The Scottish Government's analysis of ONS's BICS statistics for Scotland includes information on the impact of COVID-19 on the Accommodation and Food Sector³⁰. Key points include:
 - The overall share of businesses 'currently trading' in the Accommodation & Food Services sector was estimated as 80.1% in the period 5 October to 18 October 2020, compared with 95.3% for the economy overall.
 - In the period 21 September to 18 October, 73.1% of businesses in the Accommodation & Food Services sector reported experiencing a decrease in turnover compared with what is normally expected for this time of year. The comparable proportions for the economy overall is 51.3%.
 - The share of the workforce on furlough leave in the Accommodation & Food Services sector was estimated as 35.8% in the period 21 September to 18 October, compared with 11.9% for the economy overall.
 - 46.1% of businesses in the Accommodation & Food Services sector reported having no or less than 3 months cashflow in the period 5 – 18 October, compared with 30.8% for the economy overall.
 - 36% of businesses in the Accommodation & Food Services sector reported being at severe or moderate risk of insolvency in the period 5 – 18 October, compared with 15.1% for the economy overall.

The reopening of the sector has allowed much needed opportunities for people to take a break/holiday, or use accommodation to visit family and friends. This has been important for the whole population given the limits on other more usual opportunities (for example more difficult to take a holiday overseas) and in particular for frontline workers.

Without access to visitor accommodation opportunities to socialise and take a break are more limited/unavailable.

Since reopening the sector has been further affected by changes that have been made to the limits on socialising, as restrictions on households meeting indoors have been tightened, from 8 people from 3 households to 6 people from 2 households to a single household. This has prevented large groups from using the sector. The move to use of self-catering by a single household only, across all of Scotland, in September, was particularly challenging to the sector.

LEARNINGS FROM REOPENING AND SECTOR PERFORMANCE

The experience of the sector on reopening has been largely positive, both for consumers and providers. Although consumers were initially cautious the sector quickly experienced an uptick on reopening, due to pent up demand for holidays, as a result of the lockdown through spring/early summer. This has not generally considered to have been enough to make up for losses earlier in the season however, and the ability to continue to recoup losses later in the season was further impacted by the "circuit break" restrictions in October, contained in the Health Protection (Coronavirus) (Restrictions and Requirements) (Additional Temporary Measures) (Scotland) Regulations. The move to restrict indoor household gatherings, and application of the single household rule from September, which applies in self-catering properties, which are classed as private dwellings, further limits the sector.

²⁹ <https://www.gov.scot/publications/monthly-gdp-august-2020/>

³⁰ <https://www.gov.scot/publications/bics-weighted-scotland-estimates-data-to-wave-15/>

This uptick has also not been universally felt or spread however. Some hotels (particularly those associated with coach travel) did not survive the initial lockdown, and city locations and hotels that generally accommodate business travellers remain highly constrained. The cancellation of key events, sporting and festivals also had a knock on impact on demand for accommodation in these locations.

Whilst firm evidence is not available, general observations suggest that compliance in the accommodation sector with sector guidance, limits on numbers, and track and trace has been quite high. Whilst there was public concern initially re the safety of the accommodation sector and how this might operate, (as seen through Correspondence) once the sector opened these concerns seem to fade, with a few notable exceptions. There were examples of non-compliance including 'party houses' rented through Air B&B and other operators solely for purpose of hosting a gathering which breaching gathering and household rules, and we are aware that some marine operators (small cruise) did not follow the single household rule.

The Scottish Government is not aware of evidence linking any outbreaks to use of visitor accommodation **directly**. The Scottish Government is aware of some outbreaks early in the pandemic linked to places of work, at workplaces where accommodation was provided on site (e.g. fruit picking. meat packing – workers in caravans/hostels).

These was also (and continues to be) community concern re role of visitor accommodation in virus transmission. This related not to the way the sector was operating per se, but the role that visitor accommodation plays is encouraging movement of people, with rural island communities concerned re influx of external visitors. The Scottish Government is not aware of any evidence linking outbreaks to use of accommodation directly. The issue of outbreaks, risk and management linked to travel is covered in the travel BRIA, and risks linked to socialising covered in the Strategic Framework.

The generally good compliance and lack of substantive evidence of cases linked to being in visitor accommodation directly, supports the decision to allow the accommodation sector to remain open across all levels up to Level 4, with the proviso that travel and socialising (and hospitality where applicable) measures are also applied. With regard to cases amongst workers who live in accommodation on site, this has been addressed by the additions of further mitigations (through guidance) which apply where self-catering accommodation is used to house workers.

Conclusion

The accommodation sector has been severely impacted by the measures taken since the start of the pandemic to suppress the virus. The sector was almost in effect fully closed for approx. 4 months.

A range of financial support measures were put in place to support the sector through this period. These measures were aimed at assisting the sector to survive, and did not replace income, with substantial losses seen through the sector.

A positive bounce was experienced by most of the sector following reopening, however this was short lived due to the reintroduction of limiting measures, and ongoing changes to demand (for example almost no business travel, less demand in cities than rural locations).

The transmission risk linked to the direct 'modus operandi' of the accommodation sector per se, can be well managed through mitigations, however this sector relies heavily on bringing people together to socialise, and travel to locations. These aspects present much higher risks (see Travel BRIA/Strategic Framework) and ongoing measures to manage these risks will continue to impact this sector going forward.

Consultation

Public Consultation:

Due to the timescale there has not been the opportunity to undertake public consultation on these measures. We do know from correspondence from members of the public and individual providers regarding accommodation and holidays, that the types of concerns voiced with regard to this sector have been:

- The impact of restrictions (both direct - where sector is closed, and indirect – where bookings cannot proceed due to travel/socialising restriction, or illness) on pre-planned holidays and refunds.
- Risks around future uncertainty, sector relies largely on forward bookings
- Safety, in particular risk to local communities that host visitor accommodation, about the risk of visitor from other areas visiting these communities

Business:

There has been extensive proactive engagement with this sector throughout the pandemic, via the Scottish Tourism Alliance, who have coordinated input of behalf of the accommodation provider sector and key stakeholders, including the Association of Scotland's Self Caterers, Bed and Breakfast Association, as well as the independent and corporate hotel sector. The Camping and Caravan sector have been consulted through the British Homes and Holiday Parks Association (BH&HPA) and Scottish Camping and Caravan Forum. (SCCF). This engagement has been in place since the start of the pandemic and gives the Scottish Government a close understanding of the issues facing the sector. The sector has been a key player on the Tourism Task Force, and via STA in STERG (the Scottish Tourism Emergency Management Group).

Positive outcomes of this engagement include:

- the extensive support in place for this sector (including development of specific targeted packages for hotels, self-catering, and B&Bs)
- the development of comprehensive sector guidance setting of a successful approach to the mitigation of risk
- the bespoke guidance for campsites and caravan parks.

Scottish government continues to engage regularly with this sector.

The sector continues to lobby on the issue of single household in self-catering, and is looking for a relaxation to enable large rental properties to be classed, not as private dwellings, but as hospitality venues to allow larger numbers. The ASSC was pleased when the position regarding the use of self-catering by workers was confirmed, and guidance on safe operating issued.

There have also been ongoing discussions regarding the status of future bookings particularly where restrictions change once a booking is already in place, with the sector lobbying that existing bookings should be permitted to proceed. As a result of this lobbying providers/consumers were allowed to go ahead with previous booked trips during the "circuit break" restrictions in October, but given the interaction with travel this concession was not carried forward into the Levels approach.

The hostelling sector is particularly challenged by the socialising restrictions, as the hostelling model is built around communal activity and relies on group bookings, along with individuals who are happy to share, and this sector continues to lobby for support, to assist it to change its business model.

The sector remains open up at all Levels below Level 4. The sector supports being allowed to remain open, and guidance and protocols are already in place and working well.

Extensive discussions have been held, and are ongoing, with the sector on the impact of the travel and socialising restrictions on their ability to trade. Neither travel or socialising restrictions are covered in this BRIA, these are covered in the Travel BRIA and Strategic Framework respectively. Both travel and socialising restrictions impact severely on the ability of the accommodation sector to operate, by limiting

number of visitors to single household (which makes larger properties unusable), and cutting off providers from their traditional market both domestically – rUK and the central belt of Scotland, and internationally.

Options:

All options for the accommodation sector are impacted by the overarching rules on social gatherings in the regulations implementing the Strategic Framework³¹ and new travel guidance against non-essential travel in levels 3 and 4, which impact at all Levels

This section sets out a range of potential options which have been considered in developing the strategic framework. We continue to work constructively with the industry to explore and assess alternatives.

Potential options and evaluation (see options evaluation by Level for further analysis) :

- **The sector is shut, for all but use for exempt purposes, at all Levels.**
- **The sector is fully open at all Levels.**
- **The sector is segmented, with sub sectors allowed to open differently at different Levels.**
- **Socialising rules are dis-applied for visitor accommodation**
- **Travel restrictions are dis-applied for visitor accommodation.**
- **Guidance advises non-essential (leisure/tourism) use only by locals.**
- **The sector is open up to Level 4, when it is shut for all but use for exempt purposes.**

- **The sector is shut, for all but use for exempt purposes, at all Levels.**

Such an approach would have a negative impact on accommodation providers and consumers, preventing them from using visitor accommodation. This would also have a negative impact on supply chain businesses to the accommodation sector, such as food and drink providers and wholesalers, laundry businesses, and cleaning businesses. There would potentially be negative impacts on the activities providers, visitor attractions, retail and hospitality businesses in areas with visitor accommodation. There are likely to be social and economic harms associated with preventing people from taking holidays, as well as other health harms (e.g. mental and physical health, as holidays generally enhance wellbeing).

Whilst parts of the accommodation sector, where guests are in crowded spaces over extended periods, fulfil the high-risk criteria for COVID-19 transmission, closure of the sector at Levels 0-3 would be considered a disproportionate response to managing transmission as these risks can be mitigated. Appropriate mitigating action includes cleaning, guest management, face coverings in public areas etc., and ensuring that other restrictions, particularly travel, socialising, and 2 metre distancing, are followed.

Travel restrictions at higher levels in particular will reduce use of visitor accommodation, and therefore reduce risk of transmission associated with this sector.

Closure at Level 4 would be proportionate, as this is close to full lockdown. (The option in the Strategic Framework closes accommodation for all but exempt purposes at Level 4.)

- **The sector is fully open at all Levels.**

Allowing the accommodation sector to be open at all levels, up to and including Level 4 would cause the least economic and social harms, to accommodation providers and consumers. but risk the greatest harm

³¹ The Health Protection (Coronavirus) (Restrictions and Requirements) (Additional Temporary Measures) (Scotland) Regulations 2020.

to society from the virus.

It would undermine the principle that Level 4 equates to almost full lockdown, and would encourage travel and movement, even if only very locally (due to travel restrictions) at a time when public health considerations would point to encouraging people to stay at home other than for exempt purposes.

This option would reduce the social harm of not being able to take a holiday, and the economic harm to accommodation providers.

- **The sector is segmented, with sub sectors allowed to open differently at different Levels.**

This would echo the approach that was used when the sector reopened, where fully self-contained self-catering, including camping and caravanning, was allowed to reopen before accommodation requiring the use of shared space (including shared entries and stairs).

However such an approach could be complex to design and administer, and based on the limited evidence of transmission in this sector since reopening, there appears to be less risk associated with different types of accommodation, than was thought in July. There are exceptions to this, with potential different risk profiles associated with for example camping (may be lower risk as spend lots of time outdoors) and worker accommodation and hostels (potentially high risk due to shared facilities). For the latter specific mitigation have been put in place to enable safe operating at permitted levels.

- **Socialising rules are dis-applied for visitor accommodation**

Whilst this would offer benefit to the sector this would not be appropriate given the high risk association with socialising.

In terms of public health risk, unregulated indoor mixing between households is considered the greatest risk factor for Covid-19 transmission and to counter this tight restrictions have been applied to household mixing numbers in private dwellings.

Consideration of the potential to place less stringent restrictions on self-catering premises was undertaken when the single household indoor restriction was introduced. Consideration was given to allowing self-catering to operate at the same level as hospitality settings (8/3 in Level 0, 6/2 for Level 1, 2 and 3, though initially set at single household in Level 1) however given the unregulated and unsupervised nature of self-catering accommodation this option was ruled out, as without staff present, it would be difficult to ensure that distancing between households was observed.

Dis-applying socialising rules in visitor accommodation could allow this sector to continue to contribute to the spread of the virus.

- **Travel restrictions are dis-applied for visitor accommodation.**

Whilst this would offer benefit to the sector this would not be appropriate given the high risk association with travel between Levels. Travel across Levels and outwith a 'home' LA area (in Levels 3 & 4), enables the virus to pass from areas of high infection and risk, to other areas of low infection and risk. Less stringent travel restriction in Lower Level areas (as set out in the Framework) does allow travel associated with visitor accommodation to take place in and between lower risk areas.

A concession was put in place during the "circuit breaker" to allow those who had already booked holidays in October still to take them. This was intentionally time limited. It addressed the fact that the circuit breaker was brought in with short notice, and its timing coincided with school holidays. The concession was to soften the blow for families and allowing operators who had already experienced significant economic harm to recover some of their losses. October is also traditionally a time when lots of families

holiday in Scotland.

Dis- applying travel restrictions to visitor accommodation over a longer period could enable the virus to continue to spread around the country.

- **Guidance advises non-essential (leisure/tourism) use only by locals**

Within this option, accommodation providers are advised to only offer accommodation services to those within their own local authority area, and to those travelling into the local area for essential purposes and / or work (where due to the nature of the work that cannot be done from home). They are advised against offering accommodation for non-essential (leisure/tourism) purposes to those outwith their local area.

This would reduce the risk of the virus being spread by visitors from other areas travelling to use visitor accommodation, however it would have negative economic and social impacts, by limiting the demand for visitor accommodation and the options available to consumers. This supports the continuation of essential economic activity within an affected area. It may result in lower and cancelled bookings for accommodation providers, with reductions in turnover and potential cashflow pressure should affected customers request refunds.

Given the lower level of risk at Levels 0,1 & 2 and other mitigation that can be put in place to manage risk in the accommodation sector and in society more generally this option is only considered appropriate at higher Levels.

- **The sector is open up to Level 4, when it is shut for all but use for exempt purposes.**

This is the option in the Strategic Framework and takes a proportionate approach to managing the level of risk associated with visitor accommodation environments.

Keeping accommodation open at Levels 0-3 reduces economic harm, by allowing providers to continue to generate income, and consumers to accrue the social and non-covid health benefits of holidays/short breaks. Closing accommodation for all but exempt uses at Level 4 protects the virus from spreading via visitor accommodation and is appropriate given the high prevalence of the virus at Level 4.

Sectors and groups affected

These Regulations will affect:

- Accommodation provider businesses
- Workforce in accommodation providers
- Accommodation users
- Communities where visitor accommodation is located (allowing accommodation to operate could potential expose communities to risk of the virus, not allowing accommodation to operate risks economic harms and job losses in these communities which may be disproportionately dependent on this sector)
- Businesses in the visitor accommodation supply chain (including food suppliers to hotels, laundry, cleaning (depending in restriction there may be increased or decreased demand for these service, ancillary business such as pet boarding, car hire etc.)
- Businesses supported by expenditure from those staying in visitor accommodation.
- Tour operators who rely on the use of visitor accommodation e.g. coach tours.

Our approach to assessing options

Within this BRIA we have compared the package of measures within each level against the baseline approach of level 0. This has allowed us to present the clinical evidence for intervention at each level setting out the health benefits, whilst acknowledging the potential impacts on visitor accommodation. We have also set out some other key options considered at each level. Throughout these measures we have sought to develop the right package of measures to reduce circulation of the virus whilst limiting wider health, economic and social harms.

Our objective is to get all parts of the country to level 0 or level 1 and remain there if we can. Within these levels, we would expect to see low incidence of the virus with isolated clusters, and low community transmission. Broadly, these levels are the closest we can get to normality without a vaccine or effective treatment which would allow us to move to Phase 4 of the Route Map and then back to normality. They would be similar to the measures in place during the summer, once we reached Phase 3. The Baseline Level 0 and Level 1 are designed to be sustainable for longer periods.

In assessing the relevant options for each level we considered current and previous restrictions, international best-practice and examples, clinical and sectoral input, and proposals from industry, and experts. We analysed the relative impact of each of the options on the spread of the virus, as well as the additional costs and benefits both economic and social.

'Baseline' / Level 0

The Baseline (Level 0) is designed to be sustainable for longer periods. Within this level, we would expect to see very low incidence of the virus with isolated clusters, and low community transmission. Broadly, this level is the closest we can get to normality, without a vaccine or effective treatment in place. The Baseline is similar to what was in place from 15th July and reflects the restrictions on social gatherings (8/3 in Level 0), and other relevant restrictions, including with regard to travel, distancing, face coverings and hospitality.

Baseline/ Level 0:

Sector is fully open

Visitor accommodation open in accordance with all other restrictions.

Numbers using visitor accommodation limited in accordance with gatherings restrictions in regulations. In Level 0 this is 8/3. This allows sector to stay open, at this level and reduces risk derived from households meeting indoors.

Guidance advises that travel possible (other than to Level 3/4 areas). This allow sector to stay open at Level 0 by reducing risk derived from travel between areas with lower and high levels of the virus.

NB The limiting measures applicable are derived from the travel restrictions and socialising restrictions, please see Travel BRIA (when published) and regulations implementing the Strategic Framework (for socialising rules).

This benefits accommodation users, providers, supply chain businesses and tour operators. Communities may see this as negative, due to perceived risk from visitors, but will also benefit as employment is sustained.

Conclusion

At 'Baseline' / Level 0 Scottish Ministers weigh up the need to reduce social interaction, clinical evidence regarding the spread of infection, and the social and economic harms of intervention and sought to reflect the views of the sector, as understood from stakeholder engagement.

It was concluded that visitor accommodation should be allowed to operate at the 'Baseline' / Level 0, with mitigations managed through regulations and guidance (for example of physical distancing and face coverings) and that travel and socialising rules should apply.

This avoids undue economic harm by allowing the sector to continue to trade, albeit with travel restriction and limits on household gatherings (8/3 indoors at Level 0), impacting on that ability to trade.

It benefits accommodation users, providers, supply chain businesses and tour operators. Communities may see this as negative, due to perceived risk from visitors, but will also benefit as employment is sustained

Options for Level 1

Option 1 – sector is fully open

Visitor accommodation open in accordance with all other restrictions.

Numbers using visitor accommodation limited in accordance with gatherings restrictions in regulations. This allows sector to stay open, at this level and with risk reduced by the restrictions on households meeting indoor (no indoor socialising at Level 1).

Guidance advises that travel possible (other than to Level 3/4 areas). This allow sector to stay open at by manages risk from travel associated with use of visitor accommodation as travel is restricted between areas with lower and high levels of the virus.

NB The limiting measures applicable are derived from the travel restrictions and socialising restrictions, please see Travel BRIA (when published) and regulations implementing the Strategic Framework (for socialising rules).

This option would potentially have positive effects on accommodation providers and the associated supply chain, and sectors whose revenues are supported by visitors using accommodation. These would arise from continuation of trade, generating bookings and revenues. However, the scale of the benefits to accommodation providers may be influenced by socialising limits, and limits on hospitality provision within accommodation settings. The scale of the benefits may also be influenced consumer confidence regarding staying in commercial accommodation, which may also vary by accommodation type.

This option would benefit accommodation users, providers, supply chain businesses and tour operators. Communities may see this as negative, due to perceived risk from visitors, but will also benefit as employment is sustained.

Option 2: Socialising rules are dis-applied for visitor accommodation

Whilst this would offer benefit to the sector this would not be appropriate given the high risk association with socialising.

In terms of public health risk, unregulated indoor mixing between households is considered the greatest

risk factor for Covid-19 transmission and to counter this tight restrictions have been applied to household mixing numbers in private dwellings.

Consideration of the potential to place less stringent restrictions on self-catering premises was undertaken when the single household indoor restriction was introduced. Consideration was given to allowing self-catering to operate at the same level as hospitality settings (8/3 at Level 0, 6/2 at Levels 1,2 & 3) however given the unregulated and unsupervised nature of self-catering accommodation this option was ruled out, as without staff present, it would be difficult to ensure that distancing between households was observed.

This option would potentially have positive effects on accommodation providers by reducing limits on numbers of guests within individual parties. This may generate additional bookings, occupancy and revenues, with associated positive impacts on the associated supply chain, and sectors whose revenues are supported by visitors using accommodation.

The scale of the benefits may be influenced by consumer confidence and preferences regarding staying in commercial accommodation, which could appear to be more 'crowded' as a result of dis-applied socialising rules, and limits on hospitality provision within accommodation settings. This may also vary by accommodation type.

This option would benefit accommodation users, providers, supply chain businesses and tour operators. Communities may see this as negative, due to perceived risk from visitors, but will also benefit as employment is sustained.

Dis-applying socialising rules in visitor accommodation could allow this sector to continue to contribute to the spread of the virus.

Option 3 - Travel restrictions are dis-applied for visitor accommodation

Whilst this would offer benefit to the sector this would not be appropriate given the high risk association with travel between Levels. Travel across Levels and outwith a 'home' LA area (in Levels 3 & 4), enables the virus to pass from areas of high infection and risk, to other areas of low infection and risk. Less stringent travel restriction in Lower Level areas (as set out in the Framework) does allow travel associated with visitor accommodation to take place in and between lower risk areas.

A concession was put in place during the "circuit breaker" to allow those who had already booked holidays in Oct still to take them. This was intentionally time limited. It addressed the fact that the circuit breaker was brought in with short notice, and its timing coincided with school holidays. The concession was to soften the blow for families and allowing operators who had already experienced significant economic harm to recover some of their losses. October is also traditional a time when lots of families holiday in Scotland.

This option would potentially have positive effects on accommodation providers by reducing limits on locations where visitors could travel from. This may generate additional bookings, occupancy and revenues, with associated positive impacts on the associated supply chain, and sectors whose revenues are supported by visitors using accommodation. The scale of the benefits to accommodation providers may be influenced by socialising limits, and limits on hospitality provision within accommodation settings.

The scale of the benefits may be influenced by consumer confidence and preferences regarding staying in visitor accommodation, particularly if there were uncertainty around whether guests would be sharing visitor accommodation with travellers from areas with higher incidences of COVID-19. There may also be negative effects on communities' wellbeing (or their perceptions of their wellbeing) if it was felt that accommodation risked becoming a potential vector of infection from higher incidence areas. These effects may vary by accommodation type.

This option would benefit accommodation users, providers, supply chain businesses and tour operators. Communities may see this as negative, due to perceived risk from visitors, but will also benefit as employment is sustained

Dis- applying travel restrictions to visitor accommodation over a longer period could enable the virus to continue to spread around the country.

Conclusion for Level 1

In considering the evidence around options for Level 1 Scottish Ministers weighed up the need to reduce social interaction, clinical evidence regarding the spread of infection, and the social and economic harms of intervention and sought to reflect the views of the sector, as understood from stakeholder engagement. It was concluded that it was reasonable to allow visitor accommodation to operate at this Level, with sector mitigations managed through regulations and guidance (for example of physical distancing and face coverings) and that travel and socialising rules should apply.

This avoids undue economic harm by allowing the sector to continue to trade, albeit with travel restriction and limits on household gatherings, impacting on that ability to trade.

It also avoids any suggestion that the accommodation sector and particular consumers who can afford to holiday are treated any differently than the rest of the population which could be the case if self-contained self-catering was to be exempt from the single household rules. This is achieved by treating all self-catering properties as private dwellings.

It benefits accommodation users, providers, supply chain businesses and tour operators. Communities may see this as negative, due to perceived risk from visitors, but will also benefit as employment is sustained.

Options for Level 2

Within Level 2, we would expect to see increased incidence of the virus, with multiple clusters and increased community transmission. There would be a graduated series of protective measures across Level 2 & 3 to tackle the virus, focusing on key areas of risk – broadly, indoor settings where household mixing takes place with less, or less well-observed, physical distancing and mitigations.

The measures would be introduced on the basis of evidence and preferably be intended to be in place for relatively short periods (preferably less than 4 weeks), and only for as long as required to get the virus down to a low, sustainable level.

Option 1 – sector is fully open

Visitor accommodation open in accordance with all other restrictions.

Numbers using visitor accommodation limited in accordance with gatherings restrictions in regulations. This allows sector to stay open, at this levels by reducing risk derived from households meeting indoors.

Guidance advises that travel possible (but should be avoided in/out of t Level 3/4 areas). This allow sector to stay open at Level 2 by reducing risk derived from travel between areas with lower and high levels of the virus.

NB These limiting measures applicable are derived from the travel restrictions and socialising restrictions, please see Travel BRIA and Strategic Framework (for socialising rules).

This option would potentially have positive effects on accommodation providers and the associated supply chain, and sectors whose revenues are supported by visitors using accommodation. However, the scale of the benefits to accommodation providers may be influenced by socialising limits (no indoor household mixing), and limits on hospitality provision within accommodation settings. The scale of the benefits may also be influenced by consumer confidence regarding staying in commercial accommodation, which may also vary by accommodation type.

This option would benefit accommodation users, providers, supply chain businesses and tour operators. Communities may see this as negative, due to perceived risk from visitors, but will also benefit as employment is sustained.

Option 2: Socialising rules are dis-applied for visitor accommodation

Whilst this would offer benefit to the sector this would not be appropriate given the high risk association with socialising.

In terms of public health risk, unregulated indoor mixing between households is considered the greatest risk factor for Covid-19 transmission and to counter this tight restrictions have been applied to household mixing numbers in private dwellings.

Consideration of the potential to place less stringent restrictions on self-catering premises was undertaken when the single household indoor restriction was introduced. Consideration was given to allowing self-catering to operate at the same level as hospitality settings (6/2) however given the unregulated and unsupervised nature of self-catering accommodation this option was ruled out, as without staff present, it would be difficult to ensure that distancing between households was observed.

This option would potentially have positive effects on accommodation providers by reducing limits on numbers of guests within individual parties. This may generate additional bookings, occupancy and revenues, with associated positive impacts on the associated supply chain, and sectors whose revenues are supported by visitors using accommodation.

The scale of the benefits may be influenced by consumer confidence and preferences regarding staying in visitor accommodation, which could appear to be more 'crowded' as a result of dis-applied socialising rules and limits on hospitality provision within accommodation settings. This may also vary by accommodation type.

This option would benefit accommodation users, providers, supply chain businesses and tour operators. Communities may see this as negative, due to perceived risk from visitors, but will also benefit as employment is sustained.

Dis-applying socialising rules in visitor accommodation could allow this sector to continue to contribute to the spread of the virus.

Option 3 - Travel restrictions are dis-applied for visitor accommodation

Whilst this would offer benefit to the sector this would not be appropriate given the high risk association with travel between Levels. Travel across Levels and outwith a 'home' LA area (in Levels 3 & 4), enables the virus to pass from areas of high infection and risk, to other areas of low infection and risk. Less stringent travel restriction in Lower Level areas (as set out in the Framework) does allow travel associated with visitor accommodation to take place in and between lower risk areas.

A concession was put in place during the "circuit breaker" to allow those who had already booked holidays in Oct still to take them. This was intentionally time limited. It addressed the fact that the circuit breaker

was brought in with short notice, and its timing coincided with school holidays. The concession was to soften the blow for families and allowing operators who had already experienced significant economic harm to recover some of their losses. October is also traditional a time when lots of families holiday in Scotland.

This option would potentially have positive effects on accommodation providers by reducing limits on locations where visitors could travel from. This may generate additional bookings, occupancy and revenues, with associated positive impacts on the associated supply chain, and sectors whose revenues are supported by visitors using accommodation. The scale of the benefits to accommodation providers may be influenced by socialising limits, and limits on hospitality provision within accommodation settings.

The scale of the benefits may be influenced by consumer confidence and preferences regarding staying in visitor accommodation, particularly if there were uncertainty around whether guests would be sharing visitor accommodation with travellers from areas with higher incidences of COVID-19. There may also be negative effects on communities' wellbeing (or their perceptions of their wellbeing) if it was felt that accommodation risked becoming a potential vector of infection from higher incidence areas. These effects may vary by accommodation type.

This option would benefit accommodation users, providers, supply chain businesses and tour operators. Communities may see this as negative, due to perceived risk from visitors, but will also benefit as employment is sustained.

Dis- applying travel restrictions to visitor accommodation over a longer period could enable the virus to continue to spread around the country.

Conclusion - Level 2.

In considering the evidence around options for level 2 Scottish Ministers weighed up the need to reduce social interaction, clinical evidence regarding the spread of infection, and the social and economic harms of intervention. It was concluded that although infection levels would be higher than at the Baseline, it was reasonable to allow visitor accommodation to operate at this Level, with sector mitigations managed through regulations and guidance but that travel and socialising rules should apply. This avoids undue economic harm by allowing the sector to continue to trade, albeit travel restriction and limits on household gathering impact on that ability to trade. It also avoids any suggesting that the accommodation sector and particular consumers who can afford to holiday are treated any differently than the rest of the population.

Options for Level 3

Option 1 – sector is fully open

Visitor accommodation open in accordance with all other restrictions.

Numbers using visitor accommodation limited in accordance with gatherings restrictions in regulations. This allows sector to stay open, at this levels by reducing risk derived from households meeting indoors.

Guidance advises that travel possible (but should be avoided in/out of Level 3/4 areas) and guidance limits non-essential (leisure/tourism) use to only locals. This allow sector to stay open at Level 2 by reducing risk derived from travel between areas with lower and high levels of the virus.

NB These limiting measures applicable are derived from the travel restrictions and socialising restrictions, please see Travel BRIA and Strategic Framework (for socialising rules).

This option would potentially have positive effects on accommodation providers and the associated supply

chain, and sectors whose revenues are supported by visitors using accommodation. However, the scale of the benefits to accommodation providers may be influenced by socialising limits, and limits on hospitality provision within accommodation settings.

The scale of the benefits may also be influenced by consumer confidence regarding staying in visitor accommodation, which may be of greater importance in areas with greater incidence of COVID-19.

Option 2: Socialising rules are dis-applied for visitor accommodation

Whilst this would offer benefit to the sector this would not be appropriate given the high risk association with socialising.

In terms of public health risk, unregulated indoor mixing between households is considered the greatest risk factor for Covid-19 transmission and to counter this tight restrictions have been applied to household mixing numbers in private dwellings.

Consideration of the potential to place less stringent restrictions on self-catering premises was undertaken when the single household indoor restriction was introduced. Consideration was given to allowing self-catering to operate at the same level as hospitality settings (6/2) however given the unregulated and unsupervised nature of self-catering accommodation this option was ruled out, as without staff present, it would be difficult to ensure that distancing between households was observed.

Dis-applying socialising rules in visitor accommodation could allow this sector to continue to contribute to the spread of the virus.

This option would potentially have positive effects on accommodation providers by reducing limits on numbers of guests within individual parties. This may generate additional bookings, occupancy and revenues, with associated positive impacts on the associated supply chain, and sectors whose revenues are supported by visitors using accommodation.

The scale of the benefits may be influenced by consumer confidence and preferences regarding staying in visitor accommodation, which could appear to be more 'crowded' as a result of dis-applied socialising rules, and by limits on hospitality provision within accommodation settings. This may be of greater significance in Level 3 areas, where there would be a greater incidence of COVID-19. There may also be negative effects on communities' wellbeing (or their perceptions of their wellbeing) if it was felt that accommodation risked becoming a contributing factor in increasing infection.

Option 3 - Travel restrictions are dis-applied for visitor accommodation

Whilst this would offer benefit to the sector this would not be appropriate given the high risk association with travel between Levels. Travel across Levels and outwith a 'home' LA area (in Levels 3 & 4), enables the virus to pass from areas of high infection and risk, to other areas of low infection and risk. Less stringent travel restriction in Lower Level areas (as set out in the Framework) does allow travel associated with visitor accommodation to take place in and between lower risk areas.

A concession was put in place during the "circuit breaker" to allow those who had already booked holidays in Oct still to take them. This was intentionally time limited. It addressed the fact that the circuit breaker was brought in with short notice, and its timing coincided with school holidays. The concession was to soften the blow for families and allowing operators who had already experienced significant economic harm to recover some of their losses. October is also traditional a time when lots of families holiday in Scotland.

Dis- applying travel restrictions to visitor accommodation over a longer period could enable the virus to continue to spread around the country.

This option would potentially have positive effects on accommodation providers by reducing limits on locations where visitors could travel from. This may generate additional bookings, occupancy and revenues, with associated positive impacts on the associated supply chain, and sectors whose revenues are supported by visitors using accommodation. The scale of the benefits to accommodation providers may be influenced by socialising limits, and limits on hospitality provision within accommodation settings.

The scale of the benefits may be influenced by consumer confidence and preferences regarding staying in visitor accommodation. This may limit the scale of the benefit of this option, if consumers were reluctant to stay in commercial accommodation in areas with higher incidences of COVID-19. This effects may vary by accommodation type.

Option 4 - Guidance advises non-essential (leisure/tourism) use only by locals

This option would potentially have negative effects on accommodation providers, as it could potentially limit the areas from where visitors would be able to visit accommodation from, and the purposes they could use accommodation for. This could lead to cancellations of existing bookings, and reduced future bookings, negatively affecting providers' turnover, and cashflow position should refunds be required.

Substantial reductions in bookings and occupancy could impact on the workforce in affected sections of the accommodation sector; on businesses providing goods and services to the accommodation sector; and to those activities whose revenues are supported by visitors using accommodation (e.g. hospitality, visitor attractions, visitor experience providers, retail). However, these impacts may be mitigated to some extent by continued use by locals, and by business and essential travellers.

There are likely to be social and economic harms associated with preventing people from taking holidays, as well as other health harms (e.g. mental and physical health as holidays generally enhance wellbeing; potential stress associated with cancelling or rearranging travel and accommodation plans).

This would reduce the risk of the virus being spread by visitors from other areas travelling to use visitor accommodation, however it would have negative economic and social impacts, by limiting the demand for visitor accommodation and the options available to consumers.

Given the risk at Levels 3 this option is only considered appropriate at this Level.

Option 5 - The sector is shut, for all but use for exempt purposes.

Such an approach would have a negative impact on providers and consumers, preventing them from using visitor accommodation. This could lead to cancellations of existing bookings, and reduced future bookings, negatively affecting providers' turnover, and cashflow position should refunds be required.

Substantial reductions in bookings and occupancy could impact on the workforce in affected sections of the accommodation sector; on businesses providing goods and services to the accommodation sector; and to those activities whose revenues are supported by visitors using accommodation (e.g. hospitality, visitor attractions, visitor experience providers, retail). However, these impacts may be mitigated to a small extent by continued use by business and essential travellers.

There are likely to be social and economic harms associated with preventing people from taking holidays, as well as other health harms (e.g. mental and physical health as holidays generally enhance wellbeing).

Whilst parts of the accommodation sector, where guests are in crowded spaces over extended periods, fulfil the high-risk criteria for COVID-19 transmission, closure of the sector at Levels 0-3 would be considered a disproportionate response to managing transmission as these risks can be mitigated. Appropriate mitigating action includes cleaning, guest management, face coverings in public areas etc., and ensuring that other restrictions, particularly travel, socialising, and 2 meter distancing, are followed.

Travel restrictions in particular will reduce use of visitor accommodation, and therefore reduce risk of transmission associated with this sector.

Conclusion for Level 3

In considering the evidence around options for level 3 Scottish Ministers weighed up the need to reduce social interaction, clinical evidence regarding the spread of infection, and the social and economic harms of intervention. It was concluded that although infection levels would be higher than at the Baseline, it was reasonable to allow visitor accommodation to operate at this Level, with sector mitigations managed through regulations and guidance but that travel and socialising rules should apply. This avoids undue economic harm by allowing the sector to continue to trade, albeit travel restriction and limits on household gathering impact on that ability to trade. It also avoids any suggesting that the accommodation sector and particular consumers who can afford to holiday are treated any differently than the rest of the population.

Options for Level 4

Level 4 will be deployed only if absolutely necessary intended as a short, sharp intervention to address extremely high transmission rates.

Within this level we would expect to see very high or rapidly increasing incidence, and widespread community transmission which may pose a threat to the NHS to cope. It is likely that this level would see the introduction of measures close to a return to full lockdown. Measures would be designed to be in place for a short period, to provide a short, sharp response to quickly suppress the virus. . Measures introduced in level 4 would be to control and suppress the spread of the virus, reduce transmission rates, hospital admissions, deaths, allow key services to continue such as education and avoid overwhelming of the NHS.

Option 1 - The sector is fully open.

Allowing the accommodation sector to be open, up to and including Level 4 would cause the least economic and social harms, to accommodation providers and consumers. but risk the greatest harm to society from the virus.

It would undermine the principle that Level 4 equates to almost full lockdown, and would encourage travel and movement, even if only very locally (due to travel restrictions) at a time when public health considerations would point to encouraging people to stay at home other than for exempt purposes.

This option would reduce the social harm of not being able to take a holiday. This option may potentially have positive effects on accommodation providers and the associated supply chain, and sectors whose revenues are supported by visitors using accommodation. However, the scale of these benefits may be substantially reduced by consumer confidence regarding travelling to and staying in commercial accommodation within an area with very high or rapidly increasing incidence of COVID-19, and widespread community transmission. These conditions may encourage cancellations on the part of consumers, and reduced future bookings.

Option 2 - The sector is segmented, with sub sectors allowed to open differently.

This would echo the approach that was used when the sector reopened, where fully self-contained self-catering, including camping and caravanning, was allowed to reopen before accommodation requiring the use of shared space (including shared entries and stairs). On this basis fully self-contained self-catering could be allowed to reopen at Level 4 to remain open.

However such an approach could be complex to design and administer, and based on the limited evidence of transmission in this sector since reopening, there appears to be less risk associated with different types of accommodation, than was thought in July. There are exceptions to this, with potential different risk profiles associated with for example camping (may be lower risk as spend lots of time outdoors) and worker accommodation and hostels (potentially high risk due to shared facilities). For the latter specific mitigation have been put in place to enable safe operating at permitted levels.

This approach would be incompatible with travel restrictions and could also prevent the sector from access support funds if these are tied to full closure, meaning this is likely to be economically unattractive to providers.

The positive effects this option may have positive effects on accommodation providers, the associated supply chain, and sectors whose revenues are supported by visitors using accommodation, may be substantially reduced by consumer confidence regarding travelling to and staying in visitor accommodation within an area with very high or rapidly increasing incidence of COVID-19, and widespread community transmission.

Option 3 - The sector is shut, for all but use for exempt purposes.

Such an approach would have a negative impact on providers and consumers, preventing them from using visitor accommodation. This could lead to cancellations of existing bookings, and reduced future bookings, negatively affecting providers' turnover, and cashflow position should refunds be required.

Substantial reductions in bookings and occupancy could impact on the workforce in affected sections of the accommodation sector; on businesses providing goods and services to the accommodation sector; and to those activities whose revenues are supported by visitors using accommodation (e.g. hospitality, visitor attractions, visitor experience providers, retail). However, these impacts may be mitigated to a small extent by continued use by business and essential travellers.

There are likely to be social and economic harms associated with preventing people from taking holidays, as well as other health harms (e.g. mental and physical health as holidays generally enhance wellbeing).

Whilst parts of the accommodation sector, where guests are in crowded spaces over extended periods, fulfil the high-risk criteria for COVID-19 transmission, closure of the sector at Levels 0-3 would be considered a disproportionate response to managing transmission as these risks can be mitigated. Appropriate mitigating action includes cleaning, guest management, face coverings in public areas etc., and ensuring that other restrictions, particularly travel, socialising, and 2 meter distancing, are followed.

Travel restrictions in particular will reduce use of visitor accommodation, and therefore reduce risk of transmission associated with this sector.

Closure at Level 4 would be proportionate, as this is close to full lockdown. The public health benefit of this intervention, in terms of limiting the spread of the virus and reduce risk to workers in the accommodation sector, accommodation sector users and local communities are substantial. (The option in the Strategic Framework closes accommodation for all but exempt purposes at Level 4.)

It is reasonable and necessary to allow exempt uses to continue as these are designed to support, for example, the health service and critical national infrastructure.

Care will be needed to ensure that allowing accommodation to remain open for exempt purposes does not preclude it from accessing business support linked to full closure.

Conclusion - Level 4

In considering the evidence around options for level 4 Scottish Ministers weighed up the need to reduce social interaction, clinical evidence regarding the spread of infection, and the social and economic harms of intervention. It was concluded that given the level of infection levels at Level 4 it is not reasonable to allow visitor accommodation to operate at this Level (other than for exempt purposes) due to the public health risk., and that the public health benefits outweigh the social and economic harms, particularly when the intention is that Level 4 will only be in force for short periods.

Scottish Firms Impact Test:

There has been widespread engagement with Scottish visitor accommodation businesses in developing the provisions within the Strategic Framework. This engagement is set out within the consultation section of this BRIA.

• How many businesses and what sectors is it likely to impact on?

The measures outlined within this BRIA are likely to affect a large number of businesses and employees. These are illustrated in the table below

	Registered Businesses (IDBR 2019)	Small Registered Businesses (<49 employees) (IDBR 2019)	Medium-Sized Registered Businesses (50-<249 employees) (IDBR 2019)	Large Registered Businesses (250+ employees) (IDBR 2019)	Jobs (BRES 2018)
Hotels and similar accommodation	1,675	1,470	155	50	46,000
Holiday centres and villages	125	120	5	-	800
Youth hostels	30	25	-	-	350
Other holiday and other short-stay accommodation (not including holiday centres and villages or youth hostels) nec	695	690	5	5	2,250
Camping grounds, recreational vehicle parks and trailer parks	250	240	5	5	2,500
Other accommodation	90	85	5	-	800

Within the accommodation sector across Scotland, it is estimated that there are over 2,300 business premises classed as hotels across Scotland; over 1,500 premises classed as B&Bs; and over 17,000 premises classed as self-catering premises³².

The supply chains will also be negatively affected by restrictions. This includes retailers and wholesalers of food and drink, service providers to accommodation premises (e.g. laundry services, cleaning services) and other related suppliers in the wider supply chain include pet boarding, outside catering. There may also be impacts on businesses and communities that benefit from expenditure by those staying in commercial accommodation (e.g. car hire, hospitality premises, visitor attractions and experience providers, and retailers).

• What is the likely cost or benefit to business?

The accommodation sector has incurred a number of new costs since the onset of the pandemic. Direct operational costs relate to enhanced cleaning regimes, including purchase of additional goods e.g. sanitiser and bedding (to allow for deep clean regimes). However the main cost has been linked to the costs of refunds, where legislation protects the consumer, mending that these costs are born by the provider. Provider relationships with Online Travel Agents (OTAs) and booking agents may also have meant they are liable for transaction fees even where a booking does not go ahead. Consumer demand and bookings have fallen. When combined with higher costs, this has had the effect of reducing cashflow and impacting on the financial viability of businesses in this sector.

There were some benefits to some accommodation businesses when they were able to recoup losses and attract new business, particularly from consumers who would normal travel outwith Scotland. Over time a trend towards staying local may develop which would see this benefit grow.

Where accommodation is catered (B&Bs and hotels) there will have been costs associated with the need

³² Extract from the Non-Domestic Rates valuation roll, October 2020

to write off food stocks etc, through lockdown and if areas move into Level 4, particularly if this happens at short notice.

Businesses in lower Levels 0,1,2, where accommodation is open and travel is allowed, may benefit from additional business if other holiday areas are under tighter restrictions, however this will depend on there being a market of consumers from areas where travel is also possible. Depending on demand these business may not be viable.

Businesses at Level 3 will see demand fall as they can only accept guests from their own local authority area and this may render their operation unviable.

Businesses that are closed at Level 4 may be eligible for support through the business support funds linked to the Framework.

Competition Assessment:

With accommodation open at all levels below level 4 the impact on accommodation business will be caused by the travel and socialising restrictions which in turn will reduce demand for accommodation and impacts will vary by accommodation type, large versus small holidays homes for example, or rural caravan sites versus 5 star city hotels. Location will also be a factor as different parts of the country are put into different Levels of restrictions.

• Will it have an impact on the competitiveness of Scottish companies within the UK, or elsewhere in Europe or the rest of the world?

Unclear. Other areas of the UK have also adopted restrictions on commercial accommodation, with England entering a national lockdown in November for one month. Impact on competitiveness will depend on levels applied to local authority areas, and duration of measures.

• Will the measure directly or indirectly limit the number or range of suppliers?

Yes. The application of socialising restrictions on accommodation business at all levels will restrict the ability of accommodation providers to provide accommodation to larger or multi household parties. This will reduce the ability of some business to trade, with for example providers of larger holiday properties particularly restricted by the socialising restrictions. In particular large country houses/estate properties, often used for country sports are unable to serve their usual market, even at Level 0.

Conversely as customers are forced to holiday in smaller groups providers of smaller types of self-catering and hotels accommodation may be more attractive.

With further restrictions there is the potential that some businesses could cease trading and this could limit the number and range of suppliers.

• Will the measure limit the ability of suppliers to compete?

Yes. The application of socialising restrictions on accommodation business at all levels will restrict the ability of accommodation providers to provide accommodation to larger or multi household parties. It is likely that restrictions will limit the ability of some suppliers to compete, for example, as noted above, larger self-catering properties may be disadvantaged. Consumer demand may shift from large hotels to self-catering accommodation suppliers.

• Will the measure limit suppliers' incentives to compete vigorously?

N/A

• Will the measure limit the choices and information available to consumers?

Yes. The accommodation sector will remain open, at all Levels up to but excluding Level 4, so consumers will still have some choice, however travel and socialising restrictions will restrict the destinations that consumer can go to and this will limit consumers ability to actually go on holiday, depending on where they live, and the specific types of accommodation choices they have.

Information regarding what is or is not allowed in the visitor accommodation sector may be confused for consumers and this, together with uncertainty resulting from fluctuation in Levels (a booking made when an areas is Level 2 may not be allowed if the areas moves to Level 3) may inhibit people from choosing to use visitor accommodation.

Consumer Assessment:

The following sets out the Scottish Government's initial view on the impact of the accommodation sector measures within the Strategic Framework on consumers.

• Does the policy affect the quality, availability or price of any goods or services in a market?

Yes. The closure of the sector for all but essential use will curtail the availability of visitor accommodation in Level 4 areas, and curtail options for those looking to stay in visitor accommodation in Level 0-3 areas. The interactions with travel restrictions will also curtail what accommodation is available to which consumers, depending in where they live.

• Does the policy affect the essential services market, such as energy or water?

No. The accommodation sector plays a role in this market, as workers in this sector may require accommodation whilst supporting work on critical national infrastructure, including energy and water services. In order to ensure that these measures do not impact negatively on the essential service market exemptions are in place to allow continued use of the accommodation sector at Level 4 by workers, and so ensure safe use of the accommodation sector by workers at all levels, particular in self-catering properties.

• Does the policy involve storage or increased use of consumer data?

No

• Does the policy increase opportunities for unscrupulous suppliers to target consumers?

No. This is unlikely to occur as a consequence of the strategic framework

Test run of business forms: N/A

Digital Impact Test: N/A

Legal Aid Impact Test: N/A

Enforcement, sanctions and monitoring: Regulations have been put in place to support the implementation of the measures. Associated guidance has also been introduced for the sector and for the

public. Monitoring and enforcement will be undertaken by Local Authority Environmental Health Officers and, in some cases, Police Scotland.

Implementation and delivery plan and post-implementation review:

Regulations and guidance have been put in place to support the implementation of the measures contained within the Strategic Framework. These regulations came into effect from the 2nd November 2020. We are continuing our constructive engagement with the sector

Summary and recommendations:

Introduction

This BRIA has examined the accommodation sector measures within each level of the Strategic Framework and compared these measures with the baseline option, the equivalent of Level 0 in the Strategic Framework. In the case of accommodation there are a number of options but the selected measures are the same until Level 4, with sector is open up to and including Level 3, (with travel guidance in place at all Levels, and additional travel restrictions in guidance at Level 3). The main impact arising as a consequence of travel and socialising restrictions, and this BRIA should be read in conjunction with BRIA for those measures.

Background

The Scottish Government's strategic framework includes a package of measures which collectively are designed to suppress transmission of the virus.

Whilst this BRIA is focused on the accommodation sector, measures are also being taken to reduce opportunities for transmission across a range of settings. It is important to view accommodation sector measures in the context of this wider package of actions.

Options Appraisal

The Strategic Framework includes a range of actions designed to suppress virus transmission. In taking action a careful balance needs to be struck between protecting health and minimising the negative impacts on business, jobs and livelihoods.

The text and table below brings together the benefits and costs by option as set out in this BRIA. The summary table below brings together the benefits and costs of:

- The accommodation sector being open, with hospitality and socialising rules applied (in Levels 1 and 2)
- Guidance against use of accommodation premises for non-essential (tourism) purposes, except by locals (in Level 3)
- Closing of accommodation premises except for essential / work purposes (in Level 4)

It compares these measures against the baseline / level 0 option. More detailed discussion of each of the levels and the options that have been considered by Scottish Ministers within levels is contained within the main body of this document.

Option 1: Baseline

The baseline option (effectively level 0 of the Strategic Framework) would involve no restrictions beyond existing socialising and hospitality rules (i.e. household limits, social distancing, requirements to wear face coverings). This would have a positive economic impact on accommodation providers through their revenue generation; on the workforce and local community by producing employment opportunities; and

on supply chain businesses.

However this would be off-set by the health risks associated with increased opportunities for virus transmission in accommodation settings. Some accommodation premises can be characterised by many of the high-risk factors associated with transmission of the virus. Accommodation premises may also have the potential to act as sources of infection within local communities, by acting as locations where people with COVID-19 may inadvertently come into contact with and infect others. The health risks posed by accommodation premises would increase as the R rate increased meaning there would be potential for increased community transmission and multiple clusters.

Higher rates of infection may ultimately impact negatively on accommodation providers as trade made be reduced due to customers being anxious about social interaction, particularly in indoor venues. The workforce may be affected by higher levels of sick workers due to high rates of Covid-19, or larger numbers of staff self-isolating for 14 days.

Option 2: Strategic Framework

Measure	Benefits	Costs
<p>The sector is fully open, with socialising and travel measures applied (Levels 1 and 2).</p>	<p>Positive effects on accommodation providers from continuation of trade.</p> <p>Positive effects on workforce from continuation of employment.</p> <p>Consequent positive impacts on associated supply chain, and sectors whose revenues are supported by visitors using accommodation.</p>	<p>Reduced capacity and revenues resulting from socialising and hospitality limits, compared to Level 0.</p> <p>Potential (perceived) harms on community from risk of transmission of COVID-19 into local area from higher incidence areas.</p>
<p>Guidance against non-essential (tourist) use by non-locals (included in Level 3)</p>	<p>Potential public health benefit in terms of limiting potential avenues of transmission of COVID-19 into, within and outwith affected area.</p> <p>Potential reduction of risk to workers in the accommodation sector, accommodation sector users and local communities of contracting COVID-19.</p> <p>Maintenance of accommodation provision for local leisure use, essential workers, work-related travel.</p>	<p>Negative impact on accommodation providers and tour operators from cancellations of existing bookings, reduced future bookings. Negatively impact on turnover, and on cashflow position should refunds be required.</p> <p>Potential negative impact on workforce in affected sections of the accommodation sector; on businesses providing goods and services to the accommodation sector; and to those activities whose revenues are supported by visitors using accommodation (e.g. hospitality, visitor attractions, visitor experience providers, retail).</p>

		Harms (economic, social, health) on consumers associated with preventing people from disruption to travel plans and reduced choice.
Accommodation is closed for non-essential purposes but use for exempt purposes (included in Level 4)	<p>Potential public health benefit in terms of limiting potential avenues of transmission of COVID-19 into, within and outwith affected area.</p> <p>Potential reduction of risk to workers in the accommodation sector, accommodation sector users and local communities of contracting COVID-19.</p> <p>Maintenance of accommodation provision for essential workers, work-related travel.</p>	<p>Substantial negative impact on revenues of accommodation providers and tour operators from reduction in demand (via cancellations of existing bookings, reduced future bookings). Negatively impact on turnover from staying guests, and on cashflow position should refunds be required.</p> <p>Negative impact on workforce in affected sections of the accommodation sector; on businesses providing goods and services to the accommodation sector; and to those activities in affected area whose revenues are supported by visitors using accommodation (e.g. hospitality, visitor attractions, visitor experience providers, retail).</p> <p>Harms (economic, social, health) on consumers associated with preventing people from disruption to travel plans and reduced choice.</p>

Conclusion

This BRIA has set out the relative costs and benefits of various accommodation options that were considered for the Strategic Framework measures with the intended effect of suppressing the virus whilst acknowledging and minimising the economic harms faced by businesses.

It is also important to note that we have set out a comprehensive package of financial support for businesses in the accommodation sector to mitigate the negative impacts of the restrictions. (see section above for full details)

Support measures are designed to support businesses and mitigate the negative impacts of the restrictions which have been identified and considered. We will continue to engage with the sector on the impact of the measures, and the level of support available, as they are implemented.

Title: Scotland's Strategic Framework: Retail Sector

Purpose and intended effect:

The objective of Scotland's Strategic Framework is to set out a sustainable response to the pandemic to be

implemented until either a vaccine or highly effective treatments to the virus are developed. The Framework covers the four key harms of the virus, how we will work to suppress the virus, and sets out our proposal to move to a strategic approach to outbreak management based on five levels of protection.

This BRIA is focused on the set of **retail** measures included within Scotland’s Strategic Framework. However, individual measures need to be viewed within the broader context of the package of measures within each level, with the strategic framework taking a four harms approach to considering which interventions are introduced at each level through assessment of:

- direct health harms associated with COVID-19
- broader health harms
- social harms
- economic harms

The Strategic Framework includes measures across a wide number of settings and provides a comprehensive approach to reducing infection rates and suppressing the spread of the virus. Each of the levels is designed to reflect the relative severity of the area it is being applied to, with progressively heightened restrictions implemented as necessary.

The key measures relating to the retail sector are set out in the table below:

	Level 0 (Baseline)	Level 1	Level 2	Level 3	Level 4
Retail sector	Open	Open	Open	Open	Non-essential retail closed (click & collect and outdoor retail permitted)

The safety of people – customers, employees and business owners – is the number one priority and we are working with retailers to ensure that people can still shop safely. Guided by the need to ensure shopping is safe, we want people to use their local high streets, towns and city centres, to ensure that crowding is avoided, that good hygiene measures are in place and that physical distancing is maintained at all times.

Legislative Background

The UK Coronavirus Act 2020 received Royal Assent on 25 March 2020. The Scottish Government used powers conferred by that Act to bring forward the Health Protection (Coronavirus) (Restrictions) (Scotland) Regulations 2020 (“the first regulations”), to implement physical distancing and impose restrictions on gatherings, events and operation of business activity. They came into force on Thursday 26 March 2020.

The Health Protection (Coronavirus) (Restrictions and Requirements) (Scotland) Regulations 2020 came into force on 14 September 2020 and revoked and replaced the first regulations. They make provision which is substantially similar to the first regulations, as amended at the date on which they were revoked.

On 9 October 2020, the Health Protection (Coronavirus) (Restrictions and Requirements) (Additional Temporary Restrictions) Regulations 2020 (“the additional temporary restrictions”) set out additional restrictions, both nationally and specific to the central belt. These regulations suspended the effect of the Health Protection (Coronavirus) (Restrictions and Requirements) (Scotland) Regulations 2020 while the additional temporary restriction regulations were in force. The additional temporary restriction regulations were due to expire on 26 October but were extended by amendment until 6.00 am on 2 November to allow for consultation on the levels-based approach.

The Health Protection (Coronavirus) (Restrictions and Requirements) (Local Levels) (Scotland) Regulations 2020 implement the new Strategic Framework and were published on 30th October and came into effect on 2 November.

Scotland’s Strategic Framework:

Decision-making under the new Strategic Framework system is intended to be straightforward and transparent. It will build on existing structures and processes, will continue to be informed by clinical advisers and evidence, and will continue the engagement with local leadership as decisions to move up and down levels are taken.

Decisions will continue to be made by Ministers, with input from relevant advisers, as implementing the restrictions outlined in the levels is the exercise of a statutory power for the protection of public health, for which Ministers are responsible and accountable.

Regular reviews of the levels system will take place and as soon as Ministers consider that any restriction or requirement is no longer necessary to prevent, protect against, control or provide a public health response to the spread of COVID-19, they must revoke that restriction or requirement.

Purpose and intended effect: Scotland's Strategic Framework Retail Protections

Introduction

The retail sector is a very important part of Scotland's economy and society. The retail sector in Scotland directly employs 233,000 people (*source: Business Register Employment Survey 2018*). The retail sector has some particular features summarised below:

- Women are more likely than men to work in the retail sector. Women made up 60.5% of the workforce in 2019³³.
- A comparatively high proportion of the workforce are young people: 26.0% of the retail sector workforce is aged 16-24 compared to 12.3% of the workforce as a whole.
- 6.4% of the retail workforce in Scotland were minority ethnic.
- 40.8% people working within wholesale, retail, repair of vehicles work part time compared to 26.4% of the population.
- The industry sector with the highest proportion of non-UK nationals in the workforce is distribution, hotels and restaurants – 12.7 per cent of its workforce are non-UK nationals.
- In addition to the direct jobs in retail, the sector also supports 22,000 jobs across its diverse supply chains. (*Source: OCEA*)

COVID-19 and the Retail Sector

The lockdown in March hit the retail sector hard with only essential retail allowed to open, with physical distancing measures in place, and non-essential retail closed. As a result, non-essential retail experienced large reductions in turnover, threatening financial viability of businesses in this sector and associated jobs. Once the non-essential retail was able to re-open, businesses incurred additional costs in the form of making business COVID-19 secure in terms of physical distancing and hygiene measures. At the same time, consumer demand for retail remained weak and the outlook for the sector remained fragile.

- The Scottish Government's Monthly GDP statistics for August show Wholesale, Retail & Motor Trades as 6.4% lower in August compared to the same period last year (August 2019) and 10.0% lower for the economy overall. The sector is also 5.6% down in August compared to February 2020, compared with 9.4% lower for the economy overall. (*Source: Scottish Government Monthly GDP, August 2020*)
- The Scottish Government's Monthly Business Turnover Index for August show the net balance of companies in the Non-food Other Retail sector reporting increased turnover as 34% lower in August 2020 compared to

³³ Source: Annual Population Survey 2019

August 2019, in line with the industry average across Scotland, and indicating that more businesses are reporting decreased turnover than increased turnover. Turnover remains down in all industry sectors except for the food retail industry.

(Source: Scottish Government Monthly Business Turnover Index, August 2020)

- In 2018, Gross Value Added (GVA) in the Scottish retail sector was £5.8 billion (7.9% of UK total), whilst turnover stood at £23.6 billion (6.2% of UK total). GVA in the Scottish retail sector fell by 7.9% between 2017 and 2018 (from £6.3 bn to £5.8 bn).

(Source: Scottish Annual Business Statistics 2018)

The Scottish Government's analysis of ONS's BICS statistics for Scotland includes information on the impact of COVID-19 on the Wholesale, Retail & Repair of Vehicles sector³⁴. Key points include:

- The overall share of businesses 'currently trading' in the Wholesale, Retail & Repair of Vehicles sector was estimated as 98.6% in the period 5 October to 18 October 2020, compared with 95.3% for the economy overall.
- In the period 21 September to 18 October, 40.8% of businesses in the Wholesale, Retail & Repair of Vehicles sector reported experiencing a decrease in turnover compared with what is normally expected for this time of year. The comparable proportions for the economy overall is 51.3%.
- The share of the workforce on furlough leave in the Wholesale, Retail & Repair of Vehicles sector was estimated as 4.8% in the period 21 September to 18 October, compared with 11.9% for the economy overall.
- 19.2% of businesses in the Wholesale, Retail & Repair of Vehicles sector reported having no or less than 3 months cashflow in the period 5 – 18 October, compared with 30.8% for the economy overall.
- 3.5% of businesses in the Wholesale, Retail & Repair of Vehicles sector reported their intention to permanently close business sites in the next three months in the period 21 September – 4 October, compared with 2.7% for the economy overall.

The take-up rate of the UK Government's Coronavirus Job Retention Scheme for the wholesale, retail and repair of vehicles sector in Scotland was 44% as at 31st July 2020.

The take-up rate of the UK Government's Self-Employment Income Support Scheme for the wholesale, retail and repair of vehicles sector in Scotland was 59% as at 30th September 2020.

Policy Objective

In common with the wide range of other countries who have implemented similar measures, the objective of the restrictions set out within the Strategic Framework is to ensure that the operation of retail settings is appropriate to the level of COVID-19 risk within the Local Authority area, also taking into account the other restrictions in place. Any restrictions on operations are intended to help control and suppress the spread of the virus, ultimately minimising transmission rates, hospital admissions, deaths and the potential overwhelming of the NHS.

Transmission

SARS-CoV-2 can be transmitted by three main routes: close-range respiratory droplets and aerosols, longer range respiratory aerosols, and direct contact with surfaces contaminated with virus. Transmission is strongly associated with proximity and duration of contact in indoor environments. It is possible for SARS-CoV-2 to be transmitted at distances of more than 2 metres.³⁵

³⁴ <https://www.gov.scot/publications/bics-weighted-scotland-estimates-data-to-wave-15/>

³⁵ [Transmission of SARS-CoV-2 and Mitigating Measures, SAGE EMG June 2020](#)

We know from contact tracing, international evidence and scientific research that a wide range of social, residential and workplace settings have been associated with transmission.

The Government recognises that transmission of the virus within households presents the highest risk, which is why gatherings in private dwellings was targeted first and will be restricted across all of the 5 levels.

However, other setting also have the potential to transmit the virus due to the risk factors. Understanding settings where multiple risk factors come together, and large outbreaks are likely to occur, is important in controlling the epidemic.

Risk Factors

High-risk factors associated with transmission of the virus³⁶ include indoor spaces, where ventilation and physical distancing may be less easy to maintain, and are places where people come together to spend prolonged periods of time (more than 15 minutes) in close proximity, enabling the virus to spread easily from person to person. Another risk factor is when a 2m distance cannot be maintained, as evidence suggests that 1m distancing carries between 2 and 10 times the risk of 2m distancing³⁷. Risks outdoors are lower, with the risk of aerosol transmission considered to be very low outdoors due to high dilution of virus carrying aerosols and UV inactivation of the virus³⁸.

Each place an individual visits brings different risks depending on a range of factors, such as³⁹:

- the mix and number of people present,
- the amount of time individuals are likely to spend there,
- the ability to maintain 2m distancing,
- the likelihood of pinch points where people might gather (e.g. toilets, entrances and exits),
- the standard and type of ventilation,
- the likelihood of people touching surfaces and goods

In terms of the retail setting, the following issues may contribute towards transmission risk: issues of ventilation (with recirculation of air being particularly problematic); crowding (where it can be hard to regulate the distance between people); pinch points; keeping surfaces and goods clean; and regulating movement throughout the setting. Whilst the risk factors may vary between different retail settings - and retailers have made significant efforts to mitigate those - fundamentally, retail settings visited by many people, typically from different households for longer than 15 minutes all amplify the risk of transmission.

The Strategic Framework includes measures across a wide number of settings and provides a comprehensive approach to reducing infection rates and suppressing the spread of the virus. The specific measures, as set out in the Regulations and guidance, reflect the assessment of risk factors associated with a particular activity. Each of the Strategic Framework's levels are designed to reflect the relative severity of the area it is being applied to, with progressively heightened restrictions implemented as necessary.

Test and Trace / clusters linked to these sectors

On current transmission rates, the latest data for this week indicates that in the 7 days to yesterday there were 315 cases (23%) where retail was mentioned as a potential place of transmission. In addition there were 29 cases (2%)

³⁶ [COVID-19: NOTE BY THE CHIEF MEDICAL OFFICER, CHIEF NURSING OFFICER AND NATIONAL CLINICAL DIRECTOR 7th October 2020](#)

³⁷ [Transmission of SARS-CoV-2 and Mitigating Measures, SAGE EMG June 2020](#)

³⁸ [Transmission of SARS-CoV-2 and Mitigating Measures, SAGE EMG June 2020](#)

³⁹ [COVID-19: NOTE BY THE CHIEF MEDICAL OFFICER, CHIEF NURSING OFFICER AND NATIONAL CLINICAL DIRECTOR 7th October 2020](#)

where people worked in retail. However, this includes all retail and it is therefore not possible to draw any firm conclusions about the contribution of essential retail overall, to transmission rates.

Understanding where transmission takes place and the modes of transmission is a very challenging task. Data from contact tracing provides initial clues as to the environments where people spend time, but does not give definitive information on where, when and how transmission occurred.

Test and Protect data in Scotland is examined on a weekly basis to analyse attendance of a range of settings. It is important to note that due to the way the data is collated, there may be some overlap between settings and whilst a case mentions that they have been at a particular venue or gathering event this does not imply nor guarantee that they acquired infection at that location.

It is important to note, too, that 20% of people tested were asymptomatic and that asymptomatic and pre-symptomatic transmission of COVID-19 is now known to occur. This means that people who have no symptoms can still be infectious to others⁴⁰.

The following table is taken from the details of interviews that have been completed as part of Test and Protect up to week ending 1st November 2020. It includes places, events or activities relevant to this BRIA, it does not include other interactions such as with family / friends or eating out.

Place / event / activity	Number of cases that had visited these places	% of cases interviewed
Shopping	2663	29.9%

Table showing information from Test and Protect interviews week ending 1 November 2020

<https://beta.isdscotland.org/find-publications-and-data/population-health/covid-19/covid-19-statistical-report/>

It is important to note that due to the way the data is collated, there may be some overlap between settings and whilst a case mentions that they have been at a particular venue or gathering event this does not imply nor guarantee that they acquired infection at that location.

Whilst these figures do not demonstrate that the infection was acquired in each setting, they do demonstrate the types of settings the individuals may have been in while potentially infectious themselves. It is important to note, too, that 20% of people tested were asymptomatic and that asymptomatic and pre-symptomatic transmission of COVID-19 is now known to occur. This means that people who have no symptoms can still be infectious to others.

International Experiences

A number of European countries have introduced a range of restrictions on businesses, which cover similar actions for supporting a reduction in transmission of the virus as have been considered in Scotland and other parts of the UK. These countries continue to adapt their package of restrictions in response to rising infection rates. During the week commencing 23rd October the following were identified:

- **Ireland** - has entered its second week of the highest tier of restrictions nationwide. This includes the closure of non-essential shops, along with barbers' shops, beauty salons, gyms, leisure centres and cultural amenities. Pubs, cafes and restaurants will be allowed to serve takeout meals only.
- **France** – on 28 October, a **new nationwide lockdown was imposed, which includes the closure of all** bars, restaurants, and all businesses considered "non-essential", and working from home will be the norm.
- **Belgium** - announced a strengthened lockdown on 27 October, including additional measures such as closure of non-essential shops (with click-and-collect and delivery services permitted), and closure of non-medical contact professions (such as hairdressers or beauty salons). This is in addition to existing restrictions, which

⁴⁰ Qiu X, Nergiz AI, Maraolo AE, Bogoch II, Low N, Cevik M. Defining the role of asymptomatic SARS-CoV-2 transmission: a living systematic review. medRxiv 2020: 2020.09.01.20135194.

include the closure of all restaurants and bars, a nationwide curfew, and closure of all cultural and indoor sports venues.

- **Czech Republic** - strict new measures came into force on 28 October. The Government has imposed a curfew between 9pm and 5am, shops selling essential goods must close on Sundays and by 8pm on weekdays. Schools will close to all students from 2 November, including kindergartens and special schools.

Conclusion

Limiting social mixing as much of possible in all settings is the most effective measure against transmission of the virus until a vaccine and treatments become available.

In common with the wide range of other countries who have implemented similar measures, the Strategic Framework seeks to limit business operation as part of an overall system to balance suppression of the virus whilst minimising wider harm to our health and wellbeing as well as minimising the wider social and economic harms associated with the measures. The levels approach sets out proportionate action to address the harm from the virus whilst acknowledging the wider health, social and economic harms. When the risk of COVID-19 rises, so too will the restrictions on these sectors. Similarly as the risk falls, restrictions will ease.

Across all of the five levels we seek to balance:

- The positive impact on the transmission rate of the virus through restricting the opportunity for mixing
- Enabling as many businesses as possible to remain open safely, in ways that enable firms to remain viable and reduce the likelihood of redundancies
- The important role that these businesses and venues play in maintaining our wellbeing
- The risk of people gathering elsewhere in less safe environments
- The economic costs, including wider costs and the impact on the supply chain.

Consultation

Public Consultation: No (precluded by urgent implementation timescales). However, there is a body of correspondence from both businesses and customers and our engagement with sector representative bodies has included customer feedback.

Business: Consultation with business on the development of the Coronavirus (COVID-19): retail sector guidance has been conducted via the organisations represented on the Retail Guidance Sub-group with oversight by both the Minister for Business, Fair Work and Skills; the Minister for Communities and Elderly People; and the Cabinet Secretary for Economy, Fair Work and Culture.

The group has guided the development and delivery of COVID-19 retail sector guidance for Scotland and phasing within the route-map ensuring the guidance and routemap is developed collaboratively and informed by input from members including trade unions, leadership bodies and regulators. Members draw on their expertise and networks to ensure the guidance is informed by, and relevant to retailers and employees of all size and sector in Scotland.

The Retail Guidance sub-group will continue to engage with Scottish Government to review this situation and any subsequent reviews to the retail guidance and checklists.

Membership of the Retail Guidance Sub-group included:

- South Ayrshire Council
- General, Municipal, Boilermakers
- Union of Shop, Distributive and Allied Workers
- Scottish Grocers Federation
- Scottish Retail Consortium
- Federation of Small Businesses
- Scottish Property Federation

- Scottish Wholesale Association
- Health and Safety Executive

The retail sector in Scotland has provided feedback on proposals for restrictions on the sector, with the Scottish Retail Consortium noting that

- Scottish retailers have invested significantly since the Spring in physical distancing and hygiene measures (estimate circa £40-45 million) and they consider shops to be safe.
- The SRC cited SAGE and Welsh Technical Advisory Cell public health advice which states closing shops would have 'very minimal impact' on reducing the R number;
- The SRC has also highlighted the potential for substantial economic damage, particularly to non-essential retailers at this crucial time of the year for them in the build up to Christmas
- SRC estimates that Scottish non-essential shops generated £1.3 billion revenues in Nov 2019 – a fifth of annual retail revenues is generated in the final 2 months of the year),
- SRC also noted potential impact on employment prospects of retail's largely young and diverse workforce and the impact on high streets where shop vacancies have reached a 5-year high
- SRC consider that offers of government financial assistance in compensation for lockdown, whilst welcome, would fall far short of the lost revenues and associated costs, at a time when non-essential shops in Scotland have yet to claw back to pre-COVID-19 trading levels
- SRC's Scottish Retail Sales Monitor estimates £2.4 billion of lost retail sales in Scotland over the past 7 months)
- In addition SRC notes the impact on stock which would likely go unsold and possibly could not be sold subsequently

Whilst high level discussions are taking place with retail stakeholders - including the Scottish Retail Consortium, the cities and major chambers of commerce - further work and engagement is planned in order to test their viability with the sector. In particular discussions with the sector in the context of the strategic framework will provide iterative opportunities to solicit any alternative ideas or improved measures as well as test practicability of those already under consideration.

Options:

This section sets out the range of options that have been considered, and we continue to work constructively with the industry to explore and assess alternatives.

Within this BRIA we have compared the package of measures within each level against the baseline approach of level 0. This has allowed us to present the clinical evidence for intervention at each level setting out the health benefits, whilst acknowledging the potential impacts on the retail sector. We have also set out some other key options considered at each level. Throughout these measures we have sought to develop the right package of measures to reduce circulation of the virus whilst limiting wider health, economic and social harms.

Our objective is to get all parts of the country to level 0 or level 1 and remain there if we can. Within these levels, we would expect to see low incidence of the virus with isolated clusters, and low community transmission. Broadly, these levels are the closest we can get to normality without a vaccine or effective treatment which would allow us to move to Phase 4 of the Route Map and then back to normality. They would be similar to the measures in place during the summer, once we reached Phase 3. The Baseline and Level 1 are designed to be sustainable for longer periods.

In assessing the relevant options for each level we considered current and previous restrictions, international best-practice and examples, clinical and sectoral input, and proposals from policy colleagues, industry, and experts. We analysed the relative impact of each of the options on the spread of the virus, as well as the additional costs and benefits.

Retailers are required by law to take such measures as are reasonably practicable to ensure physical distancing, and to take other such measures as reasonably practicable to reduce the risk of transmission. These measures are

further clarified in retail guidance. There is a legal requirement to conduct a review of measures contained in regulations, at least every 21 days, in accordance with regulation 8 of the Health Protection (Coronavirus) (Restrictions and Requirements) (Local Levels) (Scotland) Regulations 2020. Ongoing reviews of the retail guidance will:

- ensure it reflects any changes required by revised COVID-19 legislation and regulation;
- contains current recommended best practice guidance for safe working;
- give employers and employees the confidence to attend the workplace;
- minimise any divergence in guidance between the SG and UK government whilst ensuring Scottish sector specific guidance is available;
- aide the recovery of the retail sector and the wider economy in Scotland

Levels 0-3

At Levels 0-3 retailers are under legal requirements to take reasonably practicable measures to ensure physical distancing, and to take other reasonably practicable measures to reduce the risk of transmission. Retailers are expected to operate in line with published guidance for the retail sector.

Options for Level 4

Level 4 will be deployed only if absolutely necessary, intended as a short, sharp intervention to address extremely high transmission rates.

Within this level we would expect to see very high or rapidly increasing incidence, and widespread community transmission which may pose a threat to the NHS to cope. It is likely that this level would see the introduction of measures close to a return to full lockdown. Measures would be designed to be in place for a short period, to provide a short, sharp response to quickly suppress the virus. Measures introduced in level 4 would be to control and suppress the spread of the virus, reduce transmission rates, hospital admissions, deaths, allow key services to continue such as education and avoid overwhelming of the NHS.

A range of options were considered for retail environments under Level 4 of the Strategic Framework.

Option 1 – all retail remains open with mitigating measures in place (as per baseline (level 0) and levels 1-3) –

At level 4, continued operation of all retail, including non-essential retail is considered to present a risk to health, through risk of transmission within retail environments and through encouraging unnecessary travel.

The risk of COVID-19 transmission at Level 4 is considered sufficiently high to outweigh the economic benefits of continued non-essential retail activity, therefore this option was rejected.

Option 2 – non-essential retail closes

At Level 4 of the Strategic Framework closure of all but essential retail is intended to mitigate the opportunity for transmission of COVID-19 between customers and customers and retail staff. Retention of essential retail activity should ensure that there is sufficient opportunity for citizens to be able to purchase essential goods within stores and to be able to continue to shop on-line.

Level 4 will only be applied to areas where there is evidence of significant community transmission of the virus and potential pressure on local NHS services. The purpose of restrictions on retail is to help reduce footfall in our towns and cities and to limit opportunities for the virus to be transmitted. Our starting point therefore was that the definition of essential retail should be the same as during the lockdown period from March - May.

In terms of 4 harms assessment, non-essential retail, with mitigation measures in place, is considered lower risk than if mitigation measures were not in place, and the impact on the R measure is low but societal and economic

impacts are marked as moderate. Again, this covers all non-essential retail, as currently defined. Shopping centres are likely to present a slightly higher risk given the increased time spent indoors (which is likely to be particularly so in winter). With regard to clothing and footwear, there may also be an increased risk when compared with food retail where more time may be spent browsing.

Risk of COVID-19 transmission at Level 4 is considered sufficiently high to outweigh the economic benefits of continued non-essential retail activity.

Option 3 - Extend definition of essential retail to allow additional businesses to remain open.

Our starting point for determining what is essential retail for the purposes of the regulations are the regulations used for the national lockdown from March – May (the Health Protection (Coronavirus) (Restrictions) (Scotland) Regulations 2020). However, following extensive engagement with the sector and particularly taking cognisance of the additional mitigating measures, which were not in place in March, of the fact that we are heading into winter and of the lack of evidence of significant transmission attributed to retail, consideration was given to extending the categories of retailer allowed to remain open under level 4 restrictions.

Retailers have argued for further additions to the list of essential retail, citing benefits to mental health of consumers able to access materials such as books that will support and encourage them to remain at home.

The intent of level 4 restriction on retail is to mitigate the opportunity for transmission of COVID-19 between customers and retail staff. Expanding the list of shops that can open to include, for example, clothes and footwear shops would lead to an increase in the number of shops being able to open which would potentially slow down the time taken for the restrictions to take effect and mean they needed to stay in place for longer. On balance we would not therefore support significant extensions to list of essential retail at this time, however the inclusion in the Strategic Framework of some outdoor retail facilities and click and collect expands on definitions from March – May and clarifies that shops and retail businesses that close in Level 4 can continue to make deliveries or provide a collection service to fulfil orders received online, by phone, text or post.

The businesses which must close at Level 4 are set out in law. Those that can remain open are:

- food retailers, including food markets, supermarkets, convenience stores and corner shops
- off-licences and licensed shops selling alcohol (including breweries)
- pharmacies (including non-dispensing pharmacies) and chemists
- newsagents
- homeware, building supplies and hardware stores
- petrol stations
- car repair and MOT services
- bicycle shops
- taxi or vehicle hire businesses
- banks, building societies, credit unions, short-term loan providers, savings clubs, cash points and undertakings which by way of business operate a currency exchange office, transmit money (or any representation of money) by any means or cash cheques which are made payable to customers
- post offices
- funeral directors
- laundrettes and dry cleaners
- dental services, opticians, audiology services, chiropody services, chiropractors, osteopaths and other medical or health services, including services relating to mental health
- veterinary surgeons and pet shops
- agricultural supplies shops and agricultural markets
- storage and distribution facilities, including delivery drop off or collection points, where the facilities are in the premises of a business included in this sub-paragraph
- car parks
- public toilets
- livestock markets or auctions

- garden centres, plant nurseries, outdoor markets, and outdoor car lots

Businesses which are allowed to stay open will be expected to follow all other applicable legal requirements, rules and guidance.

Option 4 – all retail stays open at Level 4 with tighter restrictions.

This option would allow a greater number of businesses to remain open in areas under level restrictions, with businesses adopting measures such as heavily restricted footfall, bookable slots for shopping, collection of track and trace information and encouraging extension of opening hours to reduce congestion.

However, as the objective of Level 4 is to quickly reduce potential for transmission of COVID-19, this option could encourage unnecessary travel, and slow progress against achieving reduction in transmission, with result that wider restrictions are in place for a longer period.

Conclusion

The high incidence of the virus and widespread community transmission mean that non-essential retail is closed. On balance significant extensions to the list of essential retail are not supported at this time. However the inclusion in the Strategic Framework of some outdoor retail facilities and click and collect expands on definitions from March – May and clarifies that shops and retail businesses that close in Level 4 can continue to make deliveries or provide a collection service to fulfil orders received online, by phone, text or post.

Scottish Firms Impact Test:

There has been engagement with Scottish retail sector in developing the provisions within the Strategic Framework. This engagement is set out within the consultation section of this BRIA.

How many businesses and what sectors is it likely to impact on?

The majority of retail businesses operating in Scotland are micro and small businesses. It is estimated, based on the Inter-Departmental Business Register 2019 and 2018 Business Register and Employment Survey that there are 13,715 business units in the Food and Beverages Services sector in Scotland, employing directly 155,000 people. The measures within the Strategic Framework may impact disproportionately on small businesses who may experience cash-flow problems as a result of any further tightening of restrictions.

Table 2 below shows a Scotland-level disaggregation of characteristics of areas of the retail sector that may be affected by the measures discussed in this BRIA including estimates of employment, number of businesses and business sites and number of premises.

Table 2: Breakdown of the Scottish retail sector

Sector	Employment (2018)	Number of Registered Businesses (2019)	Number of Registered Business Sites (2019)
SIC 47 Retail Trade, except of motor vehicles and motorcycles	233,000	13,715	22,340

Source: Business Register and Employment Survey; IDBR.

Sector	Number of Registered Businesses	Small Registered Businesses (<49 employees)	Medium-Sized Registered Businesses (50-<249 employees)	Large Registered Businesses (250+ employees)
SIC 47 Retail Trade, except of motor vehicles and motorcycles	13,715	13,165	245	305

Source: IDBR 2019.

In addition to the direct jobs in retail, the sector also supports 22,000 jobs across its diverse supply chains.

Essential vs Non-Essential Retail

Data from OCEA that distinguishes essential retail from non-essential retail where the latter will face tighter restriction in Level 4 of the strategic framework. Note that total retail in the table below includes sectors that are not included in SIC 47 Retail Trade but are covered by the term retail in the guidance.

	Business Units	Jobs
Essential Retail	13,015	142,640
Non-essential Retail	19,625	162,800
Total Retail	32,640	305,440
Proportion of total that is essential	40%	47%

Approximately 60% of retail businesses in Scotland are deemed to be non-essential according to the strategic framework. Retail businesses with a rateable value above £51,000 tend to be concentrated in cities.

	% Essential Retail	% Non-Essential Retail	% Rateable Value above 51000	% Rateable Value equal of below 51000
Aberdeen City	37%	63%	15%	85%
Aberdeenshire	43%	58%	5%	95%
Angus	42%	57%	3%	97%
Argyll and Bute	44%	56%	3%	97%
City of Edinburgh	35%	65%	13%	87%
Clackmannanshire	44%	56%	5%	95%
Dumfries and Galloway	40%	60%	5%	95%
Dundee City	38%	62%	11%	89%
East Ayrshire	45%	55%	4%	96%
East Dunbartonshire	40%	60%	7%	93%
East Lothian	43%	57%	5%	95%
East Renfrewshire	46%	56%	4%	96%
Falkirk	40%	61%	6%	94%
Fife	43%	57%	6%	94%
Glasgow City	41%	59%	10%	90%
Highland	38%	62%	8%	92%
Inverclyde	42%	58%	5%	95%
Midlothian	41%	59%	10%	90%
Moray	42%	58%	6%	94%

Na h-Eileanan Siar	40%	60%	1%	99%
North Ayrshire	42%	58%	5%	95%
North Lanarkshire	43%	57%	6%	94%
Orkney Islands	40%	60%	3%	97%
Perth and Kinross	36%	64%	6%	94%
Renfrewshire	38%	62%	11%	89%
Scottish Borders	41%	59%	4%	96%
Shetland Islands	43%	57%	2%	98%
South Ayrshire	37%	63%	6%	94%
South Lanarkshire	41%	59%	8%	92%
Stirling	36%	64%	10%	90%
West Dunbartonshire	39%	61%	9%	91%
West Lothian	41%	59%	13%	87%
All	40%	60%		

What is the likely cost or benefit to business?

Retails have already incurred additional costs from restrictions (including PPE, hand sanitation facilities, adaptations required to facilitate physical distancing such as screening). Scottish retailers have invested significantly since the Spring in physical distancing and hygiene measures with SRC estimating spend of circa £40-45 million.

The SRC has also highlighted the potential for substantial economic damage, particularly to non-essential retailers at this crucial time of the year for them in the build up to Christmas. SRC estimates that Scottish non-essential shops generated £1.3 billion revenues in Nov 2019 – a fifth of annual retail revenues is generated in the final 2 months of the year).

SRC also noted potential impact on employment prospects of retail's largely young and diverse workforce and the impact on high streets where shop vacancies have reached a 5-year high.

SRC consider that offers of government financial assistance in compensation for lockdown, whilst welcome, would fall far short of the lost revenues and associated costs, at a time when non-essential shops in Scotland have yet to claw back to pre-COVID-19 trading levels

SRC's Scottish Retail Sales Monitor estimates £2.4 billion of lost retail sales in Scotland over the past 7 months and in addition SRC notes the impact on stock which would likely go unsold and possibly could not be sold subsequently.

Competition Assessment:

Restrictions on the retail sector in areas assigned to level 4 of the Strategic Framework may lead to short term impacts on competitiveness outlined below.

• Will it have an impact on the competitiveness of Scottish companies within the UK, or elsewhere in Europe or the rest of the world?

Under lockdown restrictions now in place in England (from 5 November) Essential retail such as food shops, supermarkets, pharmacies, garden centres, hardware stores, building merchants and off-licences are permitted to stay open. The wider list of businesses designated as providing essential goods and services is broadly similar to that in place in Scotland.

Retail businesses that are closed in Scotland and not in the rest of UK could lose market share and competitiveness. Essential retail remained open throughout lockdown whereas non-essential retail was not. Businesses in parts of retail that are open before others may introduce a wider product range and sell products in direct competition to those sold by businesses in parts of retail that are closed.

Will the measure directly or indirectly limit the number or range of suppliers?

Within areas under level 4 restrictions, closure of non-essential retail will limit options for consumers to retailers able to continue to operate under restrictions, to those with an online or click and collect presence or to online only offerings, with subsequent loss in business for those retailers required to close and unable to offer alternative services such as phone or online ordering, delivery or click and collect services.

Across Scotland 793 retail shops closed (UK 11,120) in the first half of 2020 and 400 shops opened (UK 5,119) a net decline of 393. This figure may be an underestimate as it does not include temporarily closed shops. (Source: PWC report based on Local Data Company Data)

Will the measure limit the ability of suppliers to compete?

Closure of non-essential retail under Level 4 restrictions will impact unfavourably on retailers that offer only non-essential goods and services and are required to close in in an area under Level 4 restrictions. Non-essential goods sold by essential retailers and through on-line retailers, or retailers able to offer online or phone order services for click and collect or delivery will continue to be available.

For essential and non-essential shops travel restrictions in Level 3 areas, and for essential shops travel restrictions in Level 4 areas, may impact on city centre and out of town shopping locations which attract shoppers from a wide geographical area, however we would expect to see a positive impact on use of local or high street shops offering essential goods.

Online-only retailers are likely to benefit from closure of non-essential shops, as are retailers with an established online presence who are able to continue to trade throughout Level 4 restrictions and are not affected by local travel restrictions.

Retailers may be able to offset some reduction in footfall through increased online sales or through use of click and collect operations in line with guidance, however establishing such services will present a cost impact, particularly for smaller retailers.

Essential retailers, such as large supermarkets, would continue to be able to offer a range of non-essential goods, where non-essential retailers have closed under Level 4 restrictions.

• Will the measure limit suppliers' incentives to compete vigorously?

n/a

• Will the measure limit the choices and information available to consumers?

There is a likelihood that the retail measures in the strategic framework will limit the choices available to consumers through limited availability and lack of locally available alternatives.

Consumer Assessment:

The following sets out the Scottish Government's initial view on the impact of the retail measures within the Strategic Framework on consumers..

• Does the policy affect the quality, availability or price of any goods or services in a market?

There is a likelihood that the retail measures in the strategic framework will limit the choices available to consumers through limited availability and lack of locally available alternatives where retailers are required to close.

Consumers will be able to purchase non-essential goods from online retailers, or through local retailers offering click and collect or delivery services for online or phone/postal orders during period of any Level 4 restriction. Consumers may be unable to travel to a wider range of retail settings under level 3 and 4 travel restrictions, limiting available choice of retailers and goods, particularly for consumers with no access to a car and reliant on public transport. Choice will also be limited for consumers without access to online shopping services.

• Does the policy affect the essential services market, such as energy or water?

No

• Does the policy involve storage or increased use of consumer data?

No

• Does the policy increase opportunities for unscrupulous suppliers to target consumers?

This is unlikely to occur as a consequence of the strategic framework.

Test run of business forms: N/A

Digital Impact Test: N/A

Legal Aid Impact Test: N/A

Enforcement, sanctions and monitoring: Regulations have been put in place to support the implementation of the measures. Monitoring and enforcement will be undertaken by Local Authority Environmental Health Officers and, in some cases, Police Scotland.

Implementation and delivery plan and post-implementation review:

Regulations and guidance have been put in place to support the implementation of the measures contained within the Strategic Framework. These regulations came into effect on the 2nd November 2020. We are continuing our constructive engagement with the sector .

Summary and recommendations:

Introduction

This BRIA has examined the retail sector measures within each level of the Strategic Framework and compared these measures with the baseline option, the equivalent of Level 0 in the Strategic Framework.

Background

The Scottish Government's strategic framework includes a package of measures which collectively are designed to suppress transmission of the virus.

Whilst this BRIA is focused on retail, measures are also being taken to reduce opportunities for transmission across a range of settings. It is important to view retail sector measures in the context of this wider package of actions.

Options Appraisal

The Strategic Framework includes a range of actions designed to suppress virus transmission. In taking action a careful balance needs to be struck between protecting health and minimising the negative impacts on business, jobs and livelihoods.

The text and table below brings together the benefits and costs by option as set out in this BRIA.

It compares these measures against the baseline / level 0 option. More detailed discussion of each of the levels and the options that have been considered by Scottish Ministers within levels is contained within the main body of this document.

Option 1: Baseline

The baseline option (effectively levels 0-3 of the Strategic Framework) would have a positive economic impact on retail venues through their continued revenue generation, employment of staff, and on supply chain businesses. However this would be off-set by the health risks associated with increased opportunities for virus transmission in retail settings.

Retail venues are characterised by many of the high-risk factors associated with transmission of the virus. The health risks posed by retail would increase as the R rate increased meaning there would be potential for increased community transmission and multiple clusters.

Higher rates of infection may ultimately impact negatively on the retail sector as trade made be reduced due to customers being anxious about social interaction, particularly in indoor venues. The workforce may be affected by higher levels of sick workers due to high rates of COVID-19, or larger numbers of staff self-isolating for 14 days.

Option 2: Strategic Framework

The Strategic Framework specifies the closure of non-essential retail in areas assigned to level 4.

Measure	Benefits	Costs
<i>Closing non-essential retail (in level 4)</i>	<i>Level 4 will be deployed only if absolutely necessary intended as a short, sharp intervention to address extremely high transmission rates. Within this level we would expect to see very high or rapidly increasing incidence, and widespread community transmission which may pose a threat to the NHS to cope. Closing non-essential retail (along with the package of other measures under level 4 of the Strategic Framework) would</i>	<i>Evidence from the lockdown period shows that the immediate closure of businesses led to a collapse in income and immediate cash-flow and viability challenges for many sectors of the economy. Closure will threaten viability of businesses putting jobs at risk and leading to higher unemployment.</i> <i>In the winter period the economic cost of closure will be particularly severe for retailers its 'golden quarter' in the run up to Christmas and when it makes most of its sale, and will limit choice for</i>

	<p><i>contribute to a rapid reduction in infection rates.</i></p>	<p><i>consumers.</i></p>	
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Conclusion

This BRIA has set out the relative costs and benefits of options with the intended effect of suppressing the virus whilst acknowledging and minimising the economic harms faced by businesses.

On balance the risk of increased virus transmission at level 4 requires measures to quickly and significantly reduce transmission.

There is a comprehensive package of financial support from the UK Government and the Scottish Government for businesses to mitigate the negative impacts of the restrictions. Subsequent to the regulations commencing on 2nd November, there have been changes to the financial support package, notably the extension of the UK Government Coronavirus Job Retention Scheme until the end of March 2021.

The new Scottish Government financial support will apply across all the relevant levels and will provide:

A grant of £2,000 or £3,000 (depending on rateable value) for business required to close by law, payable every four weeks for the duration protective measures are in place

A hardship grant of £1,400 or £2100 (depending on rateable value) for businesses that remain open but are specifically required to modify their operations by protective measures, payable every four weeks for the duration measures are in place

These grants will be provided regardless of level, to eligible businesses, and paid in fortnightly instalments (subject to discussions with local authorities).

This support is in addition to the UK government Coronavirus Job Retention Scheme whereby employees working for businesses will receive 80% of their salary paid for by government.

This applies to all countries and regions of the UK and is not linked to specific tiers or restrictions.

The Government will fund 80% of wages for hours not worked with employers' contributions initially limited to employers' NICs and pension costs – reflecting the terms and conditions of the CJRS applicable in August 2020.

Employer contributions will be reviewed in January. All employees who were on the payroll as of 30th October are now eligible. Employees that were on the payroll as at 23 September but have since been made redundant can be

re-employed and claimed for

The UK Government also announced increased support for the self-employed who will also receive 80% of their average trading profits for November to January, with a further, as yet unspecified, grant to follow covering February to April.

The UK Government also announced (2 November)

- An extension of the coronavirus business interruption loan schemes until the end of January.
- Additional funding for Local authorities to support their local health response worth £500 million
- An extension of mortgage and consumer credit payment holidays, lasting 6 months

All these support measures are designed to support businesses and mitigate the negative impacts of the restrictions which have been identified and considered. We will continue to engage with the businesses affected on the impact of the measures, and the level of support available, as they are implemented.

Title: Scotland's Strategic Framework: Retail Close Contact Services

Purpose and intended effect:

The objective of Scotland's Strategic Framework is to set out a sustainable response to the pandemic to be implemented until either a vaccine or highly effective treatments to the virus are developed. The Framework covers the four key harms of the virus, how we will work to suppress the virus, and sets out our proposal to move to a strategic approach to outbreak management based on five levels of protection.

This BRIA is focused on the impact of closure from a set of retail close contact services measures included within Scotland's Strategic Framework. However, individual measures need to be viewed within the broader context of the package of measures within each level, with the strategic framework taking a four harms approach to considering which interventions are introduced at each level through assessment of:

- direct health harms associated with COVID-19
- broader health harms
- social harms
- economic harms

The Strategic Framework includes measures across a wide number of settings and provides a comprehensive approach to reducing infection rates and suppressing the spread of the virus. Each of the levels is designed to reflect the relative severity of the area it is being applied to, with progressively heightened restrictions implemented as necessary.

The key measures relating to Retail Close Contact Services are set out in the table below:

Retail Close Contact Services	Level 0 (Baseline)	Level 1	Level 2	Level 3	Level 4
Close Contact Services delivered from a salon, shop or other static site, such as a home treatment room. (Includes, but not limited to; hairdressing and barber services, beauty and nail services, hair removal services, tattoo, piercing and body modification services, fashion design, dress-fitting and tailoring services, indoor portrait photography and art services, massage therapies, complementary and alternative medicine services requiring physical contact or close physical proximity between persons, but not osteopathy and chiropractic services, spa and wellness services, other services or procedures which require physical contact or close physical proximity between a provider and a customer and are not ancillary to medical, health, or social care services.)	Open, close contact guidance measures apply	Open, close contact guidance measures apply	Open, close contact guidance measures apply	Open, close contact guidance measures apply	Closed

<p>Mobile Close Contact Services that those provided at a location other than the fixed business premises which have as one of their uses the provision of the service, or a room which is used exclusively for the provision of the service and is situated within a private dwelling, hospice, or other care setting. (Includes, but not limited to; beauty and nail services, hair removal services, tattoo, piercing and body modification services, fashion design, dress-fitting and tailoring services, indoor portrait photography and art services, massage therapies, complementary and alternative medicine services requiring physical contact or close physical proximity between persons, but not osteopathy and chiropractic services, spa and wellness services, other services or procedures which require physical contact or close physical proximity between a provider and a customer and are not ancillary to medical, health, or social care services.)</p>	<p>Open, close contact guidance measures apply</p>	<p>Open, close contact guidance measures apply</p>	<p>Closed, except mobile hairdressing and barbering</p>	<p>Closed, except mobile hairdressing and barbering</p>	<p>Closed</p>
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Background:

The UK Coronavirus Act 2020 received Royal Assent on 25 March 2020. The Scottish Government used powers conferred by that Act to bring forward the Health Protection (Coronavirus) (Restrictions) (Scotland) Regulations 2020 (“the first regulations”), to implement physical distancing and impose restrictions on gatherings, events and operation of business activity. They came into force on Thursday 26 March 2020.

The Health Protection (Coronavirus) (Restrictions and Requirements) (Scotland) Regulations 2020 came into force on 14 September 2020 and revoked and replaced the first regulations. They make provision which is substantially similar to the first regulations, as amended at the date on which they were revoked.

On 9 October 2020, the Health Protection (Coronavirus) (Restrictions and Requirements) (Additional Temporary Restrictions) Regulations 2020 (“the additional temporary restrictions”) set out additional restrictions, both nationally and specific to the central belt. These regulations suspended the effect of the Health Protection (Coronavirus) (Restrictions and Requirements) (Scotland) Regulations 2020 while the additional temporary restriction regulations were in force. The additional temporary restriction regulations were due to expire on 26 October but were extended by amendment until 6.00 am on 2 November to allow for consultation on the levels-based approach.

The Health Protection (Coronavirus) (Restrictions and Requirements) (Local Levels) (Scotland) Regulations 2020 implement the new Strategic Framework and will be published on 30th October and

come into effect on 2 November.

Scotland's Strategic Framework:

The new Strategic Framework system is intended to provide an easily understood and transparent approach to suppress COVID-19 in Scotland. It will build on existing structures and processes, will continue to be informed by clinical advisers and evidence, and will continue the engagement with local leadership as decisions to move up and down levels are taken.

Decisions will continue to be made by Ministers, with input from relevant advisers, as implementing the restrictions outlined in the levels is the exercise of statutory power for the protection of public health, for which Ministers are responsible and accountable.

Regular reviews of the levels system will take place and as soon as Ministers consider that any restriction or requirement is no longer necessary to prevent, protect against, control or provide a public health response to the spread of COVID-19, they must revoke that restriction or requirement.

Purpose and intended effect: Scotland's Strategic Framework Close Contact Services Protections

Introduction

In 2018 there were an estimated 30,000 people employed in close contact services work in Scotland – categorised as non-essential retail non-medical therapy which includes hairdressers and other beauty treatments. This is around 1.1% of total employment in Scotland⁴¹.

Employment in close contact services is dominated by women who make up 85.6% of all jobs. 52.6% of those working in the sector are self-employed, and 50.2% work part-time.

(Source – Annual Population Survey, Jan – Dec 2019, ONS)

COVID-19 and Close Contact Services

Close contact services guidance is aimed at enabling practitioners to safely deliver services which cannot be performed while observing physical distancing safely. Although able to operate, they do so whilst operating under guidance that specifies the wearing face coverings for both staff and customers in any setting where a retail service or good is sold. This mandatory requirement is preventing certain treatments and services from being offered or performed, for example lip waxing, make up etc. While it is recognised that face coverings alone cannot protect from COVID-19, they can contribute to reducing the risks of transmission of the virus when used concurrently with other physical distancing and hand hygiene measures, such as those set out in the Close Contact Guidance.

Mobile close contact services, with the exception of mobile hairdressing and barbering, have been advised not to reopen since initially closing in March 2020. The risks associated with close contact services cannot be sufficiently regulated when those services are delivered across multiple domestic environments where the practitioner does not have primary control of the working environment. Face covering legislation does not explicitly cover the wearing of face coverings in private dwellings adding an additional risk. Even with the range of mitigating measures in place including specific guidance for the delivery of close contact mobile services, the rise in transmission rate in September was of sufficient concern to pause any decision to advise that it was safe to universally reopen mobile close contact services.

Close contact services fulfils many of the high-risk criteria for COVID-19 transmission, as transmission of SARS-CoV-2 is most strongly associated with close and prolonged contact in indoor environments.

Policy Objective

⁴¹ Business Register Employment Survey (BRES) 2018

In common with the wide range of other countries who have implemented similar measures, the objective of the restrictions set out within the Strategic Framework is to ensure that the operation of Close Contact Services is appropriate to the level of COVID-19 risk within the Local Authority area, also taking into account the other restrictions in place. Any restrictions on operations are intended to help control and suppress the spread of the virus, ultimately minimising transmission rates, hospital admissions, deaths and the potential overwhelming of the NHS.

Transmission

SARS-CoV-2 can be transmitted by three main routes: close-range respiratory droplets and aerosols, longer range respiratory aerosols, and direct contact with surfaces contaminated with virus. Transmission is strongly associated with proximity and duration of contact in indoor environments. It is possible for SARS-CoV-2 to be transmitted at distances of more than 2 metres.⁴²

High-risk factors associated with transmission of the virus⁴³ include indoor spaces, where ventilation and physical distancing may be less easy to maintain, and are places where people come together to spend prolonged periods of time (more than 15 minutes) in close proximity, enabling the virus to spread easily from person to person. Risks are further compounded by speaking loudly⁴⁴. Another risk factor is when a 2m distance cannot be maintained, as evidence suggests that 1m distancing carries between 2 and 10 times the risk of 2m distancing⁴⁵. Keeping surfaces clean and regulating movement throughout the setting is a further challenge.

The Government recognises that transmission of the virus within households presents the highest risk, which is why gatherings in private dwellings was targeted first and will be restricted across all of the 5 levels.

However, other settings also have the potential to transmit the virus due to the risk factors. Understanding settings where multiple risk factors come together, and large outbreaks are likely to occur, is important in controlling the epidemic.

Close contact services, by definition, require close proximity between client and practitioner this increasing the risk of respiratory and contact transmission, including through the use of any equipment. This risk is considered to increase in environments over which the practitioner has little control such as the client's own home hence the distinction between mobile and fixed premises settings. The exception to this has been mobile hairdressing, as hair treatments can be delivered from behind the head with both practitioner and customer wearing masks throughout the procedure.

The following table is taken from the details of interviews that have been completed as part of Test and Protect up to week ending 1st November 2020.

Place / event / activity	Number of cases that had visited these places	% of cases interviewed
Personal Care (Includes clients of nail salons, barbers, hairdresser etc.)	1900	21.4%

Table showing information from Test and Protect interviews week ending 1 November 2020
[\(https://beta.isdscotland.org/find-publications-and-data/population-health/covid-19/covid-19-statistical-report/\)](https://beta.isdscotland.org/find-publications-and-data/population-health/covid-19/covid-19-statistical-report/)

⁴² [Transmission of SARS-CoV-2 and Mitigating Measures, SAGE EMG June 2020](#)

⁴³ [COVID-19: NOTE BY THE CHIEF MEDICAL OFFICER, CHIEF NURSING OFFICER AND NATIONAL CLINICAL DIRECTOR 7th October 2020](#)

⁴⁴ [Collins A and Fitzgerald N \(2020\)](#)

⁴⁵ [Transmission of SARS-CoV-2 and Mitigating Measures, SAGE EMG June 2020](#)

It is important to note that due to the way the data is collated, there may be some overlap between settings and whilst a case mentions that they have been at a particular venue or gathering event this does not imply nor guarantee that they acquired infection at that location.

Whilst these figures do not demonstrate that the infection was acquired in each setting, they do demonstrate the types of settings the individuals may have been in while potentially infectious themselves. It is important to note, too, that 20% of people tested were asymptomatic and that asymptomatic and pre-symptomatic transmission of COVID-19 is now known to occur. This means that people who have no symptoms can still be infectious to others.

Current position of Close Contact Services (prior to the introduction of the Strategic Framework)

Close contact services were closed as part of the national closure of non-essential services in March 2020. Hairdressing and barbering - static and mobile services - were permitted to reopen in Scotland on 15 July, with other static close contact services resuming on 22 July.

Other types of mobile close contact services have been advised not to reopen since initially closing in March 2020.

Conclusion

Limiting social mixing as much as possible in all settings is the most effective measure against transmission of the virus.

However, it is widely recognised that wider health and wellbeing is impacted by our ability to mix with other people. The limitations on close contact services are part of an overall system to balance suppression of the virus whilst minimising wider harm to our health and wellbeing as well as minimising the wider social and economic harms associated with the measures. The levels approach sets out proportionate action to address the harm from the virus whilst acknowledging the wider health, social and economic harms. When the risk of transmission of COVID-19 rises, so too will the restrictions on the close contact services sector. Similarly as the risk falls, restrictions will ease.

Across all of the five levels we seek to balance:

- The positive impact on reducing the transmission rate of the virus through restricting the opportunity for mixing in close contact services settings
- Enabling as much of the sector as possible to remain open safely, in ways that enable firms to remain viable and reduce the likelihood of redundancies
- The important role that close contact service settings play in maintaining our wellbeing
- The economic costs, including wider costs and the impact on the supply chain.

Consultation

Public Consultation: No (precluded by urgent implementation timescales). However, there is a body of correspondence from businesses, practitioners and customers that was seeking for a level of clarity on opening mobile close contact services. Close Contact Retail guidance has been published online with a facility for members of the public to issue comments to a Scottish Government mailbox.

Business: Business consultation has been ongoing throughout every stage on changes to close contact guidance, building on our regular engagement with the sector since the start of the pandemic. Officials have also had weekly meetings with the hospitality industry and business organisations, including the Scottish Retail Consortium and the Federation of Small Businesses.

Close contact retail guidance was developed in partnership with a number of representative bodies to

ensure it provided timely, accurate, and appropriate advice to allow practitioners to conduct their trade safely but without severely compromising the scope of activities they can perform, unless it is considered unsafe to do so. Engaged bodies include the National Hair & Beauty Foundation, the British Association of Beauty Therapy & Cosmetology, the Scottish Massage Therapists' Organisation, the Federation of Holistic Therapists, and the UK Spa Association. These same bodies have been engaged on the development of guidance for Mobile Close Contact.

Our engagement with the industry has covered a variety of issues, and has previously contributed to a number of positive outcomes, including: the easing of restrictions affecting close contact services following the initial lockdown; exemption from two-metre distancing rule for the industry; implementation of additional mitigating measures and detailed sectoral guidance. The Scottish Government has continued to engage proactively and meaningfully throughout the development of the new Strategic Framework, and as we move towards its implementation.

Throughout our extensive engagement we have listened to all of the concerns raised by industry representatives, and have worked in partnership with them to mitigate these concerns as far as the public health emergency has made that possible. We are aware that it has not been possible to fully address all of the issues raised, but we have always sought to balance our continued support for the sector with our primary objective of suppressing the virus and saving lives.

Since the publication of our draft Strategic Framework on 23 October we have received written submissions from the Scottish Retail Consortium and requests for clarification on the strategic framework from the National Hair & Beauty Foundation, the British Association of Beauty Therapy & Cosmetology, and the Federation of Holistic Therapists. These representations acknowledge our efforts to clarify the new approach for close contact services whilst seeking clarification on how the Levels will work in practice and what support would be available for businesses that will be required to close.

We welcome the industry's engagement on all the key issues they have raised, as we have throughout the pandemic. We have continued to listen to their legitimate concerns about the inability to carry out a full range of treatments with mandatory face coverings and have co-produced a Frequently Asked Questions Document which provides additional clarity for practitioners and their clients.

We are continuing to work constructively with the close contact sector to address all their requests for further clarity and certainty as we move into the new levels system. We are committed to ensuring that all of our decisions are made on the basis of the best available evidence, and recognise that continuous review of the current regulations will be important as we learn more about transmission through case studies and other sources of evidence. We will therefore continue to work with the sector on proposed additional mitigations, and keep the current measures within each of the levels under review.

While we are aware that it has not been possible to fully address all of the issues raised by the sector – particularly around the continuing wearing of face coverings and on publishing guidance that supports a restart for mobile close contact services - we have sought to balance our advice and support for the sector with our primary objective of suppressing the virus and saving lives.

Options:

This section sets out a range of options which have been considered, and we continue to work constructively with the industry to explore and assess alternatives.

Across all Levels there are a number of mitigating actions required/advised, including:

- Wearing of face coverings for all therapies and treatments
- Good hygiene, cleaning and ventilation practices
- Restriction the number of clients in salons and offering appointments-only services

Sectors and groups affected

These Regulations will affect:

- hairdressing and barbering,
 - beauty and nail services (including make-up services),
 - hair removal services,
 - tattoo, piercing and body modification services,
 - fashion design, dress-fitting and tailoring services,
 - indoor portrait photography and art services,
 - massage therapies, but not sports massages provided only to professional sportspersons,
 - complementary and alternative medicine services requiring physical contact or close physical proximity between persons, but not osteopathy and chiropractic services,
 - spa and wellness services,
 - other services or procedures which require physical contact or close physical proximity between a provider and a customer and are not ancillary to medical, health, or social care services.
- Customers of the above services
 - Local Authorities

Our approach to assessing options

Within this BRIA we have compared the package of measures within each level against the baseline approach of level 0. This has allowed us to present the clinical evidence for intervention at each level setting out the health benefits, whilst acknowledging the potential impacts on close contact services. Throughout these measures we have sought to develop the right package of measures to reduce circulation of the virus whilst limiting wider health, economic and social harms.

Our objective is to get all parts of the country to level 0 or level 1 and remain there if we can. Within these levels, we would expect to see low incidence of the virus with isolated clusters, and low community transmission. Broadly, these levels are the closest we can get to normality without a vaccine or effective treatment which would allow us to move to Phase 4 of the Route Map and then back to normality. They would be similar to the measures in place during the summer, once we reached Phase 3. The Baseline and Level 1 are designed to be sustainable for longer periods.

The Baseline (Level 0): Within this level, we would expect to see very low incidence of the virus with isolated clusters, and low community transmission. Broadly, this level is the closest we can get to normality, without a vaccine or effective treatment in place. The Baseline for static close contact services is similar to what was in place when the services resumed following lockdown on 15 July for hairdressing and barbering, and for 22 July for other close contact services. This included all the existing mitigations in place including mandatory wearing of face coverings, enhanced hygiene, cleaning and ventilation practices and limiting the numbers of clients on premises at any one time.

The intent for mobile close contact services was to arrive at a point when the R number was sufficiently low to enable these services to recommence with enhanced hygiene and other mitigations in place that would address the additional risks associated with providing services that are largely delivered close to or in near proximity with the high risk zone. In addition a sufficiently low transmission number would mitigate some of the additional risks associated with entering multiple clients' homes to deliver these services. These include the limitations on providing the same degree of environmental control as is available when providing static services (such as cleaning communal surfaces; numbers of persons in the home, mandatory wearing of face coverings; ventilation etc.), along with transporting and cleaning linens and equipment between visits.

'Baseline' / Level 0

The Baseline (Level 0) is designed to be sustainable for longer periods. Within this level, we would expect to see very low incidence of the virus with isolated clusters, and low community transmission. Broadly, this level is the closest we can get to normality, without a vaccine or effective treatment in place.

Close contact services (mobile and fixed premises) are permitted, with mitigating measures in place. Businesses and service providers are under a legal obligation to take measures which are reasonably practicable to minimise the risk of the transmission on their premises, and suitable measures will be contained in guidance.

Options for Level 1

Option 1: Close contact services (mobile and fixed premises) are permitted, with mitigating measures in place. Businesses and service providers are under a legal obligation to take measures which are reasonably practicable to minimise the risk of the transmission on their premises, and suitable measures will be contained in guidance.

The low incidence of the virus at this level coupled with the effectiveness of mitigation measures mean that the sector can operate safely and the economic and social harms associated with closure of the sector are avoided.

Options for Levels 2 and 3

Within Levels 2 and 3, we would expect to see increased incidence of the virus, with multiple clusters and increased community transmission. There would be a graduated series of protective measures to tackle the virus, focusing on key areas of risk – broadly, indoor settings where household mixing takes place with less, or less well-observed, physical distancing and mitigations.

The measures would be introduced on the basis of evidence and preferably be intended to be in place for relatively short periods (preferably less than 4 weeks), and only for as long as required to get the virus down to a low, sustainable level.

Options for Levels 2

Option 1: (baseline) Close contact services (mobile and fixed premises) are permitted, with mitigating measures in place. Businesses and service providers are under a legal obligation to take measures which are reasonably practicable to minimise the risk of the transmission on their premises, and suitable measures will be contained in guidance.

Allowing all services – both mobile and fixed premises – to remain open would have economic benefits in terms of jobs and business viability, and benefit customers who rely on these services. However, the higher risk profile associated with operation in a client's home environment, where it is less easy to ensure mitigating measures are in place, mean that at level 2 – where there is increased incidence of the virus - that the public health risks of permitting the mobile sector to operate fully outweigh the economic and social harms of closing it.

Option 2: Close contact services carried out in fixed premises are permitted with mitigating measures in place and mobile close contact services are not permitted with the exception of mobile hairdressing and barbering. Businesses and service providers are under a legal obligation to take measures which are reasonably practicable to minimise the risk of the transmission on their premises, and suitable measures

will be contained in guidance.

As discussed under option 1 the risk profile associated with operating from a client's home environment is higher than operating from fixed premises. Under this option fixed premises are permitted with mitigating measures, but mobile close contact services are not permitted, with the exception of mobile hairdressing and barbering. This exception has been made because of the lower risk associated with hairdressing and barbering compared to other close contact services. Hair treatments can be delivered from behind the head with both practitioner and customer wearing masks throughout the procedure. This differs from many other types of close contact services, which may involve work in the high risk area in front of the face. The risks of working in multiple homes, transporting and cleaning equipment and maintaining a safe working environment are judged to be less than other types of close contact services.

Potential social harms associated with closure of mobile hairdressing and barbering services were also considered as this could have impacted disproportionately on those people who are less able to leave their own homes, particularly older and disabled people.

Conclusion

Close contact services delivered from fixed premises are permitted as mitigating measures are able to reduce the risk of virus transmission, but at level 2 the incidence of the virus and the increased risk of community transmission mean that the higher risk environment associated with mobile services mean these are not permitted, with the exception of mobile hairdressing and barbering, which involve less face to face contact than other services.

Options for level 3

The options for level 3 mirror those at level 2 with the addition of further protective measures.

Further protective measures (for example increased physical distancing, asking clients to attend appointments alone, eliminating waiting areas, and eliminating conditions which might cause people to raise their voices) are required as under level 3, there would be increasing community transmission and multiple clusters. For example, more than 150 cases per 100,000 population⁴⁶. There are therefore greater public health costs of not restricting social interaction within a high-risk setting as the virus would continue and accelerate its spread, ultimately resulting in direct harms to health. Such measures will be advised in guidance.

Conclusion

Close contact services carried out in fixed premises can continue but may require further protective measures. This is outlined in the associated guidance and can include increased physical distancing; asking clients to attend appointments alone; eliminating waiting areas, and eliminating conditions which might cause people to raise their voices. Mobile close contact services are not permitted, except mobile hairdressing and barbering.

Options for Level 4

Within this level we would expect to see very high or rapidly increasing incidence, and widespread community transmission which may pose a threat to the NHS to cope. It is likely that this level would see the introduction of measures close to a return to full lockdown. Measures would be designed to be in place

⁴⁶ Decisions regarding which level applies to each local authority will be informed by 5 key indicators: Numbers of new cases per 100,000 people, test positivity rate, future number of cases per 100,000 people, number of people likely to need acute hospital care in future weeks, number of people likely to need intensive care in future weeks. Further information on these indicators can be found at: <https://www.gov.scot/publications/coronavirus-covid-19-allocation-of-levels-to-local-authorities/>

for a short period, to provide a short, sharp response to quickly suppress the virus. Measures introduced in level 4 would be to control and suppress the spread of the virus, reduce transmission rates, hospital admissions, deaths, allow key services to continue such as education and avoid overwhelming of the NHS

Option 1: (baseline) Close contact services (mobile and fixed premises) are permitted, with mitigating measures in place. Businesses and service providers are under a legal obligation to take measures which are reasonably practicable to minimise the risk of the transmission on their premises, and suitable measures will be contained in guidance.

Allowing all services – both mobile and fixed premises – to remain open would have economic benefits in terms of jobs and business viability, and benefit customers who rely on these services. However, at level 4 where there is high or rapidly rising incidence of the virus and widespread community transmission the public health risks of permitting the sector to operate are fully outweighed by the economic and social harms of closing it.

Option 2: No close contact services (mobile or fixed premises) are permitted.

Stopping the delivery of all close contact services within a level 4 area is likely to impact on socialisation and general wellbeing, increasing the risks of harm from social isolation and will have an economic impact in terms of loss of income for business and employees, as well as the potential for job losses. However, as part of a broader package of closures across business areas where transmission is likely to occur, this measure would have the most significant positive impact on transmission rates and spread of the virus. It would help virtually eliminate opportunities for people to meet in areas which are characterised by many of the high-risk factors associated with transmission of the virus identified by scientific evidence and modelling.

Despite the positive impact on the spread of the virus – as evidenced by the lockdown implemented in March – given the wider socio and economic negative impacts level 4 will only be implemented where it is absolutely necessary to bring the virus under control, and even then only for the shortest possible period.

Conclusion

The high incidence of the virus and widespread community transmission mean that no close contact services (mobile or fixed premises) are permitted.

Scottish Firms Impact Test:

There has been engagement with close contact services industry bodies. This engagement is set out within the consultation section of this BRIA.

How many businesses and what sectors is it likely to impact on?

The majority of other personal service activities businesses operating in Scotland are micro and small businesses. It is estimated, based on the Inter-Departmental Business Register 2019 and 2018 Business Register and Employment Survey that there are 5,905 business units in the other personal service activities sector in Scotland, directly employing 30,000 people. The measures within the Strategic Framework may impact disproportionately on small businesses who may experience cash-flow problems as a result of any further tightening of restrictions.

Table 2 below shows a Scotland-level disaggregation of characteristics of areas of the retail sector that may be affected by the measures discussed in this BRIA including estimates of employment, number of businesses and business sites and number of premises.

Table 2: Breakdown of the Scottish other personal service activities sector

Sector	Employment (2018)	Number of Registered Businesses (2019)	Number of Registered Business Sites (2019)
SIC (2007) 96 Other personal service activities	30,000	5,905	6,490

Source: Business Register and Employment Survey; IDBR.

Sector	Number of Registered Businesses	Small Registered Businesses (<49 employees)	Medium-Sized Registered Businesses (50-<249 employees)	Large Registered Businesses (250+ employees)
SIC (2007) 96 Other personal service activities	5,905	5,865	30	10

Source: IDBR 2019.

In addition to the direct jobs in other personal service activities, the sector also supports 2,000 jobs across its diverse supply chains.

- 36.6% people working in the other service activities sector work part time compared to 26.4% of the population.
(Source: Annual Population Survey 2019)
- A third (33.8%) of the workforce of the other services sector are self-employed, higher than the Scottish average of 12.4%.
(Source: Annual Population Survey 2019)
- In addition to the direct jobs in other personal service activities, the sector also supports 2,000 jobs across its diverse supply chains.
(Source: OCEA)

Stricter restrictions within Scotland (than those in England) could potentially have medium term impacts on the future competitiveness of Scottish companies both within the UK and elsewhere.

• Will it have an impact on the competitiveness of Scottish companies within the UK, or elsewhere in Europe or the rest of the world?

The Strategic Framework imposes commensurate conditions to other parts of the UK and Europe according to the prevailing transmission levels and risk conditions.

Country	Current status (10 Nov)	Close contact services
England	National	Closed including mobile

	<p>lockdown from 5 November until 2 December.</p> <p>The guidance is to stay at home, avoid meeting people you don't live with, and close non-essential business.</p>	close contact.	
Wales	<p>National 'firebreak' lockdown ended on 9 November and restrictions have been lifted</p> <p>Position will be reviewed every 2 weeks.</p>	Open from 9 November	
Northern Ireland	<p>National restrictions have been in place for 4 weeks particularly around the hospitality sector. The regulations, which took effect on 16 October, are due to run out at midnight on Thursday.</p> <p>Discussions are ongoing regarding an extension or change to existing restrictions.</p>	Closed currently. The only exemption is those relating to the continuation of essential health interventions and therapeutics.	
Ireland	<p>Level approach. All of Ireland is currently in its</p>	Closed in Level 5. With exemptions for hospital services, therapy	

	<p>highest level, Level 5 so it is in effect in national lockdown.</p> <p>This has been in place since 20 October and was expected to last 6 weeks until 1 December.</p>	<p>services, and services relating to public health</p>	
France	<p>Lockdown in 'Metropolitan France and Martinique' for 4 weeks from 30 October until 1 December.</p>	<p>Closed</p>	
Germany	<p>Month long 'partial lockdown' began on 2 November</p>	<p>Remaining open</p>	
Italy	<p>Country divided into red, orange and green zones.</p> <p>Restrictions vary across country.</p>	<p>Close contact closed in red zones but open in green and orange zones.</p>	
Spain	<p>Nationwide State of Emergency ended on 9 November.</p> <p>It is now up to each autonomous region to enforce their own controls.</p> <p>Measures vary across the country but restrictions are in place in each</p>	<p>Regional approaches vary with different restrictions depending on region.</p>	

	region	
Belgium	National lockdown with tightened restrictions from 2 November for 6 weeks. Position will be reviewed on 1 December.	Closed
Czech Rep	National lockdown and State of emergency. This will remain in force until 20 November.	Closed

• **What is the likely cost or benefit to business?**

Mobile close contact services (except mobile hairdressing and barbering) have been asked to remain closed since the March lockdown meaning businesses have been unable to earn income since then. For levels 2-4, mobile close contact services will be required to cease by law, except mobile hairdressing/barbering which is only required to close in level 4. This will have had a particular impact on those practitioners who do not also operate from fixed premises. Under the Strategic Framework and Regulations implementing the Framework, all mobile close contact services will now be able to operate in levels 0 and 1 enabling them to reopen, earn income and pay salaries while mitigating safety measures will also incur costs. There is no available data on what proportion of close contact services are fully or partly mobile businesses.

For fixed premises close contact services which may continue to operate in levels 0-3 this will enable them to continue trading and providing employment.

All close contact services will be required to close in level 4 meaning complete loss of income and further costs incurred in relation to staff and premises, also resulting in loss of income for property owners and supply chain providers.

Competition Assessment:

The closure of mobile close contact services in levels 2-3 will put these at a competitive disadvantage to businesses offering these services from fixed premises.

• **Will the measure directly or indirectly limit the number or range of suppliers?**

It is likely that since mobile close contact services have been advised not to operate since March some of these businesses will already have ceased trading. Levels 2-4 will mean these services are unable to be offered. Further closures are therefore likely. The requirement to close in level 4 may also lead to closures and associated job losses among suppliers operating from fixed premises.

• **Will the measure limit the choices and information available to consumers?**

There is a likelihood that the close contact services measures in the strategic framework will limit the choices and information available to consumers through limited availability and lack of alternatives.

Consumer Assessment:

• Does the policy affect the quality, availability or price of any goods or services in a market?

There is a likelihood that the close contact services measures in the strategic framework will limit the choices available to consumers through limited availability among providers and lack of locally available alternatives where providers are required to close.

Consumers will be able to access close contact services from fixed premises in levels 0 to 3. Consumers may be advised against travel to other providers under level 3 and 4 travel restrictions, limiting available choice of providers and services, particularly for consumers with no access to a car and reliant on public transport.

• Does the policy affect the essential services market, such as energy or water?

There is no expected impact on markets for essential services.

• Does the policy involve storage or increased use of consumer data?

No

• Does the policy increase opportunities for unscrupulous suppliers to target consumers?

This is unlikely to occur as a consequence of the strategic framework

Test run of business forms: N/A

Digital Impact Test: N/A

Legal Aid Impact Test: N/A

Enforcement, sanctions and monitoring: Regulations have been put in place to support the implementation of the measures. Associated guidance has also been introduced. Monitoring and enforcement will be undertaken by Local Authority Environmental Health Officers and, in some cases, Police Scotland.

Implementation and delivery plan and post-implementation review:

Regulations and guidance have been put in place to support the implementation of the measures contained within the Strategic Framework. These regulations came into effect on the 2nd November 2020. We are continuing our constructive engagement with the sector.

Summary and recommendations:

Introduction

This BRIA has examined the close contact service measures within each level of the Strategic Framework and compared these measures with the baseline option, the equivalent of Level 0 in the Strategic

Framework.

Background

The Scottish Government's strategic framework includes a package of measures which collectively are designed to suppress transmission of the virus.

Whilst this BRIA is focused on close contact services, measures are also being taken to reduce opportunities for transmission across a range of settings. It is important to view close contact services measures in the context of this wider package of actions.

Options Appraisal

The Strategic Framework includes a range of actions designed to suppress virus transmission. In taking action a careful balance needs to be struck between protecting health and minimising the negative impacts on business, jobs and livelihoods.

Option 1: Baseline

The baseline option (effectively level 0 and 1 of the Strategic Framework) would have a positive economic impact on close contact services through their revenue generation, employment of staff, and on supply chain businesses. However this would be off-set by the health risks associated with increased opportunities for virus transmission in close contact service settings.

Close contact services are characterised by many of the high-risk factors associated with transmission of the virus. The health risks posed would increase as the R rate increased meaning there would be potential for increased community transmission and multiple clusters.

Higher rates of infection may ultimately impact negatively on the close contact service sector as trade made be reduced due to customers being anxious about social interaction, particularly in indoor venues. The workforce may be affected by higher levels of sick workers due to high rates of COVID-19, or larger numbers of staff self-isolating for 14 days.

Option 2: Strategic Framework

Measure	Benefits	Costs
Close contact services, including mobile, permitted to operate in levels 0 and 1	Close contact services can continue to operate with mitigating measures in place. As well as hairdressing/barbering, other types of mobile close contact services are permitted to open under the Strategic Framework regulations.	Measures to ensure good hygiene and to mitigate transmission, such as appropriate PPE and hand sanitiser, will incur costs.
Closure of mobile close contact services – except mobile hairdressing	Mobile close contact services are characterised by many of the high-risk factors associated with transmission of the virus. Closure of these services reduces opportunities for virus transmission.	Closure will mean mobile close contact services will be unable to earn income and may lose customers longer term to fixed premises suppliers. The impact will be particularly significant for those businesses that rely solely on mobile

(in level 2-3)		trade.
Closing all close contact services (in level 4)	Level 4 will be deployed only if absolutely necessary intended as a short, sharp intervention to address extremely high transmission rates. Within this level we would expect to see very high or rapidly increasing incidence, and widespread community transmission which may pose a threat to the NHS to cope. It is anticipated that closing close contact services (along with the package of other measures under level 4 of the Strategic Framework) would contribute to a reduction in transmission rates.	Evidence from the lockdown period shows that the immediate closure of businesses led to a collapse in income and immediate cash-flow and viability challenges for many sectors of the economy. Closure will threaten viability of businesses putting jobs at risk and leading to higher unemployment.

Conclusion

This BRIA has set out the relative costs and benefits of options with the intended effect of suppressing the virus whilst acknowledging and minimising the economic harms faced by businesses.

There is a comprehensive package of financial support from the UK Government and the Scottish Government for businesses to mitigate the negative impacts of the restrictions. Subsequent to the regulations commencing on 2nd November, there have been changes to the financial support package, notably the extension of the UK Government Coronavirus Job Retention Scheme until the end of March 2021.

The new Scottish Government financial support will apply across all the relevant levels and will provide:

- A grant of £2,000 or £3,000 (depending on rateable value) for business required to close by law, payable every four weeks for the duration protective measures are in place
- A hardship grant of £1,400 or £2100 (depending on rateable value) for businesses that remain open but are specifically required to modify their operations by protective measures, payable every four weeks for the duration measures are in place

These grants will be provided regardless of level, to eligible businesses, and paid in fortnightly instalments (subject to discussions with local authorities).

This support is in addition to the UK government Coronavirus Job Retention Scheme whereby employees working for businesses will receive 80% of their salary paid for by government.

- This applies to all countries and regions of the UK and is not linked to specific tiers or restrictions.
- The Government will fund 80% of wages for hours not worked with employers' contributions initially limited to employers' NICs and pension costs – reflecting the terms and conditions

of the CJRS applicable in August 2020. Employer contributions will be reviewed in January.

- All employees who were on the payroll as of 30th October are now eligible.
- Employees that were on the payroll as at 23 September but have since been made redundant can be re-employed and claimed for

The UK Government also announced increased support for the self-employed who will also receive 80% of their average trading profits for November to January, with a further, as yet unspecified, grant to follow covering February to April.

The UK Government also announced (2 November)

- An extension of the coronavirus business interruption loan schemes until the end of January.
- Additional funding for Local authorities to support their local health response worth £500 million
- An extension of mortgage and consumer credit payment holidays, lasting 6 months

All these support measures are designed to support businesses and mitigate the negative impacts of the restrictions which have been identified and considered. We will continue to engage with the businesses affected on the impact of the measures, and the level of support available, as they are implemented.

As noted above, we are currently considering what options might be available for support of mobile close contact services.

Title: Scotland's Strategic Framework: SPORT AND PHYSICAL ACTIVITY

Purpose and intended effect:

The objective of Scotland's Strategic Framework is to set out a sustainable response to the pandemic to be implemented until either a vaccine or highly effective treatments to the virus are developed. The Framework covers the four key harms of the virus, how we will work to suppress the virus, and sets out our proposal to move to a strategic approach to outbreak management based on five levels of protection.

This BRIA is focused on the set of Sport and Physical Activity measures included within Scotland's Strategic Framework. However, individual measures need to be viewed within the broader context of the

package of measures within each level, with the strategic framework taking a four harms approach to considering which interventions are introduced at each level through assessment of:

- direct health harms associated with COVID-19
- broader health harms
- social harms
- economic harms

The Strategic Framework includes measures across a wide number of settings and provides a comprehensive approach to reducing infection rates and suppressing the spread of the virus. Each of the levels is designed to reflect the relative severity of the area it is being applied to, with progressively heightened restrictions implemented as necessary.

The key measures relating to **Sport and Physical Activity** are set out in the table below:

Sport and Physical Activity Measures (socialising rules apply)	Level 0 (Baseline)	Level 1	Level 2	Level 3	Level 4
Adult (18+) Indoor Contact sport	Permitted	Not Permitted (professional sport exempt)	Not Permitted (professional sport exempt)	Not Permitted (professional sport exempt)	Not Permitted (professional sport exempt)
Adult (18+) Indoor Non-contact sport	Permitted	Permitted	Permitted	Only individual exercise permitted	Not Permitted
Adult (18+) Indoor Group Classes	Permitted	Permitted	Permitted	Not Permitted	Not Permitted
Adult (18+) Outdoor Contact Sport	Permitted	Permitted	Permitted	Not Permitted (professional sport exempt)	Not Permitted (professional sport exempt)
Adult (18+) Outdoor Non-contact sport	Permitted	Permitted	Permitted	Permitted	Permitted
Under 18 Indoor contact sport	Permitted	Permitted	Permitted	Permitted	Not Permitted
Under 18 Indoor non-contact sport	Permitted	Permitted	Permitted	Permitted	Not Permitted
Under 18 Outdoor contact sport	Permitted	Permitted	Permitted	Permitted	Not Permitted
Under 18 Outdoor non-contact sport	Permitted	Permitted	Permitted	Permitted	Permitted
Gyms	Permitted	Permitted	Permitted	Permitted	Closed
Under 18 Indoor Group Exercise classes	Permitted	Permitted	Permitted	Permitted	Not Permitted

Purpose and intended effect: Scotland's Strategic Framework Sport and Physical Activity Protections

Introduction

Sport and Physical Activity is a very important part of Scotland's economy and society and encompasses a wide range of different providers from commercial operators to third sector and leisure trusts.

The latest data from the Business Register and Employment Survey 2018 suggests that total employment in the fitness facilities sector to be around 3,000. The Scottish Annual Business Survey indicates total turnover to be around £116 million. However, this is likely to be an underestimate of the numbers whose employment is affected by restrictions on sport and physical activity as there are many types of indoor gym and other leisure facilities. As well as large commercial operators and smaller independent businesses, there are also gyms within sports clubs as well as hotels.

In the public sector, Leisure Trusts operate over 1,200 facilities across Scotland that received over 80 million customer visits last year and employ over 20,000 members of staff although this includes swimming pools, libraries, museums and galleries, pitches, ice arenas, beach fronts, parks, heritage buildings, theatres and arts venues and children's centres as well as gyms. The overall estimate of the cost of closure of these services is around £127 million.

COVID-19 and Sport and Physical Activity

There is compelling evidence ⁴⁷to support the health benefits of regular physical activity for all groups. In children and young people, regular physical activity is associated with improved learning and attainment, better mental health and cardiovascular fitness, also contributing to healthy weight status. In adults, there is strong evidence to demonstrate the protective effect on physical activity on a range of many chronic conditions including coronary heart disease, obesity and type 2 diabetes, mental health problems and social isolation.

Survey data indicate that more people overall in Scotland may have been more active during the first lockdown.⁴⁸ However, a SportEngland Covid-19 Tracker survey suggests changes may not have been sustained, particularly as restrictions were eased, and there are indications of differential impacts for different population groups. Older people, those on low incomes, people living alone, people self-isolating due to age or a health condition and people in urban areas were more likely to report finding it harder to be active. We have no equivalent Scottish survey but believe that the SportEngland study is likely to be applicable to the situation in Scotland as well given similar demographics

Although there is no economic performance data available for Sports and Physical Activity sector, the broader Arts, Culture, Recreation and other services sector shows turnover significantly down on a year ago (monthly business turnover index of 29 where 50 and above represent growth). Entertainment and Recreation Sector has the highest share of its workforce on Furlough (42.8%) in October reflecting the higher share of businesses in those sectors that are temporarily closed or operating below full capacity.

Policy Objective

In common with the wide range of other countries who have implemented similar measures, the objective of the restrictions set out within the Strategic Framework is to ensure that the operation of sport and physical activity settings is appropriate to the level of COVID-19 risk within the Local Authority area, also taking into account the other restrictions in place. Any restrictions on operations are intended to help control and suppress the spread of the virus, ultimately minimising transmission rates, hospital admissions, deaths and the potential overwhelming of the NHS.

Transmission

⁴⁷ <https://www.who.int/publications/i/item/9789241514187>

⁴⁸ <https://www.understandingsociety.ac.uk/>

We know from contact tracing, international evidence and scientific research that a wide range of social, residential and workplace settings have been associated with transmission. The highest risks of transmission, including those from super-spreading events, are associated with poorly ventilated and crowded indoor settings which have increased likelihood of aerosol emission and where no face coverings are worn. This includes gyms and exercise classes. Poor ventilation and crowding have been suggested to be factors in numerous transmission clusters^{49,50}

High-risk factors associated with transmission of the virus⁵¹ include indoor spaces, where ventilation and physical distancing may be less easy to maintain, and are places where people come together to spend prolonged periods of time (more than 15 minutes) in close proximity, enabling the virus to spread easily from person to person. Risks are increased where a 2m distance cannot be maintained, as evidence suggests that 1m distancing carries between 2 and 10 times the risk of 2m distancing⁵². Risks outdoors are lower, with the risk of aerosol transmission considered to be very low outdoors due to high dilution of virus carrying aerosols and UV inactivation of the virus⁵³.

Thus, where physical activity and sport takes place in an outdoor setting, the principal risks of transmission are around the degree of close proximity to others in contact sport with physical distancing not possible. There may also be potential pinch points where people might gather (e.g. toilets, entrances and exits to facilities) as well as ancillary activities around the activity e.g. car sharing or socialising.

Where sport and physical activity takes place in an indoor setting such as a gym or indoor sports facility, issues of ventilation (with recirculation of air being particularly problematic), crowding (where it is hard to regulate the distance between people while participating in indoor contact sport), and pinch points (at areas such as toilets) all contribute to risk. Keeping surfaces clean and regulating movement throughout the setting is a further challenge and there are risks around the common use of equipment and surfaces. There is also a degree of socialisation and interaction in these activities which, in itself, carries risk. Fundamentally, venues which are attended by many people, typically from different households, specifically to meet for long periods of time, all amplify the risk of transmission. The risks in participation in indoor sport and in gyms and exercise classes where people may be breathing heavily are increased.

Current position of Sport and Physical Activity Sector

On 17 August, the Scottish Government produced guidance for the re-opening of indoor and outdoor sport and leisure facilities with physical distancing and hygiene measures. This guidance came into effect from 24 August for indoor bowling, snooker and pool halls and 31 August for all other sport and leisure facilities including gyms and swimming pools. Note that indoor contact sport for the 18+ age group has not been permitted since March 2020 and remains so.

We believe the sport and leisure facilities guidance is very comprehensive with minimal evidence of non-adherence. Since the introduction of the guidance, which includes the requirement for sports facility operators to appoint a COVID Officer, in excess of 30,000 people have completed the COVID Officer training available through SportScotland. However, we note that this training extends beyond a facility context and this will therefore have also been completed by those delivering sport outwith a facility.

Consultation

⁴⁹ Leclerc QJ FN, Knight LE. What settings have been linked to SARS-CoV-2 transmission clusters? [version 1; peer review: 1 approved with reservations]. Wellcome Open Res **2020**; 5:83

⁵⁰ Dillon Adam PW, Jessica Wong et al. Clustering and superspreading potential of severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2) infections in Hong Kong

⁵¹ [COVID-19: NOTE BY THE CHIEF MEDICAL OFFICER, CHIEF NURSING OFFICER AND NATIONAL CLINICAL DIRECTOR 7th October 2020](#)

⁵² [Transmission of SARS-CoV-2 and Mitigating Measures, SAGE EMG June 2020](#)

⁵³ [Transmission of SARS-CoV-2 and Mitigating Measures, SAGE EMG June 2020](#)

Public Consultation: SportScotland work closely with sports governing bodies to provide support and guidance to the sector including to coaches, volunteers, leaders, personal trainers and instructors to help these individuals and organisations to deliver opportunities to be physically active within any restrictions in the Strategic Framework. Details of sport-specific guidance developed with sports governing bodies can be found at: <https://sportscotland.org.uk/covid-19/latest-sport-and-physical-activity-guidance/>

Business: Regular discussion has taken place with UK Active who are a members organisation supporting the sport and physical activity sector in the UK. They have around 4,000 members and partners from across the public, private and third sectors. UK Active submitted views on the proposed measures across sport and physical activity with a particular focus on the fitness sector. UK Active's view was that, while recognising the need to restrict sectors in order to reduce the spread of COVID-19, the closure of gyms and restriction of exercise classes came with significant repercussions on people and public health. UK Active believed that evidence of the importance of physical activity in building resilience to COVID-19, as well as broader physical and mental wellbeing, meant that gyms and leisure centres should be classed as essential services and that group exercise classes should remain open at Level 3 and that gyms and leisure centres should remain open at Level 4.

Options:

This section sets out the range of options that have been considered, and we continue to work constructively with the sector through SportScotland to explore and assess alternatives.

Sectors and groups affected

These Regulations will affect facilities and services associated with the provision and support of sport and physical activity including facilities such as (not exhaustive)

- Indoor Gym / exercise areas
- Outdoor contact sport venues
- Swimming pools
- Indoor Sports Halls operation
- Indoor courts
- Indoor / Outdoor Swimming pool operation
- Ice rinks
- indoor football pitches
- Indoor athletics tracks
- climbing centres
- Velodromes
- Indoor driving ranges

Our approach to assessing options

Within this BRIA we have compared the package of measures within each level against the baseline approach of level 0. This has allowed us to present the clinical evidence for intervention at each level setting out the health benefits, whilst acknowledging the potential impacts on the Sport and Physical Activity sector. We have also set out some other key options considered at each level. Throughout these measures we have sought to develop the right package of measures to reduce circulation of the virus whilst limiting wider health, economic and social harms.

Our objective is to get all parts of the country to level 0 or level 1 and remain there if we can. Within these levels, we would expect to see low incidence of the virus with isolated clusters, and low community transmission. Broadly, these levels are the closest we can get to normality without a vaccine or effective

treatment which would allow us to move to Phase 4 of the Route Map and then back to normality. The Baseline and Level 1 are designed to be sustainable for longer periods.

Options for 'Baseline' / Level 0

The Baseline (Level 0) is designed to be sustainable for longer periods. Within this level, we would expect to see very low incidence of the virus with isolated clusters, and low community transmission. Broadly, this level is the closest we can get to normality, without a vaccine or effective treatment in place. At level 0 all sport and exercise activities are permitted.

Options for Level 1

Level 1 is designed to be sustainable for longer periods. Within this level, we would expect to see very low incidence of the virus with isolated clusters, and low community transmission.

Option 1: Baseline (level 0)

Maintaining the baseline (level 0) at level 1 would involve allowing all indoor and outdoor sports to be permitted but with some protective measures in place, for example, in relation to social distancing, cleaning, facial coverings etc. Given the increased level of risk of transmission in some contexts within level 1 it was judged to be necessary to bring in further restrictions that would prohibit those activities that clinical evidence suggested presented most risk.

Option 2: Prohibit indoor contact sports for 18+ age group

This option was considered as most appropriate for the conditions of Level 1. The only restrictions are on indoor adult contact sport. This has not been permitted since March 2020 as a consequence of the higher risk of transmission due to proximity, lack of physical distancing or participation by people from many different households. There may also be potential pinch points where people might gather (e.g. toilets, entrances and exits to facilities). We recognise that this restriction causes difficulty for those businesses which support and supply indoor contact sport opportunities.

Organised outdoor exercise and activity by adults is permitted where the organiser has taken the measures required in law to minimise the risk of exposure to the virus (for example distancing measures, restricting numbers of people entering premises to allow distancing and other measures around hygiene and limiting close face to face interaction). Clinical evidence indicates that these measures go some way towards mitigating the risk of transmission.

Indoor contact sport for under 18's is permitted due to the benefits that participation brings to this age group. In children and young people, regular physical activity is associated with improved learning and attainment, better mental health and cardiovascular fitness, and also contributes to healthy weight status. There remains a risk of transmission but the significant benefits of participation are such that this outweighs the risk at Level 1.

Professional sport is not a contact sport for the purposes of the Regulations where those participating are wholly or mainly professional sportspeople, as it is possible to significantly diminish the risk in this environment with enforcement of appropriate protocols set out in the Resumption of Professional Sport guidance and overseen by sport governing bodies.

Option 3: Permit indoor contact sports or organised club activity

We are aware that the restriction on indoor contact sports for adults in Level 1 onwards limits the ability for a number of sports to re-start as contact sport includes sports where participants as a matter of course encroach within 2m of one another. There was consideration of whether it might be possible to permit this activity at level 1, or to limit to organised club activity, given the challenge this provides for some sports

organisations. However, the risk of transmission was considered to be too high in an environment where physical distancing is not possible and there is participation by people from many different households. It was agreed that these measures would be kept under review.

Option 4: Increase restrictions beyond prohibiting contact sports for the 18+ age group

It was considered that the conditions of Level 1 did not require further restrictions on sport and physical activity (beyond prohibiting contact sports for the 18+ age group). At this level with low incidence and low levels of transmission the physical and mental health benefits of participation outweigh the risk.

Conclusion

In considering the evidence around options for level 0 and level 1 Scottish Ministers weighed up the need to reduce social interaction, clinical evidence regarding the spread of infection, and the social and economic harms of intervention. The significant physical and mental health benefits of participation as against the low incidence and low transmission of COVID-19 supported a decision to adopt option 2 to allow all except indoor adult contact sport to remain open at level 1. Stricter options, such as restrictions on outdoor contact sport, were also considered but these were determined as disproportionate at level 1 for the same reasons.

Options for Level 2 and 3

Within Levels 2 and 3, we would expect to see increased incidence of the virus, with multiple clusters and increased community transmission. There would be a graduated series of protective measures to tackle the virus, focusing on key areas of risk – broadly, indoor settings where household mixing takes place with less, or less well-observed, physical distancing and mitigations.

OPTIONS FOR LEVEL 2

Option 1: Maintain Baseline (level 0)

Given the increased level of risk of transmission at level 2 level in order to reduce transmission it was considered necessary to apply restrictions on the range of activities that could take place at this level.

Option 2: Maintain Level 1 restrictions on indoor contact sport for 18+ group

This option was selected as most appropriate for the conditions of Level 1. Restrictions remain on indoor adult contact sport where the risk of transmission is high due to proximity, lack of physical distancing and participation by people from many different households. The ventilation and fabric of the indoor facility will also have an impact. Indoors aerosol and droplet spread is higher risk particularly if doing more energetic exercise. There may also be potential pinch points where people might gather (e.g. toilets, entrances and exits to facilities). We recognise that this restriction causes difficulty for those businesses which support and supply indoor contact sport opportunities. This includes 10,000 coaches in Scotland, some of whom will be affected by these restrictions. Sports Governing Bodies and sports clubs will be affected and may lose memberships.

Indoor contact sport for under 18's is permitted due to the benefits that participation brings to this age group. In children and young people, regular physical activity is associated with improved learning and attainment, better mental health and cardiovascular fitness, and also contributes to healthy weight status.

Professional sport is exempt and not a contact sport for the purposes of the Regulations as it is possible to significantly diminish the risk in this environment with enforcement of appropriate protocols set out in the Resumption of Professional Sport guidance and overseen by sport governing bodies.

At level 2 certain premises are required to close under the Regulations. However premises used for the purposes of recording or broadcasting a sporting event to persons outside the premises or for training, practice or preparation for a sporting event professional sport may remain open for that purpose.

Option 3: Permit organised indoor contact sport club activity

We are aware that the restriction on indoor contact sports for adults in Level 1 onwards limits the ability for a number of sports to re-start as contact sport includes sports where participants as a matter of course encroach within 2m of one another. There was consideration about whether it might be possible to permit organised club activity to continue given the challenge this provides for some sports organisations. It was agreed that these measures would be kept under review.

Option 4: Increase restrictions beyond level 1 restrictions

It was considered that the conditions of Level 2 did not require further restrictions on sport and physical activity beyond those imposed under level 1 measures in conjunction with the applicable guidance. There is strong evidence to demonstrate the protective effect on physical activity on a range of many chronic conditions including coronary heart disease, obesity and type 2 diabetes, mental health problems and social isolation. Maintaining the conditions in which people can gain these benefits is an important factor in balancing the risk of allowing activity to continue as far as possible.

Conclusion

In considering the evidence around options for level 2, Scottish Ministers weighed up the need to reduce social interaction, clinical evidence regarding the spread of infection, and the social and economic harms of intervention. Stricter options, such as restrictions on outdoor contact sport, were also considered but these were determined as disproportionate at level 2. On balance, the benefits brought by allowing participation in sport and physical activity was considered to outweigh the risk of transmission in all settings except adult indoor contact sport.

OPTIONS FOR LEVEL 3

Option 1: Baseline (level 0) or Level 1 restrictions

Maintaining baseline or Level 1 restrictions at Level 3 was considered to be insufficient in circumstances where there is increased incidence of the virus, with multiple clusters and increased community transmission. The risks of transmission associated with participation in contact sport outdoors in a Level 3 environment where community transmission is high are such that the balance of risk against the benefits of participation shifts towards reducing risk.

Option 2: Prohibit all sport and exercise for the 18+ age with possible an exemption to permit indoor group activity for organised club sports (non-contact)

We know that the restrictions on group activity for adults at level 3 will be challenging for a number of sports as they are likely to suffer further losses from membership and other sources of revenue. Given the increased risk around group exercise comes from larger exercise classes and larger group sessions, it was considered whether some lower risk non-contact club activity could continue across a range of sports. It was agreed that these measures would be kept under review.

Option 3: Expand restrictions to include outdoor contact sport and group exercise classes

In the circumstances of Level 3, expansion of restrictions to include outdoor contact sport will further reduce opportunities for transmission due to the degree of close proximity to others in contact sport with physical distancing not possible.

Indoor contact sport for under 18's is permitted due to the benefits that participation brings to this age group. In children and young people, regular physical activity is associated with improved learning and attainment, better mental health and cardiovascular fitness, and also contributes to healthy weight status.

Professional sport is exempt and not included as a contact sport for the purposes of the Regulations as it is possible to significantly diminish the risk in this environment with enforcement of appropriate protocols set out in the Resumption of Professional Sport guidance and overseen by sport governing bodies.

Indoor group exercise classes for adults are not permitted at Level 3 due to proximity, lack of physical distancing and participation by people from many different households. There may also be potential pinch points where people might gather (e.g. toilets, entrances and exits to facilities). People may also breathe more heavily during exercise creating a greater risk where numbers of people are participating in an indoor setting.

We recognise that this restriction causes significant difficulty for those businesses which support and supply opportunities for indoor group exercise for adults. This includes 10,000 coaches in Scotland, some of whom will be affected by these restrictions.

Group exercise for under 18's is permitted due to the benefits that participation brings to this age group. In children and young people, regular physical activity is associated with improved learning and attainment, better mental health and cardiovascular fitness, and also contributes to healthy weight status.

At level 3 certain premises are required to close under the Regulations. However premises used for the purposes of recording or broadcasting a sporting event to persons outside the premises or for training, practice or preparation for a sporting event may remain open for those purposes.

Option 4 Expand restrictions to include all sport and gyms

It was considered that the conditions of Level 3 did not require further restrictions on sport and physical activity. There is strong evidence to demonstrate the protective effect on physical activity on a range of many chronic conditions including coronary heart disease, obesity and type 2 diabetes, mental health problems and social isolation.⁵⁴ Maintaining the conditions in which people can gain these benefits is an important factor in balancing the risk of allowing activity to continue as far as possible.

Conclusion

In considering the evidence around options for level 3, Scottish Ministers weighed up the need to reduce social interaction, clinical evidence regarding the spread of infection, and the social and economic harms of intervention. Expanding restrictions to include outdoor contact sport and group exercise classes (option 3) was considered to be the most proportionate for this level.

Options for Level 4

Level 4 will be deployed only if absolutely necessary as a short, sharp intervention to address extremely high transmission rates.

Within this level we would expect to see very high or rapidly increasing incidence, and widespread community transmission which may pose a threat to the NHS to cope. It is likely that this level would see the introduction of measures close to a return to full lockdown. Measures would be designed to be in place for a short period, to provide a short, sharp response to quickly suppress the virus. . Measures introduced in level 4 would be to control and suppress the spread of the virus, reduce transmission rates, hospital admissions, deaths, allow key services to continue such as education and avoid overwhelming of the NHS

⁵⁴ <https://www.who.int/publications/i/item/9789241514187>

Option 1: Maintain Baseline (level 0) or Level 1 or Level 2 restrictions

Maintaining baseline at Level 4 was considered to be insufficient in circumstances where there are extremely high transmission rates and participation in activities such as sport carry a greater risk of transmission both in indoor and outdoor settings.

Option 2: Expand restrictions beyond those at level 3 to include all sport (except professional sport and non-contact outdoor sport) and the closure of gyms.

In the circumstances of Level 4, expansion of restrictions to all forms of sport other than outdoor non-contact sport would further reduce opportunities for transmission due to the degree of close proximity to others in contact sport with physical distancing not possible.

Outdoor non-contact sport is permitted due to the lower risk of transmission through extended proximity balanced against the benefits that participation brings. In children and young people, regular physical activity is associated with improved learning and attainment, better mental health and cardiovascular fitness, and also contributes to healthy weight status. There is strong evidence to demonstrate the protective effect on physical activity on a range of many chronic conditions including coronary heart disease, obesity and type 2 diabetes, mental health problems and social isolation. Maintaining the conditions in which people can gain these benefits is an important factor in balancing the risk of allowing activity to continue as far as possible.

Professional sport is not included as a contact sport for the purposes of the Regulations as it is possible to significantly diminish the risk in this environment with enforcement of appropriate protocols overseen by sport governing bodies

Gyms, indoor fitness studios, swimming pools and other indoor leisure centres or leisure facilities are closed at Level 4 due to proximity, lack of physical distancing and participation by people from many different households. There may also be potential pinch points where people might gather (e.g. toilets, entrances and exits to facilities). People may also breathe more heavily during exercise creating a greater risk where numbers of people are participating in an indoor setting. Facilities may have large numbers of surfaces which would be very difficult to clean between users e.g. barrier around an ice rink, climbing walls etc.

We recognise that this restriction causes economic difficulty for gyms, fitness studios, swimming pools and leisure centres and those businesses which support and supply them. The wider leisure industry has been badly affected by restrictions with large turnover decreases and high proportion of staff furloughed.

As noted above, Level 4 will be deployed only if absolutely necessary as a short, sharp intervention to address extremely high transmission rates.

Conclusion

In considering the evidence around options for level 4, Scottish Ministers weighed up the need to reduce social interaction, clinical evidence regarding the spread of infection, and the social and economic harms of intervention. Expanding restrictions to include the closure of gyms and all sport except professional sport and non-contact outdoor sport was considered necessary at this level to address very high levels of community transmission.

Scottish Firms Impact Test:

In Scotland the majority of leisure provision and facilities are operated and run by local authorities or

Leisure Trusts established to deliver on the local authorities behalf. There are 27 local authorities currently operating the Trust model, with the remainder delivering leisure provision in house. Leisure Trusts, for example, operate over 1200 facilities across Scotland that received over 80 million customer visits last year and they employ over 20,000 members of staff.

Importantly, in addition to running facilities they deliver vital community services designed to support their local community. These include; exercise on prescription, swimming lessons, adult social care support programmes, walking programmes, internet access courses, apprenticeships and training, and sports participation programmes.

Leisure Services provide an important role in ensuring the mental and physical wellbeing and social connectedness of local communities.

Community Leisure UK (Scotland) and VOCAL, supported by COSLA, have been undertaking detailed analysis relating to the financial impact of COVID-19 and estimate that the deficit for the Local Authority leisure sector will be £127 million at the end of the calendar year. This will put significant strain on Local Authority budgets and potentially put at risk the vital service they provide in local communities. Local Authorities have been supportive of their Trusts as much as possible, however, the financial model, which relies partly on a management fee from the council and partly on income generation from activity is not sustainable while facilities are generating zero income. Although most facilities are largely closed and in many cases staff have either been furloughed or redeployed to other areas, there is an immediate and continuing impact of managing ongoing costs and resources.

What proportion of businesses are registered in Scotland?

We do not have data on the number of businesses who are registered in Scotland

• Will it have an impact on the competitiveness of Scottish companies within the UK, or elsewhere in Europe or the rest of the world?

Introducing restrictions on businesses at levels 1-4 of the Strategic Framework may inhibit business growth and expansion into the UK and Europe in the medium term (although this will be highly dependent on what restrictions are introduced in other countries to reduce transmission of COVID-19).

• How many businesses and what sectors is it likely to impact on?

The latest data from the Business Register and Employment Survey 2018 suggests that total employment in the fitness facilities sector to be around 3,000 and 220 businesses and the vast majority of these are small businesses. The latest data from the Business Register and Employment Survey 2018 suggests that total employment in the activities of sports clubs is around 15,000 with 1,185 businesses and the vast majority of these are small businesses.

The measures outlined within this BRIA are likely to affect a large number of businesses and employees.

• What is the likely cost or benefit to business?

We recognise the strain that restrictions place on the sporting sector and their financial viability in particular. Where exercises classes are restricted this can result in people cancelling their monthly membership in leisure facilities with consequent effect on the business and wider economic effects through lower consumer spending. Community Leisure UK (Scotland) and VOCAL, supported by COSLA, have been undertaking detailed analysis relating to the financial impact of COVID-19 and estimate that the deficit for the Local Authority leisure sector will be £127 million at the end of the calendar year.

Restrictions on sport will also affect the welfare of 10,000 paid coaches, who are largely within an age cohort particularly hard hit economically by the pandemic. Coaches are likely to be self-employed and may experience significant loss of earnings as a result of restrictions.

The business hardship fund opened for applications on 20 October, offers support of £1000, or £1500 dependent on rateable value. Some gyms which are required to close if Level 4 restrictions apply will be eligible for the £40m business support package

We are helping sporting organisations and groups to access the various funding streams available for community sport organisations.

Many are also accessing wider support packages, particularly, the job retention scheme, non-domestic rates relief and the third sector resilience fund.

The Scottish Government is in ongoing discussions with COSLA on how we can best deploy further consequential for local government and also to implement a lost income scheme to provide additional financial support for some of the lost income from sales, fees and charges similar to that which has been announced for councils in England.

Councils and their trusts will have access to an estimated £90 million of funding with council trusts delivering services on behalf of councils able to receive a share of a further £49 million of support through the scheme.

Competition Assessment:

The measures introduced within the Strategic Framework are likely to impact on competition between businesses within the leisure and entertainment sector as restrictions will impact on businesses differentially.

• Will the measure directly or indirectly limit the number or range of suppliers?

It is possible that restrictions within the Strategic Framework may lead to some businesses ceasing trading or limit the ability of new businesses to enter the market. The number of coaches may be affected by restrictions due to loss of income. Sports clubs may lose membership, membership revenue and be unable to continue to trade leading to a loss of opportunity to participate and a loss of the business base.

• Will the measure limit the ability of suppliers to compete?

It is possible that some restrictions may prove particularly difficult for some businesses. Thus, guidance against non-essential travel in and out of level 3 and level 4 areas may impact on gyms in town and city centres as people will be discouraged from traveling into these areas. The impact on business viability may mean that some businesses cease to trade.

• Will the measure limit suppliers' incentives to compete vigorously?

It seems unlikely that measures will limit incentives to compete vigorously.

• Will the measure limit the choices and information available to consumers?

There is a possibility that the measures in the strategic framework will limit the choices available to consumers if some opportunities to participate in sport are restricted or gyms closed. This may result in a decline in levels of physical activity.

Consumer Assessment:

The following sets out the Scottish Government's initial view on the impact of the sport and physical activity sector measures within the Strategic Framework on consumers.

- **Does the policy affect the quality, availability or price of any goods or services in a market?**

If business operating costs are increased as a result of restrictions within the strategic framework this may impact on price. For example, the costs of gym membership may rise to compensate for increased costs. Quality and availability may also be impacted by restrictions if facilities or services are not available.

- **Does the policy affect the essential services market, such as energy or water?**

There is no expected impact on markets for essential services.

- **Does the policy involve storage or increased use of consumer data?**

No

- **Does the policy increase opportunities for unscrupulous suppliers to target consumers?**

This is unlikely to occur as a consequence of the strategic framework

Test run of business forms: N/A

Digital Impact Test: N/A

Legal Aid Impact Test: N/A

Enforcement, sanctions and monitoring: Regulations have been put in place to support the implementation of the measures. Monitoring and enforcement will be undertaken by Local Authority Environmental Health Officers and, in some cases, Police Scotland.

Implementation and delivery plan and post-implementation review:

Regulations and guidance have been put in place to support the implementation of the measures contained within the Strategic Framework. These regulations will come into effect from the 2nd November 2020. We are continuing our constructive engagement with the sport and physical activity sector.

Summary and recommendations:

Introduction

This BRIA has examined the sport and physical activity measures within each level of the Strategic Framework and compared these measures with the baseline option, the equivalent of Level 0 in the Strategic Framework.

Background

The Scottish Government's strategic framework includes a package of measures which collectively are designed to suppress transmission of the virus.

Whilst this BRIA is focused on sport and physical activity, measures are also being taken to reduce opportunities for transmission across a range of settings. It is important to view sport and physical activity measures in the context of this wider package of actions.

Options Appraisal

The Strategic Framework includes a range of actions designed to suppress virus transmission. In taking action a careful balance needs to be struck between protecting health and minimising the negative impacts on business, jobs and livelihoods.

The text and table below brings together the benefits and costs by option as set out in this BRIA. The summary table below brings together the benefits and costs of:

- Restrictions on indoor contact sport for adults (baseline and above) and under 18's (level 4)
- Restrictions on outdoor contact sport for adults (level 3 and 4) and under 18's (level 4)
- Restrictions on indoor group exercise classes for adults (level 3 and 4) and under 18's (level 4)
- Closure of gyms (level 4)

It compares these measures against the baseline / level 0 option. More detailed discussion of each of the levels and the options that have been considered by Scottish Ministers within levels is contained within the main body of this document.

Option 1: Baseline

The baseline option (effectively level 0 of the Strategic Framework) would have a positive economic impact on those businesses which provide facilities and service for people to be physically active through their revenue generation, employment of staff, and on supply chain businesses. There is strong evidence to demonstrate the protective effect on physical activity on a range of many chronic conditions including coronary heart disease, obesity and type 2 diabetes, mental health problems and social isolation. Maintaining the conditions in which people can gain these benefits is an important factor in balancing the risk of allowing activity to continue as far as possible.

Some sport and physical activity settings are more susceptible to higher risk of transmission where proximity, lack of physical distancing and participation by people from many different households are common factors. There may also be potential pinch points where people might gather (e.g. toilets, entrances and exits to facilities). People may also breathe more heavily during exercise creating a greater risk where numbers of people are participating in an indoor setting.

Option 2: Strategic Framework

Measure	Benefits	Costs
Restrictions on adult indoor contact sport (Level 1 and above)	The risk of transmission in this setting is high due to proximity, lack of physical distancing and participation by people from many different households. The ventilation and fabric of the indoor facility will also have an impact. Indoors aerosol and droplet spread is higher risk particularly if doing more energetic exercise. There may also be potential pinch points where people might gather (e.g. toilets, entrances and exits to facilities).	We recognise that this restriction causes difficulty for those businesses which support and supply indoor contact sport opportunities. The main cost will be in terms of financial viability, risk of businesses closure and associated job losses. This includes 10,000 coaches in Scotland, mainly self-employed, some of whom will be affected by these restrictions
Restrictions on outdoor contact	The risk of transmission in contact sport is higher due to proximity, lack of physical distancing and	We recognise that this restriction causes difficulty for those businesses which support and supply outdoor

<p>sport for adults (level 3&4)</p>	<p>participation by people from many different households. There may also be potential pinch points where people might gather (e.g. toilets, entrances and exits to facilities). Outdoor contact sport carries less of a risk than indoor contact sport and has therefore been allowed at higher levels than indoor contact sport.</p>	<p>contact sport opportunities. The main cost will be in terms of financial viability, risk of businesses closure and associated job losses.</p> <p>This includes 10,000 coaches in Scotland, mainly self-employed, some of whom will be affected by these</p>
<p>Restrictions on indoor group exercise classes for adults (level 3)</p>	<p>The risk of transmission in this setting is due to proximity, lack of physical distancing and participation by people from many different households. The ventilation and fabric of the indoor facility will also have an impact. Indoors aerosol and droplet spread is higher risk particularly if doing more energetic exercise. There may also be potential pinch points where people might gather (e.g. toilets, entrances and exits to facilities). These risks can be reduced through enhanced health and safety measures and at lower levels this will be acceptable but at level 3 and 4, the balance of risk against the benefits of participation tips towards restriction.</p>	<p>We recognise that this restriction causes difficulty for those businesses which support and supply indoor contact sport opportunities.</p> <p>This includes 10,000 coaches and those running group classes in Scotland, some of whom will be affected by these.</p>
<p>Closure of gyms, indoor fitness studios, swimming pools and indoor leisure centres and facilities (level 4)</p>	<p>Level 4 will be deployed only if absolutely necessary as a short, sharp intervention to address extremely high transmission rates. Within this level we would expect to see very high or rapidly increasing incidence, and widespread community transmission which may pose a threat to the NHS to cope. Closing gyms, indoor fitness studios, swimming pools and leisure centres and facilities (along with the package of other measures under level 4 of the Strategic Framework) will help lead to a rapid reduction in infection rates.</p>	<p>Evidence from the lockdown period shows that the immediate closure of businesses led to significant difficulties for businesses and individuals employed in the sector. Extended closure will threaten viability of businesses putting jobs at risk and leading to higher unemployment.</p>

Conclusion

This BRIA has set out the relative costs and benefits of options with the intended effect of suppressing the virus whilst acknowledging and minimising the economic harms faced by businesses.

There is a comprehensive package of financial support from the UK Government and the Scottish Government for businesses to mitigate the negative impacts of the restrictions. Subsequent to the regulations commencing on 2nd November, there have been changes to the financial support package, notably the extension of the UK Government Coronavirus Job Retention Scheme until the end of March 2021.

The new Scottish Government financial support will apply across all the relevant levels and will provide:

- A grant of £2,000 or £3,000 (depending on rateable value) for business required to close by law, payable every four weeks for the duration protective measures are in place
- A hardship grant of £1,400 or £2,100 (depending on rateable value) for businesses that remain open but are specifically required to modify their operations by protective measures, payable every four weeks for the duration measures are in place

These grants will be provided regardless of level, to eligible businesses, and paid in fortnightly instalments (subject to discussions with local authorities).

This support is in addition to the UK government Coronavirus Job Retention Scheme whereby employees working for businesses will receive 80% of their salary paid for by government.

- This applies to all countries and regions of the UK and is not linked to specific tiers or restrictions.
- The Government will fund 80% of wages for hours not worked with employers' contributions initially limited to employers' NICs and pension costs – reflecting the terms and conditions of the CJRS applicable in August 2020. Employer contributions will be reviewed in January.
- All employees who were on the payroll as of 30th October are now eligible.
- Employees that were on the payroll as at 23 September but have since been made redundant can be re-employed and claimed for

The UK Government also announced increased support for the self-employed who will also receive 80% of their average trading profits for November to January, with a further, as yet unspecified, grant to follow covering February to April.

The UK Government also announced (2 November)

- An extension of the coronavirus business interruption loan schemes until the end of January.
- Additional funding for Local authorities to support their local health response worth £500 million
- An extension of mortgage and consumer credit payment holidays, lasting 6 months

All these support measures are designed to support businesses and mitigate the negative impacts of the restrictions which have been identified and considered. We will continue to engage with the businesses affected on the impact of the measures, and the level of support available, as they are implemented.

Title: Scotland's Strategic Framework: Stadia and Events

Purpose and intended effect:

The objective of Scotland's Strategic Framework is to set out a sustainable response to the pandemic to be implemented until either a vaccine or highly effective treatments to the virus are developed. The Framework covers the four key harms of the virus, how we will work to suppress the virus, and sets out our proposal to move to a strategic approach to outbreak management based on five Levels of protection.

This BRIA is focused on the set of **Stadia and Events** measures included within Scotland's Strategic Framework. These measures include both the measures requiring events to not take place and that stadia must close, and also the measures that permit them to operate in some Levels, including mitigating actions that businesses must take to be able to operate in some Levels. However, individual measures need to be viewed within the broader context of the package of measures within each Level, with the strategic framework taking a four harms approach to considering which interventions are introduced at each Level through assessment of:

- direct health harms associated with COVID-19
- broader health harms
- social harms
- economic harms

The Strategic Framework includes measures across a wide number of settings and provides a comprehensive approach to reducing infection rates and suppressing the spread of the virus. Each of the Levels is designed to reflect the relative severity of the area it is being applied to, with progressively heightened restrictions implemented as necessary.

The key measures relating to **Stadia and Events** are set out in the table below:

Level 0 (Baseline)	Level 1	Level 2	Level 3	Level 4
Outdoor events permitted (restricted numbers)	Outdoor events: <ul style="list-style-type: none"> • seated and open space permitted (restricted numbers) • outdoor grouped standing not permitted 	Drive-in events permitted	Events not permitted	Events not permitted
Indoor events: <ul style="list-style-type: none"> • seated and ambulatory permitted (restricted numbers) • indoor grouped standing not permitted 	Small seated indoor events permitted	Events generally not permitted		
Stadia – open with restricted numbers	Stadia – open with restricted numbers	Stadia closed to spectators	Stadia closed to spectators	Stadia closed to spectators

Guidance on travel also has a significant impact on events, which often rely on people travelling locally, nationally or internationally.

Purpose and intended effect: Scotland’s Strategic Framework - Stadia and Events Protections

Introduction

Events make a key contribution to Scotland’s economy, enhance Scotland’s profile internationally, and also boost community engagement, empowerment and inclusion.

The Business Register and Employment Survey indicates that overall, more than 50% of employees in the sector worked part-time. The Annual Population Survey 2019 found that approximately 51% of the events workforce is under the age of 35 compared to around 35% for Scotland’s workforce as a whole.

The proportion of women working in the events industry is similar to the proportion in the overall workforce - 47% and 49% respectively. However, for Events Catering Activities, women make up 56% of the workforce and for Other Reservation Service and Related Activities they make up 73% of the workforce. Approximately 6,300 (11.1%) of workers were self-employed. This is a slightly lower proportion than for the workforce as a whole (12.4%).

Stadia events – predominantly football and rugby in Scotland – also make a significant economic contribution, as well as contributing to a range of other outcomes, including increased international profile and engagement with individuals and communities. Research published in April 2020 showed that the Scottish Professional Football League (SPFL) contributes more than £200 million net to the Scottish economy every year and supports 5,700 jobs. The independent analysis by the Fraser of Allander Institute was carried out on the 2017/18 season and shows that SPFL clubs' activities, plus all spending by spectators at SPFL matches, contributed a gross figure of £444 million to Scotland's GDP and helped to support around 9,300 full time equivalent jobs. While there is no equivalent data for rugby,

research published in September 2017 revealed that BT Murrayfield welcomed 80,000 fans over two days in May 2017 for the European Challenge and Champions Cup finals respectively and the direct economic benefits for the Scottish capital were recorded at £21.3 million, as part of a total £29.5 million impact on the wider national economy, in a report by The Sports Consultancy.

COVID-19 and Stadia and Events

The Scottish Government recognises the negative impact that COVID-19 restrictions are having on the stadia and events sector in Scotland. Both sectors were among the first to go into lockdown on 15 March 2020 and will be one of the last to fully resume.

Significant international events have been postponed, such as EURO 2020 which was due to be co-hosted in Glasgow in June/July 2020. As lockdown extended into May and June, the bulk of the remainder of Scotland's 2020 events programme was cancelled or rescheduled. While some of this activity is expected to be rescheduled into 2021, annual events will have lost their revenue for 2020. Some events are also unlikely to be rescheduled as there are only a certain number of dates available at venues to host events and there were already events scheduled for 2021. Some activity has moved to broadcast only or online, however, thus far online activity has proved difficult to monetise. There is ongoing work across industry groups and by EventScotland to quantify the extent of financial losses for the sector.

While top-flight football and rugby has generally been able to continue behind closed doors, spectators have not been admitted in any significant numbers, apart from three pilot events and limited numbers from 2 November for local authority areas with Level 0 and Level 1 restrictions. Football and rugby in Scotland is particularly dependent on spectators – for example, 43 per cent of revenue in the SPFL comes from gate receipts compared to the European average of 15 per cent. Therefore, a lack of supporters will have a particularly negative impact. The SPFL has estimated losses of around £50 million this year and while there is not a comprehensive picture yet of redundancies across clubs, many clubs have made announcements publicly regarding staff redundancies. In November 2020 the Scottish FA made 18 staff redundant and projected a £4.5 million loss. Scottish Rugby has estimated it could lose £30 million this year.

A wide range of activity has been affected by COVID-19 including business events, sporting events and cultural events. The industry has had almost no income apart from that provided through UK Government and Scottish Government support schemes, and if this continues more businesses will cease to exist. Although figures are not available separately for the events sector, the overall Arts, Entertainment and Recreation Sector had the highest share of its workforce on Furlough (42.8%) in October, reflecting the higher share of businesses in those sectors that are temporarily closed or operating below full capacity (Source ONS BICS data).

There is a long lead in time to plan and prepare for most events. As such, fluctuating levels of restrictions are particularly difficult for events as organisers have little certainty about whether their event will actually be able to take place, resulting in them carrying significant risk. Parts of the sector have indicated that even if they are permitted to resume, as would be possible for some at Levels 1 and 0, events will not be commercially viable while physical distancing and low attendance caps are in place. For sporting events – and football in particular – it is important to note that restricted attendances mean season ticket holders only are likely to be admitted. These supporters have already paid for their season tickets, therefore no significant additional income is accrued and significant losses will be incurred with reduced attendances.

The ONS Standardised Industrial Classifications (SIC) does not provide a category or division for the events sector. A list of SICs has been compiled by the Scottish Government which may plausibly be judged to constitute the sector, based on a description of these activities. Note that a number of the SIC codes selected for analysis as part of the events sector overlap with existing Growth Sectors including Tourism; Finance and Business Services; and Creative Industries. The activities identified as part of the core events sector are those in which it is assumed that a large proportion of their output can be attributed to the staging of events. However, the supply chains for events as well as businesses providing services directly to event audiences and participants extend beyond those identified by SIC code. This wider range of activities include not only food, accommodation and transportation services but also a diverse range of businesses in supply chains.

The Events Industry in Scotland as defined above comprised 3,775 businesses (IDBR, 2019) and 4,515 individual units (SABS, 2017). It contributed approximately £953 million GVA to the Scottish economy in 2017 (SABS, 2017). In 2019 it employed approximately 57,000 part-time and full time employees as well as approximately 6,300 self-employed workers (APS, 2019). Around 25% of business units in the Events Industry are concentrated in Glasgow and Edinburgh (SABS, 2017). There were 3,775 businesses that fall under our Events Industry definition in Scotland in 2019. Of these, 3,610 had fewer than 50 employees. The majority – approximately 3,165 - had a turnover of less than £500,000. Only around 16% have a turnover of £500,000 or more. Approximately 1,340 had a turnover of less than £100,000. Of the 610 businesses operating with a turnover of £500,000 or more, 105 were present in Edinburgh and 95 in Glasgow. 14% of events industry businesses had a presence in Edinburgh while 12% had a presence in Glasgow. The figure is 7% for the Highlands, 6% for Fife and 5% in South Lanarkshire and 5% Aberdeenshire.

As the operations of the events sector have been restricted since March, we assume that almost all of the GVA generated by this activity has been lost. We understand that many events businesses have accessed the Coronavirus Job Retention Scheme and Self-Employed Support Scheme. The sector has indicated there are gaps in this support (for example for company directors). A £6 million hardship scheme to support the events sector ran in August/September 2020 but had eligibility criteria focused on businesses that had received limited SG support to that point.

A disproportionately young workforce could result in a heightened risk and impact (in terms of lost lifetime earnings) of unemployment in the industry.

Closure of the sector has resulted in economic insecurity for businesses and their workforce; and reduced wellbeing and increased isolation for people who would usually attend events. Although extremely difficult to quantify, the impact of cancelling events (and particularly community events) is likely to have had a negative impact on morale and cohesiveness in affected communities.

However, some of the activities that take place within the category of Stadia and Events involve many of the high-risk criteria for COVID-19 transmission, as transmission of SARS-CoV-2 is most strongly associated with close and prolonged contact in indoor environments or in crowded spaces over extended periods.⁵⁵ While stadia events are largely held in a broadly outdoor setting, there are transmission risks associated with access, movement in concourses and travel to the venue. This has formed the basis for consideration of further measures in recent weeks, including around events settings, in response to the recent increases in COVID-19 cases and transmission experienced across Scotland.

Policy Objective

In common with the wide range of other countries who have implemented similar measures⁵⁶, the objective of the restrictions set out within the Strategic Framework is to ensure that the operation of Stadia and Events settings is appropriate to the Level of COVID-19 risk within the Local Authority area, also taking into account the other restrictions in place. Any restrictions on operations are intended to help control and suppress the spread of the virus, ultimately minimising transmission rates, hospital admissions, deaths and the potential overwhelming of the NHS.

Transmission

SARS-CoV-2 can be transmitted by three main routes: close-range respiratory droplets and aerosols, longer range respiratory aerosols, and direct contact with surfaces contaminated with virus. Transmission is strongly associated with proximity and duration of contact in indoor environments. It is possible for SARS-CoV-2 to be transmitted at distances of more than 2 metres.⁵⁷

We know from contact tracing, international evidence and scientific research, that a wide range of social, residential

⁵⁵ [Transmission of SARS-CoV-2 and Mitigating Measures, SAGE EMG June 2020](#)

⁵⁶ See further information in 'Current Status of Stadia and Events Sector' below.

⁵⁷ [Transmission of SARS-CoV-2 and Mitigating Measures, SAGE EMG June 2020](#)

and workplace settings have been associated with transmission. The highest risks of transmission, including those from super-spreading events, are associated with poorly ventilated and crowded indoor settings with increased likelihood of aerosol emission and where no face coverings are worn such as bars, nightclubs, parties/family gatherings, indoor dining, gyms and exercise classes. Poor ventilation and crowding have been suggested to be factors in numerous transmission clusters^{58,59}.

The Government recognises that transmission of the virus within households presents the highest risk, which is why gatherings in private dwellings was targeted first and will be restricted across all of the 5 Levels.

However, other setting also have the potential to transmit the virus due to the risk factors. Understanding settings where multiple risk factors come together, and large outbreaks are likely to occur, is important in controlling the epidemic.

As is detailed in the 'Indoor and Outdoor Events' section below, events and stadia bring people together, sometimes from across a wide geographical area, in close proximity, often for an extended time period. These provide opportunities for transmission of COVID-19 as we know that high-risk factors associated with transmission of the virus⁶⁰ include indoor spaces, where ventilation and physical distancing may be less easy to maintain, and are places where people come together to spend prolonged periods of time (more than 15 minutes) in close proximity, enabling the virus to spread easily from person to person. Events that involve standing may carry a greater risk due to difficulty maintaining distance and the possibility of mixing with a range of people, thus increasing the risk of transmission. We also know events and stadia carry the likelihood of pinch points where people might gather (e.g. toilets, entrances and exits) which could increase the risk of transmission. Events that usually involve singing/shouting, are considered to have a higher risk of aerosol and droplet transmission. While it should be possible to have control of and mitigate many of the risks in the venue / site where the event is taking place, there is considered to be less control of risks when the venue and travel are considered together.

Risk Factors

High-risk factors associated with transmission of the virus⁶¹ include indoor spaces, where ventilation and physical distancing may be less easy to maintain, and are places where people come together to spend prolonged periods of time (more than 15 minutes) in close proximity, enabling the virus to spread easily from person to person. Risks are further compounded by speaking loudly and the effects of alcohol consumption⁶². Another risk factor is the when a 2m distance cannot be maintained, as evidence suggests that 1m distancing carries between 2 and 10 times the risk of 2m distancing⁶³. Risks outdoors are lower, with the risk of aerosol transmission considered to be very low outdoors due to high dilution of virus carrying aerosols and UV inactivation of the virus⁶⁴.

Depending on the venue, issues of ventilation (with recirculation of air being particularly problematic), crowding (where it is hard to regulate the distance between people), and pinch points (at areas such as toilets) all contribute to risk. Keeping surfaces clean and regulating movement throughout the setting is a further challenge. Fundamentally, venues which are attended by many people, typically from different households, specifically to meet for long periods of time, all amplify the risk of transmission. The risks in some venues may be exacerbated by some behaviours –

⁵⁸ Leclerc QJ FN, Knight LE. What settings have been linked to SARS-CoV-2 transmission clusters? [version 1; peer review: 1 approved with reservations]. Wellcome Open Res **2020**; 5:83

⁵⁹ Dillon Adam PW, Jessica Wong et al. Clustering and superspreading potential of severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2) infections in Hong Kong

⁶⁰ [COVID-19: NOTE BY THE CHIEF MEDICAL OFFICER, CHIEF NURSING OFFICER AND NATIONAL CLINICAL DIRECTOR 7th October 2020](#)

⁶¹ [COVID-19: NOTE BY THE CHIEF MEDICAL OFFICER, CHIEF NURSING OFFICER AND NATIONAL CLINICAL DIRECTOR 7th October 2020](#)

⁶² [Collins A and Fitzgerald N \(2020\)](#)

⁶³ [Transmission of SARS-CoV-2 and Mitigating Measures, SAGE EMG June 2020](#)

⁶⁴ [Transmission of SARS-CoV-2 and Mitigating Measures, SAGE EMG June 2020](#)

whether this be drinking alcohol (e.g. in nightclubs), which can cause people to lose their inhibitions, increase risk-taking and to make decisions they would usually would not⁶⁵ or breathing heavily (e.g. due to exercising in gyms)⁶⁶. Many of the sectors covered in this document rely on people from many households coming together for prolonged periods (e.g. in events spaces or conference centres or stadia) and it is important to understand that the number of potential transmission events increase much more quickly than the number of people gathering⁶⁷.

Each place an individual visits brings different risks depending on a range of factors, such as⁶⁸:

- the mix and number of people present,
- the amount of time individuals are likely to spend there,
- the ability to maintain 2m distancing,
- the likelihood of pinch points where people might gather (e.g. toilets, entrances and exits),
- the standard and type of ventilation,
- the likelihood of people touching surfaces and goods, and
- the potential for significant aerosol projection activity.

Risk factors for different businesses in different sectors vary hugely and most will have a number of risk factors to consider. Some places are riskier due to touch points, some due to limited ventilation, some due to the mix and number of people coming and going, some due to pinch points at which people may gather. Others may cause people to speak more loudly, breathe heavily or cheer, potentially projecting aerosol particles further. Businesses which rely on close contact or on people from different households visiting or coming together are inherently at a high risk of spreading the virus^{69 70}.

The Strategic Framework includes measures across a wide number of settings and provides a comprehensive approach to reducing infection rates and suppressing the spread of the virus. The specific measures, as set out in the Regulations and guidance, reflect the assessment of risk factors associated with a particular activity. Each of the Strategic Framework's Levels are designed to reflect the relative severity of the area it is being applied to, with progressively heightened restrictions implemented as necessary.

Alcohol

It is well established that alcohol is a psychoactive substance which inhibits judgement. The WHO Global Strategy recognises that intoxication with alcohol is associated with high-risk behaviours⁷¹. Alcohol intoxication is associated with a number of well-characterized changes in psychological function, including disinhibition and reduced conscious⁷², as well as changes in mood and feelings of intoxication as well as impairments in psychomotor

⁶⁵ <https://www.nhsinform.scot/healthy-living/alcohol/the-risks-of-drinking-too-much>

⁶⁶ SAGE papers 21 September 2020:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/925856/S0770_NPIs_table_pivot.pdf and

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/925854/S0769_Summary_of_effectiveness_and_harms_of_NPIs.pdf

⁶⁷ SPI M paper 20 August 2020:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/916888/spi-m-o-statement-gatherings-s0704-sage-52-200819.pdf

⁶⁸ COVID-19: NOTE BY THE CHIEF MEDICAL OFFICER, CHIEF NURSING OFFICER AND NATIONAL CLINICAL DIRECTOR 7th October 2020

⁶⁹ SAGE papers 21 September 2020:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/925856/S0770_NPIs_table_pivot.pdf and

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/925854/S0769_Summary_of_effectiveness_and_harms_of_NPIs.pdf

⁷⁰ SPI M paper 20 August 2020:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/916888/spi-m-o-statement-gatherings-s0704-sage-52-200819.pdf

⁷¹ <https://apps.who.int/iris/handle/10665/44395>

⁷² https://www.shaap.org.uk/images/shaap_developing_adolescents_brain_press.pdf

performance and cognitive processes such as memory, divided attention, and planning⁷³. It can cause people to lose their inhibitions, increase risk-taking and to make decisions they would usually would not⁷⁴.

In relation to the specific risk of transmission of COVID-19, the direct effects of alcohol impair consumers' ability to comply with transmission control measures in hospitality settings. 'Drinking even small amounts of alcohol affects people's decision-making and lowers inhibitions. It can change the way people think and feel, and influence how they act. It impairs hearing, meaning people have to lean in closer to hear or shout, which increases aerosolization of the virus. It impairs vision, affecting the ability to judge distances. It lowers the immunity to infection. It is a diuretic, resulting in people needing to urinate more frequently. Separately and together, these effects will reduce the ability (and potentially willingness) of people to physically distance and comply with safety measures, creating an increased risk of virus transmission.' All of these risks are thought to increase proportionately, the greater the amount of alcohol sold and consumed⁷⁵.

Given this evidence that alcohol consumption alters your thoughts, judgement, decision-making and behaviour, advice from the World Health Organisation during the COVID-19 pandemic is to 'stay sober so that you can remain vigilant, act quickly and make decisions with a clear head, for yourself and others in your family and community'. It adds that 'if you drink, keep your drinking to a minimum and avoid getting intoxicated'.⁷⁶

It is important to note that alcohol is not served in all stadia and events – many venues and events do not have an alcohol license and many choose not to serve alcohol as it is not appropriate to the type of event taking place. However, we know that alcohol does form a part of the hospitality offering in many settings, so a consideration of this risk in relation to COVID-19 transmission must form part of any impact assessment.

Indoor and Outdoor Events

Events bring people together, sometimes from across a wide geographical area, in close proximity, often for an extended time period. These provide opportunities for transmission of COVID-19 as we know that high-risk factors associated with transmission of the virus⁷⁷ include indoor spaces, where ventilation and physical distancing may be less easy to maintain, and are places where people come together to spend prolonged periods of time (more than 15 minutes) in close proximity, enabling the virus to spread easily from person to person. Drive-in events are considered to carry an even lower risk of transmission as the audience are in their cars for most of the time, although it is still very important to mitigate the risk to the workforce. Events where people are seated are generally considered to carry a lower risk of transmission as physical distancing between groups can be maintained relatively easily. Events that involve standing may carry a greater risk due to difficulty maintaining distance and the possibility of mixing with a range of people, thus increasing the risk of transmission.

For stadium events, the risk of spectators sitting outdoors facing in the same direction to watch events is likely to be relatively low, although there may be an increased risk with the likelihood of singing / shouting, which in turn could projecting aerosol particles further, and reduced physical distancing in the event of celebrations, where elated fans may jump around and move away from their designated seat. There is also a risk associated with public transport travel to venue, which will naturally bring larger groups of people into closer proximity indoors. Additionally crowds of spectators accessing the venue through shared entrances creates potential pinch points there, at toilets and at concessions increasing the likelihood of more people coming into contact with the same surfaces.

Current position of Stadia and Events

Most of the sector has been completely closed since mid-March, although drive-in events were able to resume on 22 July and outdoor seated and outdoor open space events from 24 August (with a limit of 200 people, which adversely

⁷³ <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2999764/>

⁷⁴ <https://www.nhsinform.scot/healthy-living/alcohol/the-risks-of-drinking-too-much>

⁷⁵ [Collins A and Fitzgerald N \(2020\)](#)

⁷⁶ [World Health Organisation: Alcohol and COVID-19: what you need to know](#)

⁷⁷ [COVID-19: NOTE BY THE CHIEF MEDICAL OFFICER, CHIEF NURSING OFFICER AND NATIONAL CLINICAL DIRECTOR 7th October 2020](#)

affected viability). Outdoor events were then once again restricted as part of temporary measures introduced in the central belt from 25 September. This means that the majority of the sector has been unable to operate in any way for approx. 8 months.

We have seen no evidence of transmission from Test and Protect data relating to drive-in events or the limited outdoor events that have been permitted to resume. However, it is not possible to tell this conclusively from the categories listed by Test and Protect. We have not received any concerns about transmission at drive-in or outdoor events from local authority environmental health officers.

Apart from three test events – which showed no evidence of transmission from Test and Protect data – and the return of limited numbers of spectators in Levels 0 and 1 from 2 November, there have been no spectators at stadia events since March.

There is evidence of a similar Levels approach to events operation currently in other countries. For example New Zealand has operated a 4 Alert Level system since 21 March. Events are not permitted at Levels 3 and 4 but are permitted with restrictions on numbers (100) at Level 2 and with much lighter restrictions at Level 1. All of New Zealand has been at Alert Level 1 since 7 October.

Conclusion

Limiting social mixing as much as possible in all settings is the most effective measure against transmission of the virus. However, it is widely recognised that wider health and wellbeing is impacted by our ability to mix with other people. The effects of loneliness are profound and increased markedly during lock down, alongside big increases in mental health problems. The Mental Health Foundation conducted a Longitudinal Study in April and the top line from that is that almost a quarter of adults living under lockdown in the UK have felt loneliness, raising concern about long-term risk to mental health.⁷⁸

The limitations on events and stadia are part of an overall system to balance suppression of the virus whilst minimising wider harm to our health and wellbeing as well as minimising the wider social and economic harms associated with the measures. The Levels approach sets out proportionate action to address the harm from the virus whilst acknowledging the wider health, social and economic harms. When the risk of COVID-19 rises, the restrictions on the events sector will increase. Similarly as the risk falls, restrictions will ease.

Across all of the five Levels we seek to balance:

- The positive impact on the transmission rate of the virus through restricting the opportunity for mixing in event settings
- Enabling events to take place wherever possible in ways that enable businesses to remain viable and reduce the likelihood of redundancies
- The important role that events play in maintaining health and wellbeing
- The risk of informal event activities taking place in less safe environments
- The economic costs, including the impact on the supply chain.

Consultation

Public Consultation:

Given the need to respond quickly to protect public health as virus rates increased, there has not been time to undertake a public consultation on the measures covered by the requirements of the Regulations.

Business:

⁷⁸ <https://www.mentalhealth.org.uk/news/almost-quarter-adults-living-under-lockdown-uk-have-felt-loneliness>

Given the need to respond quickly to protect public health as virus rates increased, there was only a limited period to engage with events businesses on the proposed measures for stadia and events.

We have contacted a number of stakeholders by e-mail and on conference calls regarding the likely impact of further restrictions on their ability to operate and also the impact of a likely phased approach to reopening the sector as the virus rates improve.

This was principally through the independent Events Industry Advisory Group (EIAG) and the Event Producers Independent Committee (EPIC). EIAG comprises 17 representatives⁷⁹ from a range of organisations across the sector, including those involved with sporting, business and cultural events. Its membership covers supply chain businesses as well as event organisers, local authority event officials and venues. There are members representing rural and island event interests.

The group was established to represent the events and festivals sector amid the impact of the COVID-19 pandemic and while time did not allow us to present the group with the full measures in the strategic framework for their consideration, their views on the impact of closure, restrictions and capped numbers in current and future closures and restrictions, were understood and part of ongoing conversations within the group since its establishment in June 2020. These stakeholders have significant concerns about the impact of the restrictions on the events sector. We also sought the views of COSLA and a number of Trade Unions with an interest in the events sector, including Bectu, which is the union for creative ambition, who represents over 40,000 staff, contract and freelance workers in the media and entertainment industries.

Consultees have questioned why absolute restricted numbers apply to events (as opposed to reduced capacities with physical distancing that take account of venue size and layout) but do not apply to almost any other sector. Some have pointed out the fact that this allows cinemas to open at Level 2 when theatres and seated events (outdoor and indoor) are not permitted to operate at that Level.

Clarity was sought on how pilot events fit into the Strategic Framework and whether these can take place under tightly controlled conditions at Levels wherein there would be no general resumption of events. Events businesses questioned why the events sector has been encouraged to undertake very limited pilot events when other sectors such as hospitality were able to resume without any piloting. Stakeholders asked that the Strategic Framework clarifies how the successful pilots of rugby, football and golf events can be built upon.

Event organisers understand the need to take decisions on appropriate Levels using current information but pointed out that events require a lengthy planning period and significant investment. Decisions which would prevent an event taking place at a moment's notice make event planning impossible. Unlike other sectors, postponement of an event may mean losing that organiser's entire income stream for the year.

Event organisers sought clarity on where responsibility sits for the management of attendees from areas with restrictions on travel under the Strategic Framework.

The Scottish Government will continue to engage with the events sector through both EIAG and also through contact made directly from individual businesses to discuss concerns and consider any potential change to our approach.

EIAG will continue to meet approximately every 3 weeks and will help inform changes to guidance and advice to Ministers. Key issues in the coming period will include providing clarity on restricted numbers for specific events and discussions on transitioning areas moving into Levels 0, 1 or 2 in order to give event organisers time to prepare for the resumption or upscaling of events in those areas. Work is ongoing to continually review sectoral guidance for events

⁷⁹ Members of Events Industry Advisory Group are: Glasgow Life, DF Concerts, National Outdoor Events Association, Specialized Security, Festivals Edinburgh, Edinburgh International Film Festival, Royal Highland Show, Rare Management, R&A, Scottish Rugby, Dundee City Council, SEC, Black Light Ltd, Heb Celt Festival, Scottish Football Association, P&J Live, VisitScotland.

with the upcoming addition of descriptions of indoor event segments. While the pilot events programme remains paused as per the rest of the UK, there will be a focus on developing a route map to outline the process for a return of events and how test events can benefit this process as stakeholders have told us that this is critical to their planning. EIAG continues to focus attention in the following areas and therefore these will likely frame further discussions with the sector: employment support; additional grant funding for businesses; insurance for organisers unable to insure against COVID-19 cancellation; business debts and long-term loans; transition funding; funding for pilot events programme.

We sought initial views from the Scottish FA and Scottish Rugby, who both have concerns about the proposals and the severe impact on their income. As well as the strong likelihood of limited or no supporters for a considerable period of time – particularly in the central belt, with the largest stadia and biggest clubs – stakeholders also do not believe outdoor stadia events are higher risk than, for example, visitor attractions and indoor entertainment venues which are permitted in Level 3 and 2 respectively. We will continue to engage regularly with the Scottish FA, Scottish Rugby and other stadia providers and relevant stakeholders to ensure that we are listening to their views and engaging them in further discussions of the Regulations and the impact of restrictions.

Options:

This section sets out the range of options that have been considered, and we continue to work constructively with the sector to explore and assess alternatives.

Across Levels 0 to 2 there are a number of mitigating actions required including:

- Enhanced hygiene measures, for example sanitiser and hand-washing facilities should be easily available at key points, including on entry and exit points
- wearing of facemasks where physical distancing is difficult and where there is a risk of contact within two metres of people who are not members of your household
- use of screens to create a physical barrier between people, for example at pay points
- Allocated seating or marked areas on the ground, which households must sit in for the duration of the event to ensure physical distancing.
- Fixed entry and exit points and staggering entry and exit times to prevent bottlenecks arising as people arrive or leave
- Capacities calculated based on physical distancing to allow 2 metres physical distancing at all times up to a number cap
- Using sectoral events and stadia guidance in conjunction with business and physical distancing guidance and travel guidance (as people travel to and from events)

Sectors and groups affected

The Regulations will affect:

- Premises which are designed for the purpose of organised gatherings or activities of limited duration that bring people together for the primary purpose of watching or participating in a community, cultural, commemorative, recreational, sporting, art, educational, entertainment, worship or business experience. This does not include weddings or other family / social gatherings or minor sporting events and competitions being organised where there are no spectators permitted.
- The organisers of such gatherings which span numerous types of events and activities, including, but not limited to: plays, comedy shows, music concerts, opera and other live music, acts of worship, sporting events, business conferences and dinners.
- Businesses that provide goods and services to the events and stadia sectors, including, but not limited to: performers, event technicians across all trades, food and drink wholesalers and food service providers, staging and equipment hire, security, logistics, media, cleaning and maintenance.
- Local Authorities who, in addition to organising events themselves, have responsibilities for licensing and

enforcement through their Environmental Health Officers.

- Customers of events and stadia sectors.
- Businesses providing services to customers for the events and stadia sectors, including but not limited to: hospitality, accommodation and travel providers.

The key measures that will affect the events and stadia sector are set out in the following table:

Level 0 (Baseline)	Level 1	Level 2	Level 3	Level 4
Outdoor events permitted (restricted numbers)	Outdoor events: <ul style="list-style-type: none"> • seated and open space permitted (restricted numbers) • outdoor grouped standing not permitted 	Drive-in events permitted	Events not permitted	Events not permitted
Indoor events: <ul style="list-style-type: none"> • seated and ambulatory permitted (restricted numbers) • indoor grouped standing not permitted 	Small seated indoor events permitted	Events generally not permitted		
Stadia – open with restricted numbers	Stadia – open with restricted numbers	Stadia closed to spectators	Stadia closed to spectators	Stadia closed to spectators

Guidance on travel also has a significant impact on events, which often rely on people travelling locally, nationally or internationally.

Our approach to assessing options

Within this BRIA, we have compared the package of measures within each Level against the baseline approach of Level 0. This has allowed us to present the clinical evidence for intervention at each Level setting out the health benefits, whilst acknowledging the potential impacts on the live events and stadia sector. We have also set out some other key options considered at each Level. Throughout these measures we have sought to develop the right package of measures to reduce circulation of the virus whilst limiting wider health, economic and social harms.

Our objective is to get all parts of the country to Level 0 and remain there if we can. Within these Levels, we would expect to see low incidence of the virus with isolated clusters and low community transmission. Broadly, this Level is the closest we can get to normality without a vaccine or effective treatment which would allow us to move to Phase 4 of the Route Map and then back to normality. They would be similar to the measures in place during the summer, once we reached Phase 3. The Baseline and Level 1 are designed to be sustainable for longer periods.

In assessing the relevant options for each Level we considered current and previous restrictions, international best-

practice and examples, clinical and sectoral input, and proposals from policy colleagues, industry and experts. We analysed the relative impact of each of the options on the spread of the virus, as well as the additional costs and benefits.

OPTIONS FOR 'BASELINE' / LEVEL 0

The Baseline (Level 0) is designed to be sustainable for longer periods. Within this Level, we would expect to see very low incidence of the virus with isolated clusters and low community transmission. Broadly, this Level is the closest we can get to normality, without a vaccine or effective treatment in place. The Baseline is broadly similar to what was in place before the temporary restrictions came into force on 25 September but with the significant change that some types of indoor events would be permitted in the Baseline position, whereas this has not been possible since March. Prior to 25 September outdoor events that took place in open spaces (e.g. golf tournaments) or where the audience were seated had been permitted subject to a maximum of 200 spectators at any event. Drive-in events were permitted subject to the same restrictions on numbers. Outdoor grouped standing and all forms of indoor event were not permitted. Although three pilot events – with 650 and 300 spectators – were permitted, there was a general presumption against spectators attending stadia events.

Option 1: Maintain baseline

In the Baseline position, outdoor events are permitted with restricted numbers; indoor events (seated and ambulatory) are permitted with restricted numbers; stadia are permitted with restricted numbers. Indoor grouped standing events are not permitted.

This would affect all types of events venues and services who would be able to operate within the restricted numbers and would therefore have some positive impact on their revenue generation, employment of staff, and on supply chain businesses – although customer numbers would still be limited by physical distancing requirements and the capacity and numbers restrictions within venues.

In Level 0, where there is very low incidence of the virus, mitigating measures and continued restrictions on the numbers of people and households permitted to mix will still be in place. These mitigating measures support suppression of the virus at Level 0.

Option 2: Open up all sectors of Scottish economy including all segments of events and stadia with 2 physical distancing in place and no additional restrictions on numbers.

This option would allow the highest amount of activity of the three options in level 0 for events and stadia, although the 2m physical distancing requirement would continue to have an impact on viability of the sector. Under this option the full range of indoor and outdoor events would be permitted, recognising the low virus transmission rate in this level. However, when combined with opening of all other sectors of the economy, it was considered that this option would provide too much scope for social interaction between households resulting in too high a risk of transmission and making it unlikely that the virus could be kept under suppression.

Option 3: Utilising mass testing to open events and stadia up to larger numbers

There was consideration as to whether mass testing would enable events and stadia to operate at any Level with higher numbers due to the removal or reduction of the need for physical distancing.

Mass testing at events was proposed by some stakeholders and the potential for mass testing was also identified in the media as being considered in other countries, such as Singapore, as a route to reopen the event sector. The consideration of using mass testing in Scotland was discussed with SG clinicians and also with UK Government counterparts as an option to deliver optimum venue capacity over a phased period.

While it presented a potentially positive option in the future to allow operability and counter the economic impact of closures, there was consensus between clinicians and officials that the logistics and practical challenges would not be

likely to be resolved on a scale and within a reasonable time period to allow mass testing to proceed in line with the Strategic Framework. Practical concerns include location of testing; efficacy of test; lag between test and event; logistical issues of space; and need to link to testing in all other sectors i.e. workplace, education.

This option will continue to be kept under review as further evidence emerges. To consider this a viable option in the future we would expect further positive developments in testing capability and capacity of rapid testing to a level of efficacy that clinicians were content with. Once available, there would need to be piloting of rapid testing in different events scenario to support the resolution of logistical issues, though with the acknowledgement that rapid testing is likely to be deployed in priority healthcare settings prior to any consideration for use in the events sector.

Conclusion

In considering the evidence around options for Level 0, Scottish Ministers weighed up the need to reduce social interaction, clinical evidence regarding the spread of infection, and the social and economic harms of intervention.

They concluded that at Baseline / Level 0, restrictions on numbers permitted at events and stadia could both reduce interactions and have a potential impact on the R rate. They considered the option of utilising mass testing to permit higher numbers, but there was not a strong enough rationale or indication of testing capacity or capability at this stage to support this option currently. Additionally, the logistical and practical challenges presented by this option are significant.

Meanwhile Option 2 was considered too high risk in relation to encouraging gatherings and social interaction in spaces where it is difficult to maintain physical distancing, when combined with opening of all other sectors of the economy at the same time. The economic harms, while considerable for those unable to operate due to number restrictions or closure of their particular sub sector (in this case, at Level 0, indoor grouped standing events) were acknowledged, however the risk of increasing virus prevalence by permitting higher numbers at events and therefore increasing the risk of social interactions was of greater concern.

It was therefore determined that, in line with clinical advice, events and stadia would be permitted to operate at Level 0 with restricted numbers for outdoor events, indoor events (seated and ambulatory) and stadia. Indoor grouped standing events are not permitted.

OPTIONS FOR LEVEL 1

Level 1 is designed to be sustainable for longer periods. Within this Level, we would expect to see very low incidence of the virus with isolated clusters, and low community transmission.

Option 1: Maintain baseline

This option would mean that events and stadia were able to operate at the Baseline Level with outdoor events, indoor (seated and ambulatory) events and stadia events, all at restricted numbers, being permitted.

This would affect all types of events venues and services who would be able to operate within the restricted numbers and would therefore have some positive impact on their revenue generation, employment of staff, and on supply chain businesses – although customer numbers would still be limited by physical distancing requirements and the capacity and numbers restrictions within venues.

The opportunity for virus transmission would be relatively high, since even taking into account the extensive mitigations that businesses would put in place, the clinical evidence demonstrates that events and stadium venues continue to be high-risk settings due to the gathering of large groups of people, the likelihood of social interaction, the difficulty in physically distancing people entering and exiting events venues and the concurrent risk of transmission from gathering of customers using public transport to access and egress venues. Events bring people together,

sometimes from across a wide geographical area, in close proximity, often for an extended time period. These provide opportunities for transmission of COVID-19 as we know that high-risk factors associated with transmission of the virus⁸⁰ include indoor spaces, where ventilation and physical distancing may be less easy to maintain, and are places where people come together to spend prolonged periods of time (more than 15 minutes) in close proximity, enabling the virus to spread easily from person to person.

In Level 0, where there is very low incidence of the virus, mitigating measures and continued restrictions on the numbers of people and households permitted to mix will still be in place. These mitigating measures support suppression of the virus at Level 0. However, in Level 1, there are slightly higher rates of virus prevalence and community transmission is starting to increase. Therefore there are greater public health risks associated with doing nothing to restrict opportunities for household mixing and social gathering while attending events and stadia. Given the increased risk at Level 1, doing nothing and maintaining the baseline measures would not meet the public health objectives.

Option 2: Restricted numbers for outdoor, some indoor and stadia events

This option would mean that events and stadia were able to operate with limited outdoor events (seated and open space with restricted numbers), small indoor events and also stadia with restricted numbers. No outdoor group standing would be permitted in this option.

This option was considered to enable all venue types and services to operate, but with more restricted numbers than in Level 0, thus reducing the likelihood that there would be any impact on the current low incidence of the virus and low community transmission, from these events. It would also represent a sensible phased transition from Level 2 to Level 1, and in turn from Level 1 to Level 0, which would allow clinicians to track accurately how increasing the numbers at events and stadia would affect transmission Levels (which is currently untested outside of three pilot events), while also providing a gradual pathway for businesses back to operating live events with mitigations in place. These mitigations are:

- Enhanced hygiene measures, for example sanitiser and hand-washing facilities should be easily available at key points, including on entry and exit points
- Wearing of facemasks where physical distancing is difficult and where there is a risk of contact within two metres of people who are not members of your household
- Use of screens to create a physical barrier between people, for example at pay points
- Allocated seating or marked areas on the ground, which households must sit in for the duration of the event to ensure physical distancing. Examples include plays, comedy shows, opera and other live music, acts of worship, and sporting events with allocated outdoor seated areas
- Fixed entry and exit points and staggering entry and exit times to prevent bottlenecks arising as people arrive or leave
- Capacities calculated based on physical distancing to allow 2 metres physical distancing at all times up to a number cap
- Using sectoral events and stadia guidance in conjunction with business and physical distancing guidance and new travel guidance

In contrast with Level 0, there would be no outdoor group standing events permitted as this category was assessed as posing a greater risk than other formats of outdoor event, and therefore one to restrict to ensure that gatherings of people in a focussed group standing setting (such as music festivals (without seats), firework displays, and certain sporting events for example) do not unsettle the fragile situation of low incidence of the virus in Level 1. While the size of venues would usually allow for physical distancing to be practised, the focus of some events and additional likelihood of people moving about due to lack of seats, would make physical distancing more challenging. For seated events, where your defined space (i.e your seat) in the audience is very clear, there is likely to be fairly widespread compliance, whereas for focused standing events where there is a less clearly defined space in the audience, customers are less likely to be compliant and may accidentally stray from their defined area.

⁸⁰ [COVID-19: NOTE BY THE CHIEF MEDICAL OFFICER, CHIEF NURSING OFFICER AND NATIONAL CLINICAL DIRECTOR 7th October 2020](#)

It was considered that the economic harms of restricting numbers in Level 1 for some businesses would be comparable to those in all other Levels, including Levels 3 and 4, since for larger event and stadia operators, restrictions on numbers to such a low level would mean they are not financially viable to operate and therefore are rendered effectively closed.

Option 3: Utilising mass testing to open events and stadia up to larger numbers

There was consideration as to whether mass testing would enable events and stadia to operate at any Level with higher numbers due to the removal or reduction of the need for physical distancing. Mass testing at events was proposed by some stakeholders and the potential for mass testing was also identified in the media as being considered in other countries, such as Singapore, as a route to reopen the event sector. The consideration of using mass testing in Scotland was discussed with SG clinicians and also with UK Government counterparts as an option to deliver optimum venue capacity over a phased period. While it presented a potentially positive option in the future to allow operability and counter the economic impact of closures, there was consensus between clinicians and officials that the logistics and practical challenges would not be likely to be resolved on a scale and within a reasonable time period to allow mass testing to proceed in line with the Strategic Framework. Practical concerns include location of testing; efficacy of test; lag between test and event; logistical issues of space; and need to link to testing in all other sectors i.e. workplace, education. This option will continue to be kept under review as further evidence emerges. To consider this a viable option in the future we would expect further positive developments in testing capability and capacity of rapid testing to a level of efficacy that clinicians were content with. Once available, there would need to be piloting of rapid testing in different events scenario to support the resolution of logistical issues, though with the acknowledgement that rapid testing is likely to be deployed in priority healthcare settings prior to any consideration for use in the events sector.

Conclusion

In considering the evidence around options for Level 1, Scottish Ministers weighed up the need to reduce social interaction, clinical evidence regarding the spread of infection, and the social and economic harms of intervention. They concluded that at Level 1, tighter restrictions on numbers permitted at events and stadia to those permitted at Level 0/Baseline could both reduce interactions and have a potential impact on the R rate. They considered the option of utilising mass testing to permit higher numbers, but there was not a strong enough rationale or indication of testing capacity or capability at this stage to support this option currently. Additionally, the logistical and practical challenges presented by this option are significant. Meanwhile the Baseline option was considered too high risk in relation to encouraging gatherings and social interaction. The economic harms, while considerable for those unable to operate due to number restrictions or closure of their particular sub sector (in this case, at Level 1, outdoor group standing events) were acknowledged, however the risk of increasing virus prevalence by permitting higher numbers at events and therefore increasing the risk of social interactions was of greater concern.

It was therefore determined that, in line with clinical advice, events and stadia would be permitted to operate at Level 1 with restricted numbers for outdoor (seated and open space), small indoor and stadia both with restricted number, but that outdoor events involving group standing would not be permitted.

Options for Level 2 and 3

Within Levels 2 and 3, as defined in the Strategic Framework, we would expect to see increased incidence of the virus, with multiple clusters and increased community transmission. There would be a graduated series of protective measures to tackle the virus, focusing on key areas of risk – broadly, indoor settings where household mixing takes place with less, or less well-observed, physical distancing and mitigations.

The measures would be intended to be in place for relatively short periods and only for as long as required to get the virus down to a low, sustainable Level.

In the Strategic Framework at Levels 2 and 3 some rules are the same, for example regarding socialising, shopping, places of worship, life events and informal childcare. However in other parts of Level 3 there is a tightening of rules from Level 2, for example, in hospitality, accommodation, travel and transport, along with a move from standard protective measures to enhanced protective measures being in place. In the section on Stadia and Events there is a clear difference between measures in Levels 2 and 3 which are detailed in the following options.

OPTIONS FOR LEVEL 2

Option 1: Maintain baseline

This option would mean that events and stadia were able to operate at the Baseline Level of outdoor events, indoor (seated and ambulatory) and stadia, all at restricted numbers, being permitted.

This would affect all types of events venues and services who would be able to operate within the restricted numbers and would therefore have a positive impact on their revenue generation, employment of staff, and on supply-side businesses – although customer numbers would still be limited by physical distancing requirements and the capacity and numbers restrictions within venues.

The opportunity for virus transmission would be relatively high however, since even taking into account the extensive mitigations that businesses would put in place, the clinical evidence demonstrates that events and stadium venues continue to be high-risk settings due to the gathering of large groups of people, the likelihood of social interaction, the difficulty in physically distancing people entering and exiting events venues and the concurrent risk of transmission from gatherings of customers using public transport to access and egress venues. Events bring people together, sometimes from across a wide geographical area, in close proximity, often for an extended time period. These provide opportunities for transmission of COVID-19 as we know that high-risk factors associated with transmission of the virus⁸¹ include indoor spaces, where ventilation and physical distancing may be less easy to maintain, and are places where people come together to spend prolonged periods of time (more than 15 minutes) in close proximity, enabling the virus to spread easily from person to person.

In Level 2, there would be increasing community transmission and multiple clusters. For example, more than 75 cases per 100,000 population⁸². Therefore there are greater public health risks of doing nothing to restrict opportunities for household mixing and social gathering through events and stadia. Given the increased risk at Level 2, doing nothing and maintaining the baseline measures would not meet the public health objectives.

Option 2: Closure of events and stadia, other than drive-in events

This option would mean that events were no longer permitted to operate indoors or outdoors and that stadia activities could no longer have spectators present, but that drive-in events would still be able to operate.

This option was considered as clinical evidence demonstrates that events and stadium venues continue to be high-risk settings due to the gathering of large groups of people. Therefore, given that in Level 2 there is increased incidence of the virus, including multiple clusters and increased community transmission, closures of events and stadia to spectators offered the chance of restricting gatherings and thus reducing the risk of virus transmission.

The option to allow drive-in events to proceed is based on a number of factors, principally that customers would not be

⁸¹ [COVID-19: NOTE BY THE CHIEF MEDICAL OFFICER, CHIEF NURSING OFFICER AND NATIONAL CLINICAL DIRECTOR 7th October 2020](#)

⁸² Decisions regarding which Level applies to each local authority will be informed by 5 key indicators: Numbers of new cases per 100,000 people, test positivity rate, future number of cases per 100,000 people, number of people likely to need acute hospital care in future weeks, number of people likely to need intensive care in future weeks. Further information on these indicators can be found at: <https://www.gov.scot/publications/coronavirus-covid-19-allocation-of-Levels-to-local-authorities/>

permitted to leave their cars other than to use toilet facilities, and by their nature customers would not be using public transport. This option would allow part of the events sector to trade, allow other outdoor operators to diversify into drive-in events, and therefore ensure there are some potential, but limited options, for members of the public to engage in event activity in a safe way.

This option would have a very significant economic impact on events businesses, venues, supply chain businesses, local authorities and also wider sectors who benefit from events trade. Only a small number of operators and suppliers would benefit from being able to operate drive-in events. While intended to be for a limited period of time, businesses who have remained in Level 2 or higher over a period will likely also experience wider societal and other health harms, through staff being unable to work and the almost complete closure of the events sector.

Option 3: Closure of indoor events, but outdoor events (stadia, open spaces and seated) permitted to operate

This option covered the consideration of permitting outdoor events (stadia, open spaces and seated, but not group standing) to be permitted at restricted numbers, so would just see the closure of indoor events. We know that by nature outdoor events are less likely to transmit the virus than in enclosed indoor spaces⁸³, and also that the particular nature of outdoor seated and stadia events ensure that customers remain in an allocated seat, physically distanced for the duration of the event. Additionally outdoor open space events where customers are dispersed over a wider areas, such as golf events, are less of a risk given the size of the event space, which increases the potential for physical distancing.

Given that prior to 25 September outdoor open space and outdoor seated events (although not stadium events) were permitted, stakeholders were strongly of the opinion that this option should be considered. This option was not taken forward as part of the Strategic Framework however as it was deemed too high risk at Level 2 to allow large gatherings of people in an outdoor open space or outdoor seated setting. Given that in Level 2 there is increased incidence of the virus, including multiple clusters and increased community transmission, closures of events and stadia to spectators offered the chance of restricting gatherings, and therefore the likelihood of close proximity of multiple households, and thus reducing the risk of virus transmission.

Conclusion

As the policy intention behind changes to events and stadia operation is about reducing the opportunity for people to gather and mix, there was little doubt that the closure of both indoor and outdoor events alongside other societal measures in place across Level 2 areas would contribute towards a reduction in virus transmission. On balance the low level of risk associated with drive-in events made Option 2 the preferred one. The economic harms, while considerable for those unable to operate in Option 2 were acknowledged. However the risk to virus prevalence from operating indoor and outdoor events, therefore increasing the risk of social interactions and the potential for gatherings and increasing the risk of transmission, was of greater concern.

OPTIONS FOR LEVEL 3

Under Level 3, there would be increasing community transition and multiple clusters. For example, more than 150 cases per 100,000 population⁸⁴. There are therefore greater public health costs of not restricting social interaction within a high-risk setting as the virus would continue and accelerate its spread, ultimately resulting in direct harms to health.

⁸³

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/892043/S0484_Transmission_of_SARS-CoV-2_and_Mitigating_Measures.pdf

⁸⁴ Decisions regarding which Level applies to each local authority will be informed by 5 key indicators: Numbers of new cases per 100,000 people, test positivity rate, future number of cases per 100,000 people, number of people likely to need acute hospital care in future weeks, number of people likely to need intensive care in future weeks. Further information on these indicators can be found at: <https://www.gov.scot/publications/coronavirus-covid-19-allocation-of-Levels-to-local-authorities/>

Option 1: Maintain baseline

This option would mean that events and stadia were able to operate at the Baseline Level of outdoor events, indoor (seated and ambulatory) and stadia, all at restricted numbers, being permitted.

This would affect all types of events venues and services who would be able to operate within the restricted numbers and would therefore have a positive impact on their revenue generation, employment of staff, and on supply-side businesses – although customer numbers would still be limited by physical distancing requirements and the capacity and numbers restrictions within venues.

However the opportunity for virus transmission would be very high, since even taking into account the extensive mitigations that businesses would put in place, the clinical evidence demonstrates that events and stadium venues continue to be high-risk settings due to the gathering of large groups of people, the likelihood of social interaction, the difficulty in physically distancing people entering and exiting events venues and the concurrent risk of transmission from gathering of customers using public transport to access and egress venues. Events bring people together, sometimes from across a wide geographical area, in close proximity, often for an extended time period. These provide opportunities for transmission of COVID-19 as we know that high-risk factors associated with transmission of the virus⁸⁵ include indoor spaces, where ventilation and physical distancing may be less easy to maintain, and are places where people come together to spend prolonged periods of time (more than 15 minutes) in close proximity, enabling the virus to spread easily from person to person.

Option 2: Closure of all events

This option would mean that no events would be permitted, and stadia closed in all Level 3 local authorities.

Evidence from the March – July lockdown period shows that the immediate closure of businesses led to a reduction in income and immediate cash flow and viability challenges for many sectors of the economy. Closure will exacerbate cash flow problems for events and stadia businesses and potentially threaten viability of businesses, putting jobs at risk and leading to higher unemployment. Contact with customers would be lost, which could impact on the longer term viability of the business. It is already evidenced from events stakeholders that cancellation of events is already spreading into 2021, and there is pessimism that should the sector remain closed until the spring many core event businesses and supply chain businesses may not have been able to continue trading and will therefore be unable to support the resumption of the sector.

It will also have a negative impact on socialisation and general wellbeing, increasing the risks of harm from social isolation and loneliness as people lose access to event and stadia settings to socialise.

However, closure of all event and stadia settings within a Level 3 area would have the most significant positive impact on transmission rates and spread of the virus. It would virtually eliminate opportunities for people to meet in event areas which are characterised by many of the high-risk factors associated with transmission of the virus identified by scientific evidence and modelling.

Option 3: Closure of all events other than drive-in events

This option would mean that events and stadia were no longer permitted to operate indoors or outdoors, but that drive-in events would still be able to operate.

There was a strong argument from events stakeholders for consideration to be given to the possibility for drive-in events to take place in Level 3, given that some indoor settings (which are in general considered higher risk than outdoors), such as visitor attractions and hospitality settings, are permitted to operate at this Level. However, it was deemed that drive-in events still have the congregating factor of large numbers travelling to a single destination for a

⁸⁵ [COVID-19: NOTE BY THE CHIEF MEDICAL OFFICER, CHIEF NURSING OFFICER AND NATIONAL CLINICAL DIRECTOR 7th October 2020](#)

prolonged period of time, which would increase the likelihood of transmission through the use of shared services such as toilets and catering. It was also discounted on the same basis as other leisure and entertainment businesses, such as cinemas and bingo halls, which are also closed in Level 3.

Conclusion

As the policy intention behind changes to events and stadia operations is about reducing the opportunity for people to gather and mix, there was little doubt that the closure of both indoor and outdoor events would have an immediate mitigating effect on reducing virus transmission at Level 3, where there is a high rate of virus transmission. Adopting the baseline approach at high Levels of transmission is clearly not a viable option and while the economic harms of closure in Option 2 would be substantial, Option 2 is seen as the most impactful in stopping virus transmission in high-risk settings such as events and stadia, particularly as it is intended that Level 3 restrictions are a short term measure.

OPTIONS FOR LEVEL 4

Level 4 measures would be designed to be in place for a short period, to provide a short, sharp response to quickly suppress the virus.

Within this Level we would expect to see very high or rapidly increasing incidence, and widespread community transmission which may pose a threat to the NHS to cope. It is likely that this Level would see the introduction of measures close to a return to full lockdown. Measures would be designed to be in place for a short period, to provide a short, sharp response to quickly suppress the virus. Measures introduced in Level 4 would be to control and suppress the spread of the virus, reduce transmission rates, hospital admissions, deaths, allow key services to continue such as education, and avoid the overwhelming of the NHS.

Option 1: Maintain baseline

This option would mean that events and stadia were able to operate at the Baseline Level of outdoor events, indoor (seated and ambulatory) and stadia, all at restricted numbers, being permitted. However, trade may be reduced due to customers being anxious about social interaction, particularly in indoor venues, in an area with very high incidence of community transmission.

The workforce may be affected by higher levels of sick workers due to high rates of COVID-19, or larger numbers of staff self-isolating for 14 days. Beyond the risk-reduction benefits achieved from the mitigating actions there would be no further public health benefits.

Under Level 4, we would expect to see very high or rapidly increasing incidence. The Baseline option of allowing indoor and outdoor events to be permitted at restricted Levels, would not deliver the policy objectives of ensuring that restrictions on operations help control and suppress the spread of the virus, ultimately minimising transmission rates, hospital admissions, deaths and the potential overwhelming of the NHS. With the Baseline permitting indoor and outdoor events operating with restricted numbers, it would enable the circumstances under which evidence show transmission is high⁸⁶ There are therefore greater public health costs of not restricting social interaction within a high risk setting such as events and stadia.

Option 2: Closure of all events

This option would mean that no events would be permitted, and stadia closed in all Level 4 local authorities.

Evidence from the March – July lockdown period shows that the immediate closure of businesses led to a reduction in income and immediate cash flow and viability challenges for many sectors of the economy. Closure will exacerbate

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https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/892043/S0484_Transmission_of_SARS-CoV-2_and_Mitigating_Measures.pdf

cash flow problems for events and stadia businesses and potentially threaten viability of businesses putting jobs at risk and leading to higher unemployment. Contact with customers would be lost, which could impact on the longer term viability of the business. It is already evidenced from events stakeholders that cancellation of events is already spreading into 2021, and there is pessimism that should the sector remain closed until the spring many core event businesses and supply chain businesses may not have been able to continue trading and will therefore be unable to support the resumption of the sector.

It will also have a negative impact on socialisation and general wellbeing, increasing the risks of harm from social isolation and loneliness and people lose access to event and stadia settings to socialise.

However, closure of all event and stadia settings within a Level 4 area would have the most significant positive impact on transmission rates and spread of the virus. It would virtually eliminate opportunities for people to meet in event areas which are characterised by many of the high-risk factors associated with transmission of the virus identified by scientific evidence and modelling.

Conclusion

As the policy intention behind changes to events and stadia operation is about reducing the opportunity for people to gather and mix, there was no doubt that the closure of both indoor and outdoor events would have an immediate mitigating effect on reducing virus transmission at Level 4, where there is a very high rate of virus transmission. Adopting the Baseline approach at high Levels of transmission is clearly not a viable option and while the economic harms of closure in Option 2 would be substantial, Option 2 is seen as the most impactful in stopping virus transmission in high-risk settings such as events and stadia. Despite the extremely positive impact the full closure option will have on the spread of the virus – as evidenced by the lockdown implemented in March – given the wider socio and economic negative impacts Level 4 would only be implemented where it is necessary to bring high transmission rates of the virus under control, and even then only for limited periods of time.

Scottish Firms Impact Test:

The Scottish Government engaged with representatives of the Scottish events sector on the draft provisions within the Strategic Framework. This engagement is set out within the consultation section of this BRIA.

Will it have an impact on the competitiveness of Scottish companies within the UK, or elsewhere in Europe or the rest of the world?

The ONS Standardised Industrial Classifications (SIC) does not provide a category or division for the events sector. A list of SICs has been compiled by the Scottish Government which may plausibly be judged to constitute the sector, based on a description of these activities. Note that a number of the SIC codes selected for analysis as part of the events sector overlap with existing Growth Sectors including Tourism; Finance and Business Services; and, Creative Industries. For this reason it is challenging to assess what proportion of business are registered in Scotland, however we know via the events industry in Scotland (as defined above) comprised 3,775 businesses (IDBR, 2019) and 4,515 individual units (SABS, 2017). It contributed approximately £953 million GVA to the Scottish economy in 2017 (SABS, 2017). In 2019 it employed approximately 57,000 part-time and full time employees as well as approximately 6,300 self-employed workers (APS, 2019). Around 25% of business units in the Events Industry are concentrated in Glasgow and Edinburgh (SABS, 2017).

Across the rest of the UK restrictions are in place for the events sector. Some are similar to those in the Strategic Framework but are for varying time periods. Restrictions in Scotland commenced earlier than in other parts of the UK and if restrictions in Scotland are tighter and longer lasting then this could impact on the competitiveness of the sector relative to the rest of the UK. Likewise if restrictions in Scotland are tighter than in Europe or the rest of the world, then this could impact competitiveness.

The restrictions in Scotland at the moment are aligned with the rest of the UK. With increased restrictions across Europe, business events and conferences are a sector within which activity is likely to be curtailed until the rate of the virus is significantly reduced. However it is already evident that some countries are still permitting the operation of

business events (for example Germany) while our business events sector is largely closed. Therefore it is conceivable that international business events trade, particularly large conferences, may elect to move to other countries that are operating without restrictions, potentially inhibiting growth and expansion of the sector in Scotland.

We will continue to engage with colleagues in England, Wales and NI to monitor activity and explore opportunities for shared learning.

Current operation of events in rest of UK:

England⁸⁷

- Business events. The regulations for mandatory closure following the Prime Minister's announcement on 31 October will close conference centres and exhibition halls in England until 2 December. They will be eligible for furlough and lockdown related grants. Regarding pilots, planning has been underway for a business events mass testing pilot but this will be pushed back, given new developments.

Wales⁸⁸

Business Events.

Pre recent 'Firebreak' lockdown

- No business meetings or events to take place at all.
- Default position is to work from home.
- Only exception was for meetings that could not take place at home i.e essential training sessions such as First Aid, Fire Arms handling training,

During 'Firebreak' lockdown

- No business meetings or events to take place at all in any circumstance
- Default position is to work from home wherever possible
- Front line/ critical training only

Out of 'Firebreak' lockdown

- Up to 15 people will be allowed to meet indoors but this does not mean that business events can resume for up to 15 people – the default position will remain to work from home/ virtually where possible.
- The exception for the above remains that essential training can resume again but with all mitigating measures in place.
- Work is underway to provide clarity on 15 people allowed to meet indoors, for example a Slimming World meeting in a community centre versus a 15 person professional meeting in a boardroom environment.

Test Events

- 3 x outdoors cultural and sporting events took place in September successfully.
- Plans were in place to carry out further test events for up to 500 outdoors and 100 indoors during November- these have been postponed until February 2021 at the earliest. It is unlikely that any events will resume before Spring 2021 in Wales.

Venue Closures

- All venues are closed during lockdown. If they open post lockdown they do so at their own risk as no business events are allowed to take place at this time. ICC Wales in Newport is closed until events can resume. Other venues in Wales have decided the same. Others have been re-purposed and still operating as field hospitals (Principality Stadium and Venue Cymru). Venues which are multi-purpose operate where they can e.g. meeting & function rooms in hotel are not permitted but accommodation and restaurants are once re-open after firebreak.

⁸⁷ Provided by the Lead for Business events in the Department of Culture, Media and Sport in UK Government

⁸⁸ Provided by the Head of Business Events in the Welsh Government

N.Ireland⁸⁹

Business Events

- Current position - Conference centres in NI have been closed since March and even with the relaxation were not ever allowed to re-open.

Pilot or test events

- There are no plans for pilot or test events for business conferences, but this is a rapidly evolving space. Welcome the offer of sharing learning and will keep in touch re developments around the pilots.

• How many businesses and what sectors is it likely to impact on?

The Events Industry in Scotland as defined above comprised 3,775 businesses (IDBR, 2019) and 4,515 individual units (SABS, 2017). Around 25% of business units in the Events Industry are concentrated in Glasgow and Edinburgh (SABS, 2017).

Small businesses form the majority part of the sector. Figures from the Inter Departmental Business Register indicate that in 2019, 96% of businesses in the Events Sector had 49 employees or fewer, 3% had between 50 and 249 employees and 1% had more than 250 employees. Similarly, 48% had a turnover of between £100,00 and £499,000 and 8% had a turnover in excess of £1 million.

The conference industry supports approximately 3,500 direct jobs within Scotland, as well as tens of thousands of indirect jobs in the wider economy. Survey data indicates 1,400 employees and 150 self-employed workers in companies under the three SIC code definitions. Employment is concentrated in Glasgow and Edinburgh with 395 and 350 of those in employment across the three activities located in each city respectively.

The ONS Standardised Industrial Classifications (SIC) does not provide a category or division for the events sector. A list of SICs has been compiled by the Scottish Government which may plausibly be judged to constitute the sector, based on a description of these activities. Note that a number of the SIC codes selected for analysis as part of the events sector overlap with existing Growth Sectors including Tourism; Finance and Business Services; and, Creative Industries. The activities identified as part of the core events sector are those in which it is assumed that a large proportion of their output can be attributed to the staging of events. However, the supply chains for events as well as businesses providing services directly to event audiences and participants extend beyond those identified by SIC code. This wider range of activities include not only food, accommodation and transportation services but also a diverse range of businesses in supply chains.

Following on from Event Industry Forums that were conducted by EventScotland throughout April and May, the fragility of the events supply chain was identified as one of the key shared concerns across the sector. In response to this, VisitScotland Events Directorate asked businesses working closely with the events sector to complete an online survey (live from 16-22 June) which requested feedback on the impact of COVID-19 on their business. The survey generated 315 responses from a wide range of businesses and organisations.

The survey underlined the breadth of organisations involved in the events supply chain with event organisers, production services and AV & technology companies providing the largest representation. The vast majority (96%) of respondents were from a micro or small sized businesses and most rely significantly on the support of freelancers, 69% of respondents are self-employed, either as a sole trader or via a Ltd Company, and 89% indicated that their head office is based in Scotland. Many of these suppliers provide specialist skills that, once lost, are not easy to replace.

Over-arching summary findings highlighted:

- **57%** of respondents are 100% reliant on the events sector for their business turnover, a further **26%** are 61-

⁸⁹ Provided by the Tourism Policy Liaison Branch, Department for the Economy, in the Government of Northern Ireland

99% reliant.

- 27% have lost over a quarter of a million pounds in revenue to date, with 11% of those losing over £1m. Average revenue loss is almost £650K.
- 43% of respondents have stated that they can remain trading between 1 and 6 months, and 25% are unsure of how long they can remain in business. 4% have already ceased trading.
- 21% have not been eligible or have been unable to access any support funding.
- 55% of respondents have staff furloughed. 93% of those that have accessed the furlough scheme indicate that extending it beyond October would have a helpful/essential impact on their ability to operate.
- 69% of respondents are self-employed, either as a sole trader or via a Ltd Company.
- There is a significant reliance on freelance staff, particularly amongst small and micro businesses (the majority of respondents).
- The vast majority (96%) of respondents are from micro or small sized businesses. 44% have 2 or less FTE staff.
- 9% have already made or foresee making redundancies with 16% of respondents expecting to making redundancies before Oct. 26% expect to make more redundancies post Oct if furlough is not extended.
- 44% of respondents state that their income will not exceed expenditure until physical distancing restrictions are lifted.
- 34% have been able to diversify their product or client base, into areas including digital events and COVID-19 protection measures.

In addition, verbatim feedback also emphasised a range of over-arching challenges including concerns around the loss of skilled workforce and how this would impact on the future of the sector; mass gathering and physical distancing bringing financial challenges; seasonality and the dependency for many businesses on summer and outdoor event seasons and the need for a clearly defined restart plan for the events sector.

On the basis of this data during the earlier period of lockdown restrictions it is clear that the supply chain would be adversely affected by the measures in these Regulations, that there could be a particular impact on self-employed and freelance staff, and that a large proportion of the sector are small and micro businesses for whom the cost of additional mitigations to operate may be prohibitive.

• What is the likely cost or benefit to business?

Costs to events businesses

The measures set out in the Strategic Framework are likely to have significant costs for stadia and events businesses which will escalate from Level 2. The most significant costs will be incurred at Level 4 where all stadia and events are required to close. Closing events to spectators at Level 3 and 4 will result in a significant amount of revenue foregone and will threaten the financial viability of businesses in the sector and associated jobs.

Where events are permitted at Level 1, businesses will incur the costs of compliance with additional health and safety and other measures aimed to mitigate the transmission of the virus, including additional training hours for staff. Additionally where larger venues are only able to operate with much reduced numbers, there may be costs to adapt their venue to smaller numbers to ensure viability and also costs that cannot be offset with revenue through the opening of a large venue for smaller numbers (e.g. heating costs, security staff).

The nature of the Strategic Framework and that local authorities can move up or down levels may also mean that events that have been planned to be permitted in a Level 0, 1 or 2 area, could be cancelled at short notice should the Level change before the event takes place. Cancellation or postponement could mean the loss of revenue, potential loss of perishable stock and the possibility that some event costs will still require to be covered to suppliers. Events stakeholders have indicated that it is not possible to obtain cancellation insurance at present due to the uncertainty caused by COVID-19 and so event organisers are exposed to all losses associated with cancellation.

Some of the costs to businesses will however, be partially off-set by the business support schemes put in place by the Scottish Government and the UK Government. We understand that for larger events venues the business support grants available from November for businesses closed or restricted in law will go very little way to offset the losses

they face while closed.

The business conferences and events sector has been hard hit by the restrictions having been unable to operate or unable to operate with the primary method of operation – in person attendance at events - since the lockdown in March and a lack of confidence and uncertainty in when events will be able to safely recommence has meant that forward bookings for conferences and events have been postponed or cancelled. There has also been a shift to holding events online – however this has proven difficult to monetise and may not involve the use of conference centres (i.e. it is run on electronic platforms without involvement of conference centres or other events businesses). We understand an hybrid or online events have not substantially offset losses the sector has experienced from being able to run in person conferences and trade fairs. Some conference centres have managed to let parts of their venues for other purposes (such as healthcare or education). Where this has taken place it may help to offset some losses from traditional business as well as providing a public benefit. Current reductions in business may have longer-term consequences in a constrained financial environment, so that even when we reach a more stable situation where rates of the virus are reduced and spread is curtailed, business event numbers may not return to the same level.

As conference and exhibition centres have been instructed to close, they will qualify for business grant support from the Scottish Government (depending on rateable value), as well as Coronavirus Job Retention Scheme support from the UK Government.

Competition Assessment:

Closing sections of the events sector will likely impact on competition in this sector. Some parts of the sector will be advantaged relative to others. For example, drive-in event organisers and supply chain businesses will benefit compared to other events businesses that cannot operate in this way (due to lesser restrictions on numbers and as these events are permitted up to Level 2). Organisers of paid for online events will be in a relatively better position to other event organisers, although we understand from stakeholders that online events have proven difficult to monetise to date. Organisers of indoor stationary standing events will be most disadvantaged as these still cannot operate at all at Levels 0 and 1. If the restrictions on events are more severe in Scotland than the rest of the UK then this would disadvantage event businesses that only operate in Scotland. However, if Scotland is successful in suppressing the virus then over time restrictions may be less than in the rest of the UK, which would advantage Scottish firms.

• Will the measure directly or indirectly limit the number or range of suppliers?

These measures may limit the range of suppliers in the longer term as only certain events businesses will have the reserves to survive these significant restrictions having been closed since March 2020, even taking into account financial support that is currently available. Unless additional financial support is made available more events businesses will potentially cease trading. It is unlikely traditional events businesses will try to enter the market at this time, although there may be opportunities for online events businesses and drive-in businesses. Additionally, as a career opportunity the events sector has become increasingly unattractive as the cumulative impact of these restrictions bite and future recruitment and the loss of current expertise is a recognised problem.

• Will the measure limit the ability of suppliers to compete?

The business and conference sector is global. Where business events are able to take place in other countries this will disadvantage the business events sector in Scotland. Latest industry figures for Business events show that 447 association events were hosted in Scotland in 2018/19 (VisitScotland Annual Scottish Association Survey 2019). Delegates attending these events in 2018/19 spent 425,600 delegate days in the country and contributed £217m to the Scottish economy. Of the UK delegates attending these events 95% state that they will re-visit Scotland while 87% of international delegates say that they will return for a holiday. These figures relate purely to association business, which makes up, in the case of the EICC, approximately 50% of the venue's business, the remainder being made up of corporate, festival and stand-alone banqueting events.

Guidance against non-essential travel in and out of Level 3 and Level 4 areas will impact on city centre and rural events as people will be discouraged from travelling into town and city centres and visiting rural venues.

The restrictions on live events may benefit other businesses such as visitor attractions, cinemas and parts of the hospitality sector which are permitted to operate at higher Levels than events and with no cap on numbers. However, there are many individuals and businesses, such as musicians and sound technicians, who may have been able to operate in these other venues in a different capacity, but are unable to do so due to restrictions on live music in hospitality settings.

Restrictions potentially make it harder for new businesses to enter the market and to compete.

• Will the measure limit suppliers' incentives to compete vigorously?

It is not anticipated that the measures for events and stadia in the Strategic Framework will impact on suppliers' incentives to compete vigorously.

• Will the measure limit the choices and information available to consumers?

There is a likelihood that the events and stadia measures in the Strategic Framework will limit the choices and information available to consumers through limited availability and lack of alternatives.

Consumer Assessment:

The following sets out the Scottish Government's initial view on the impact of the stadia and events sector measures within the Strategic Framework on consumers.

• Does the policy affect the quality, availability or price of any goods or services in a market?

The restrictions within this Level will limit consumer choice in terms of social and entertainment activity but are necessary for protecting public health. This impact will be less in Levels 1 and 0 compared to other Levels as more events are permitted in Levels 1 and 0. However, as there are restrictions on numbers and increased costs to events businesses of implementing COVID-19 safety measures, it is likely that at least some of these costs will be passed on to consumers through increased ticket prices. The travel guidance will also particularly influence availability of goods in the events sector, through the inability of many to leave their local authority.

Given the length the event sector has been almost entirely closed, key suppliers or venues are increasingly likely to be lost. This may limit events once the sector is permitted to restart at any scale.

Limited for spectators to attend stadia events – particularly for leading clubs and fixtures – meaning that if they wish to view fixtures they must do so by paying for an online service.

• Does the policy affect the essential services market, such as energy or water?

There is no expected impact on markets for essential services.

• Does the policy involve storage or increased use of consumer data?

No, unless restrictions on in person events lead to an increase in online events, especially where this is paid for. We have no evidence on this at present.

• Does the policy increase opportunities for unscrupulous suppliers to target consumers?

This is unlikely to occur as a consequence of the Strategic Framework. However, the limits on events, in particular at Levels 3 and 4 but even at Levels 1 and 0, may mean that some unscrupulous businesses are prepared to organise illegal events. It is likely that safety measures to reduce transmission at these events will be nowhere near as stringent as at events organised by experienced operators with oversight from local authorities and health protection staff.

Test run of business forms:

No new forms are required as a result of this policy.

However, the regulations do create a request process where the Scottish Ministers, health boards, the Scottish Courts and Tribunal Service and local authorities can ask events premises types to undertake specific activity. This is expected to be used to permit activity that results in a public good and for pilot events.

Digital Impact Test:

These restrictions will not affect online events. These have been increased as a result of the coronavirus pandemic but it is not necessarily easy for event organisers to monetise them to replace income generated from in person events.

There is a limited impact for spectators to attend stadia events – particularly for leading clubs and fixtures – meaning they must pay to view fixtures online.

Legal Aid Impact Test:

N/A

Enforcement, sanctions and monitoring:

Regulations have been put in place to support the implementation of the measures. Further details are contained in guidance – including events sector guidance and performing arts guidance. Monitoring and enforcement will be undertaken by Local Authority Environmental Health Officers and, in some cases, Police Scotland.

Implementation and delivery plan and post-implementation review:

Regulations and guidance have been put in place to support the implementation of the measures contained within the Strategic Framework. These regulations will come into effect from the 2nd November 2020. We will continue to discuss the impact of these new measures with stakeholders and expect to receive feedback on these new measures from individual events businesses and the public through correspondence. Discussion of the Strategic Framework, its current impact on businesses and also the route back to the resumption of live events, will be standing items on the agenda at the Events Industry Advisory Group which meets every 3 weeks. Combined with the continued engagement with Scottish Government clinicians and economists to assess the statistical impact of the measures on the stadia and events sector, EIAG will help provide continued feedback and challenge on how the implementation of measures is being felt across Scotland. Additionally, EventScotland have conducted industry questionnaires and forums earlier in the pandemic to gain an understanding of the main challenges to the sector – these could be adapted and rerun at any point to gain feedback on new measures.

Summary and recommendations:

Introduction

This BRIA has examined the measures within each Level of the Strategic Framework for the events and stadia sector and compared these measures with the baseline option, the equivalent of Level 0 in the Strategic Framework.

Background

The Scottish Government's Strategic Framework includes a package of measures which collectively are designed to suppress transmission of the virus.

Whilst this BRIA is focused on the events and stadia sector, measures are also being taken to reduce opportunities for

transmission across a range of settings. It is important to view the measures for the events and stadia sector in the context of this wider package of actions.

Options Appraisal

The Strategic Framework includes a range of actions designed to suppress virus transmission. In taking action a careful balance needs to be struck between protecting health and minimising the negative impacts on business, jobs and livelihoods.

The text and table below brings together the benefits and costs by option as set out in this BRIA. The summary table below brings together the benefits and costs of:

- Restrictions on outdoor and stadia events, especially restricted numbers (in Level 1)
- Closure of indoor events except seated events where restricted numbers apply (in Level 1)
- Events not permitted at Levels 2,3 or 4 (except drive-in events at Level 2)

It compares these measures against the baseline / Level 0 option. More detailed discussion of each of the Levels and the options that have been considered by Scottish Ministers within Levels is contained within the main body of this document.

Option 1: Baseline / Level 0

The Baseline / Level 0 would mean that events and stadia were able to operate with outdoor events, indoor (seated and ambulatory) events and stadia events permitted with restricted numbers. While the continuing restrictions at this Level would impact significantly on financial margins, there would be some positive impact on revenue generation, employment of staff, and on supply-side businesses.

The nature of most events (particularly those in an indoor setting) present greater exposure to the high-risk factors associated with transmission of the virus. The health risks posed by people attending events would increase as the R rate increased meaning there would be potential for increased community transmission.

Higher rates of infection may ultimately impact negatively on the events sector as consumer confidence could be affected through anxiety about social interaction, particularly in indoor venues. The workforce may be affected by higher Levels of sick workers due to high rates of Covid-19, or larger numbers of staff self-isolating for 14 days.

Option 2: Strategic Framework

Measure	Benefits	Costs
Restrictions on numbers attending outdoor and stadia events (in Level 1)	Restrictions reduce opportunities for virus transmission.	The restrictions on outdoor events will make it unviable for many to proceed at Level 1 and, for those that do proceed, this will result in significant revenue foregone. Reduced revenue and turnover for events businesses will increase the risk of closure and job losses.
No indoor events other than seated with very restricted numbers (Level 2)	Restrictions reduce opportunities for virus transmission.	The restrictions on indoor events will make most of those permitted to proceed unviable and will result in significant revenue foregone for businesses, will threaten cashflow and risk business closure and the loss of jobs.
Events not permitted at Levels 2,3 and 4 (except drive-ins at Level 2)	Restrictions reduce opportunities for virus transmission.	The mandated closure of the events sector would affect the businesses themselves their employees, customers and wider supply chains. Closing for any length of time could lead to significant

		viability issues and result in business closures and redundancies. It could lead to a loss of competitiveness and damage Scotland's future reputation as a successful host of international events on the world stage.
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Conclusion

This BRIA has set out the relative costs and benefits of options with the intended effect of suppressing the virus whilst acknowledging and minimising the economic harms faced by businesses.

It is also important to note that there is a package of financial support measures for businesses in the events and stadia sector to mitigate the negative impacts of the restrictions. In addition to the £6m Events Industry Support Fund and the £2.75m Scottish Events Recovery Fund, new Scottish Government financial support will apply across all the relevant Levels of the Framework and will provide:

- A grant of £2,000 or £3,000 (depending on rateable value) for business required to close by law, payable every four weeks for the duration protective measures are in place
- A hardship grant of £1,400 or £2100 (depending on rateable value) for businesses that remain open but are specifically required to modify their operations by protective measures, payable every four weeks for the duration measures are in place

These grants will be provided regardless of Level, to eligible businesses, and paid in fortnightly instalments (subject to discussions with local authorities). For events, it is important to note that only businesses listed in the requirement to close list in each schedule of the regulations⁹⁰ will be eligible for support, such as conference centres and sports stadia. This means these grants will support these listed venues and not the wider events supply chain.

Subsequent to the regulations commencing on 2 November 2020, there have been changes to the financial support package, notably the extension of the UK Government Coronavirus Job Retention Scheme until the end of March 2021.

This support is in addition to the UK government Coronavirus Job Retention Scheme whereby employees working for businesses will receive 80% of their salary paid for by government.

- This applies to all countries and regions of the UK and is not linked to specific tiers or restrictions.
- The Government will fund 80% of wages for hours not worked with employers' contributions initially limited to employers' NICs and pension costs – reflecting the terms and conditions of the CJRS applicable in August 2020. Employer contributions will be reviewed in January.
- All employees who were on the payroll as of 30th October are now eligible.
- Employees that were on the payroll as at 23 September but have since been made redundant can be re-employed and claimed for

The UK Government also announced increased support for the self-employed who will also receive 80% of their average trading profits for November to January, with a further, as yet unspecified, grant to follow covering February to April.

⁹⁰ <https://www.legislation.gov.uk/ssi/2020/344/contents>

The UK Government also announced (2 November)

- An extension of the coronavirus business interruption loan schemes until the end of January.
- Additional funding for Local authorities to support their local health response worth £500 million.
- An extension of mortgage and consumer credit payment holidays, lasting 6 months

These support measures are designed to support businesses and mitigate the negative impacts of the restrictions which have been identified and considered, although not all businesses will be eligible for support and it will likely not be enough to mitigate against the full financial impact on businesses who have not been able to operate since March. We will continue to engage with the sector on the impact of the measures and the level of support available, as they are implemented.

Title: Scotland’s Strategic Framework: Snooker/Pool Halls and indoor bowling alleys

Purpose and intended effect:

The objective of Scotland’s Strategic Framework is to set out a sustainable response to the pandemic to be implemented until either a vaccine or highly effective treatments to the virus are developed. The Framework covers the four key harms of the virus, how we will work to suppress the virus, and sets out our proposal to move to a strategic approach to outbreak management based on five levels of protection.

This BRIA is focused on measures related to snooker & pool halls and indoor bowling alleys included within Scotland’s Strategic Framework. However, individual measures need to be viewed within the broader context of the package of measures within each level, with the strategic framework taking a four harms approach to considering which interventions are introduced at each level through assessment of:

- direct health harms associated with COVID-19
- broader health harms
- social harms
- economic harms

The Strategic Framework⁹¹ includes measures across a wide number of settings and provides a comprehensive approach to reducing infection rates and suppressing the spread of the virus. Each of the levels is designed to reflect the relative severity of infection rates within areas with progressively heightened restrictions implemented as necessary.

The key measures relating to **Snooker/Pool Halls and indoor bowling alleys** are set out in the table below:

Leisure and Entertainment Activity Measures (socialising rules apply)	Level 0 (Baseline)	Level 1	Level 2	Level 3	Level 4
Snooker/Pool Halls and indoor bowling alleys	Open	Open	Closed	Closed	Closed

⁹¹ <https://www.gov.scot/publications/covid-19-scotlands-strategic-framework/>

Note that these measures do not apply to facilities associated with the sport of indoor bowling which takes place under the auspices of the Scottish Indoor Bowling Association. The measures in the Sport and Exercise section of the Strategic Framework apply to these facilities.

Purpose and intended effect: Scotland's Strategic Framework - Snooker/Pool Halls and indoor bowling alleys

Introduction

Snooker/Pool Halls and indoor bowling alleys are an important part of Scotland's economy and society. Snooker and pool halls tend to either be independent businesses, part of a larger leisure facility, within licensed premises, holiday parks or hotels. Indoor Bowling alleys often form part of wider retail and shopping centres.

COVID-19 and Snooker/Pool Halls and indoor bowling alleys

As well as an economic contribution, snooker/pool halls and indoor bowling alleys provide important settings for friends and families to socialise, reducing the risk of isolation and loneliness and improving mental wellbeing. This will be particularly important as we enter the winter months. There are facilities across the country, providing services to their communities.

Snooker, Billiards and pool are more popular amongst the most deprived 20% of communities in Scotland than in other areas. We do not have similar analysis for those who visit indoor bowling alleys.

Policy Objective

In common with the wide range of other countries who have implemented similar measures, the objective of the restrictions set out within the Strategic Framework is to ensure that the operation of recreational settings, such as indoor bowling alleys and snooker/pool halls is appropriate to the level of COVID-19 risk within the Local Authority area, also taking into account the other restrictions in place. Any restrictions on operations are intended to help control and suppress the spread of the virus, ultimately minimising transmission rates, hospital admissions, deaths and the potential overwhelming of the NHS.

Transmission

High-risk factors associated with transmission of the virus⁹² include indoor spaces such as a snooker/pool hall or indoor bowling alley, where good ventilation and physical distancing may be less easy to maintain. These are also places where people come together to spend prolonged periods of time (more than 15 minutes) in close proximity, enabling the virus to spread easily from person to person. Another risk factor is the when a 2m distance cannot be maintained, as evidence suggests that 1m distancing carries between 2 and 10 times the risk of 2m distancing⁹³. Pinch points (at areas such as toilets) all contribute to risk. Keeping surfaces clean and regulating movement throughout the setting is a further challenge and there are risks around the common use of equipment and surfaces such as bowling balls, snooker cues, balls and tables.

Snooker/Pool halls often have poor/ inadequate ventilation (e.g. for example many have no natural light and any windows are likely to be covered by heavy curtains or blacked out, limiting ventilation). There will often be a licensed bar ancillary to the hall, and there may be limited eating or restaurant facilities. Bars will be subjected to separate measures under the strategic framework

⁹² [COVID-19: NOTE BY THE CHIEF MEDICAL OFFICER, CHIEF NURSING OFFICER AND NATIONAL CLINICAL DIRECTOR 7th October 2020](#)

⁹³ [Transmission of SARS-CoV-2 and Mitigating Measures, SAGE EMG June 2020](#)

Indoor bowling alleys are often located in shopping centres (or within their own premises) and generally have greater space and better ventilation but also have challenges around the need to keep surfaces clean and regulating movement throughout the setting.

Fundamentally, venues which are attended by many people, typically from different households, specifically to meet for long periods of time, all amplify the risk of transmission. Snooker/pool halls and indoor bowling alleys are amongst these higher risk venues and consequently, while recognising the disadvantages of restrictions on these facilities, careful consideration of these inherent risks are necessary when considering whether to apply restrictions at various levels within the Framework.

Current position in relation to snooker and pool hall and indoor bowling alleys

Snooker/Pool Halls and indoor bowling alleys were closed in March 2020 when restrictions were initially applied. They were able to reopen in the summer as restrictions were eased but then closed again in the Central Belt as a result of the increased restrictions for that area in October 2020. Since November 2, these facilities have been closed in Level 2-4 areas but have been able to reopen in Level 0 and 1 areas.

Consultation

Public Consultation: We have not conducted any public consultation on the measures relating to snooker/pool halls and indoor bowling alleys. The urgent nature of implementation timescales precluded this.

Business: Given the 'emergency' context and the extremely tight timescales within which decisions on the strategic framework were made we have not had any direct consultation with businesses associated with these activities on these measures.

Options:

This section sets out the options that have been considered at each level and we continue to explore and assess alternatives with the sport's governing body. There are also broader discussions ongoing with the hospitality and leisure sector.

Sectors and groups affected

These Regulations will affect facilities and services associated with Snooker/Pool Halls and indoor bowling alleys. This includes operators, supply chains / service providers and patrons. Some charitable organisations and youth groups / support services will also be affected.

Our approach to assessing options

Within this BRIA we have compared the package of measures within each level against the baseline approach of level 0. This has allowed us to present the clinical evidence for intervention at each level setting out the health benefits, whilst acknowledging the potential impacts on the snooker, pool halls and bowling alleys. Throughout these measures we have sought to develop the right package of measures to reduce circulation of the virus whilst limiting wider health, economic and social harms.

Our objective is to get all parts of the country to level 0 or level 1 and remain there if we can. Within these levels, we would expect to see low incidence of the virus with isolated clusters, and low community transmission. Broadly, these levels are the closest we can get to normality without a vaccine or effective treatment which would allow us to move to Phase 4 of the Route Map and then back to normality. They

would be similar to the measures in place during the summer, once we reached Phase 3. The Baseline and Level 1 are designed to be sustainable for longer periods.

In assessing the relevant options for each level we considered current and previous restrictions, and evidence from clinical experts. We analysed the relative impact of each of the options on the spread of the virus, as well as the additional costs and benefits.

Options for 'Baseline' / Level 0

The Baseline (Level 0) is designed to be sustainable for longer periods. Within this level, we would expect to see very low incidence of the virus with isolated clusters, and low community transmission. Broadly, this level is the closest we can get to normality, without a vaccine or effective treatment in place.

Options for Level 1

Level 1 is designed to be sustainable for longer periods. Within this level, we would expect to see very low incidence of the virus with isolated clusters, and low community transmission.

Option 1: Open with restrictions in place (Baseline)

Under Option 1, snooker/pool halls and indoor bowling alleys would be allowed to open but with restrictions in place. Customers would be required to adhere to socialising rules, wear face coverings and maintain physical distancing. Businesses would be required to adhere to hospitality rules and strict hygiene measures.

This would increase costs for businesses and may deter some potential customers from visiting pool halls, snooker hall and bowling alleys with potential consequences for the viability of these businesses. Restrictions are likely to reduce profits for operators. Businesses may also feel compelled to increase charges to attempt to recoup losses.

Option 2: Closure of indoor bowling alleys, snooker and pool halls.

Option 2 was to close indoor bowling alleys, snooker and pool halls. While these venues do have inherent risk as set out above (within the section on transmission), it is considered that at the level of prevalence of the virus at level 1 these risks can be adequately mitigated by requiring adherence to socialising rules, face coverings and maintenance of physical distancing. Businesses would be required to adhere to hospitality rules and strict hygiene measures. As such, taking into account these mitigation measures together with the benefits to mental health and social interaction associated with participation in these activities and the potential serious economic impact of closure on business, it is considered on balance that further restrictions are not warranted at this level.

Conclusion

In considering options for level 0 and level 1 Scottish Ministers weighed up the need to reduce social interaction, clinical evidence regarding the spread of infection, and the social and economic harms of intervention. On balance, it was considered that the risks in remaining open could be satisfactorily managed via the general measures at the level of infection prevailing at this level. Keeping snooker/ pool halls and bowling alleys open at this level will also result in wider social and health benefits and avoid greater economic harm which would follow closure.

Options for Level 2 and 3

Levels 2 and 3 are intended to apply for short periods of time.

Within Levels 2 and 3, we would expect to see increased incidence of the virus, with multiple clusters and increased community transmission. There would be a graduated series of protective measures to tackle

the virus, focusing on key areas of risk – broadly, indoor settings where household mixing takes place with less, or less well-observed, physical distancing and mitigations.

OPTIONS FOR LEVEL 2

Option 1: Open with restrictions in place (Baseline)

As with Level 0 and 1 consideration was given to allowing snooker/pool halls and bowling alleys to remain open with the measures outlined above in place. This would enable businesses to continue trading. However it would result in increased risk of transmission.

Overall it was considered to be inappropriate in circumstances of Level 2 restrictions where there is increased incidence of the virus, with multiple clusters and increased community transmission.

Option 2: Closure of indoor bowling alleys, snooker and pool halls.

As noted above, in an indoor setting, risks of transmission are increased due to activities taking place in a more confined space and potentially including people from many households coming together for prolonged periods. Pinch points (at areas such as toilets) all contribute to risk. Keeping surfaces clean and regulating movement throughout the setting is a further challenge and there are risks around the common use of equipment and surfaces such as bowling balls, snooker cues, balls and tables. There is also a degree of socialisation and interaction in these activities which, in itself, carries risk. Snooker and pool halls often have poor ventilation which is an additional factor.

Bowling alleys are often located in shopping centres and have greater space and better ventilation but have challenges around the need to keep surfaces clean and regulating movement throughout the setting.

Fundamentally, venues which are attended by many people, typically from different households, specifically to meet for long periods of time, all amplify the risk of transmission.

While in the conditions of Level 1, the social and economic benefits of allowing these venues to remain open outweighs these risks. However, in the conditions of Level 2, this is no longer the case given the significantly higher levels of community transmission closure is necessary to minimise transmission of the virus even if mitigating measures such as distancing, face coverings and hygiene are in place.

As noted in the measures on sport and physical activity, venues may remain open for the purposes of professional sport. Professional sport is permitted in this context as it is possible to significantly diminish the risk with enforcement of appropriate protocols overseen by sport governing bodies. These protocols include extensive monitoring and testing activity which are not applicable to venues open to the public.

We recognise that this restriction is likely to cause major issues for those businesses which support and supply snooker/pool halls and indoor bowling alleys and may result in some businesses being unable to continue to operate.

Conclusion

In considering the evidence around options for level 2, Scottish Ministers weighed up the overall need to reduce social interaction, clinical evidence regarding the spread of infection, and the social and economic harms of intervention. At this level soft play, funfairs, casinos, theatres, music venues, nightclubs and adult entertainment are all closed and snooker/pool halls and indoor bowling alleys were seen as presenting similar types of risk. The particular risks around indoor venues noted above indicated that, on balance, the risk of allowing venues to remain open where community transmission of the virus is at the levels associated with level 2 and beyond was too great to be outweighed by the social and economic disadvantages of closure.

OPTIONS FOR LEVEL 3 & 4

Option 1: Open with restrictions in place

Allowing snooker, pool halls and bowling allies to open at Level 3 & 4 was considered to be insufficient in circumstances where there is increased incidence of the virus, with multiple clusters and increased community transmission.

Option 2: Expand restrictions beyond baseline

In the conditions of Level 3 &4, the factors which led to the decision to close facilities at Level 2 have even greater weight and closure of these venues is necessary.

Conclusion

As with Level 2, on balance, the risk of allowing venues to remain open was too great to be outweighed by the social and economic disadvantages of closure.

Scottish Firms Impact Test:

• Will it have an impact on the competitiveness of Scottish companies within the UK, or elsewhere in Europe or the rest of the world?

Likely to be limited in scale and competitiveness impacts therefore limited.

• How many businesses and what sectors is it likely to impact on?

Snooker and pool halls tend to operate either as independent businesses, part of a larger leisure facility, within licensed premises, holiday parks or hotels. Indoor Bowling often forms part of wider retail/shopping centres.

• What is the likely cost or benefit to business?

We recognise the strain that restrictions place on the sector. Where facilities have to be closed this may affect the viability of the business with a consequent effect on staff, employers and the wider economy. Closing snooker halls, pool halls and bowling alleys will result losses and costs for businesses (for example):

- loss of earnings / refunds for future bookings
- ongoing costs in relation to wages
- ongoing costs relating to premises (rent, heating, maintenance, security, insurance, rates and water)

Continued closure will exacerbate cash flow problems for business and potentially threaten viability of businesses putting jobs at risk and leading to higher unemployment.

In cases where staff have either been furloughed or redeployed to other areas, there is an immediate and continuing impact of managing ongoing costs and resources. There may also be wider economic impacts through loss of associated consumer spending on memberships of clubs. In turn this may affect financial viability of businesses and threaten jobs. There may also be negative impacts on supply chains and supply services (e.g. cleaning companies etc.).

Competition Assessment:

It is likely that closing snooker / pool halls and bowling alleys at level 2 will impact on competition between

businesses.

- **Will the measure directly or indirectly limit the number or range of suppliers?**

It is possible that restrictions within the Strategic Framework may lead to some businesses ceasing trading or limit the ability of new businesses to enter the market.

- **Will the measure limit the ability of suppliers to compete?**

It is possible that some restrictions may prove particularly difficult for some businesses. Thus, guidance against non-essential travel in and out of level 3 and level 4 areas may impact on facilities in town and city centres as people will be discouraged from traveling into these areas.

- **Will the measure limit suppliers' incentives to compete vigorously?**

It is unlikely that measures will limit incentives to compete vigorously.

- **Will the measure limit the choices and information available to consumers?**

There is a possibility that the measures in the strategic framework will limit the choices available to consumers if facilities are closed.

Consumer Assessment:

The following sets out the Scottish Government's initial view on the impact of the measures on snooker/pool halls and indoor bowling alleys within the Strategic Framework on consumers.

- **Does the policy affect the quality, availability or price of any goods or services in a market?**

If business operating costs are increased as a result of restrictions within the strategic framework this may impact on price. For example, the costs of club membership may rise to compensate for increased costs. Quality and availability may also be impacted by restrictions if facilities or services are not available.

- **Does the policy affect the essential services market, such as energy or water?**

There is no expected impact on markets for essential services.

- **Does the policy involve storage or increased use of consumer data?**

No

- **Does the policy increase opportunities for unscrupulous suppliers to target consumers?**

This is unlikely to occur as a consequence of the strategic framework

Test run of business forms: N/A

Digital Impact Test: N/A

Legal Aid Impact Test: N/A

Enforcement, sanctions and monitoring:

Regulations have been put in place to support the implementation of the measures. Monitoring and enforcement will be undertaken by Local Authority Environmental Health Officers and, in some cases,

Police Scotland.

Implementation and delivery plan and post-implementation review:

Regulations and guidance have been put in place to support the implementation of the measures contained within the Strategic Framework. These regulations will come into effect from the 2nd November 2020. We are continuing our constructive engagement with the sport and physical activity sector.

Summary and recommendations:

Introduction

This BRIA has examined the business restriction measures relating to snooker/pool halls and indoor bowling alleys within each level of the Strategic Framework and compared these measures with the baseline option, the equivalent of Level 0 in the Strategic Framework. These measures will be kept under review.

Background

The Scottish Government's strategic framework includes a package of measures which collectively are designed to suppress transmission of the virus.

Whilst this BRIA is focused on snooker/pool halls and indoor bowling alleys, measures are also being taken to reduce opportunities for transmission across a range of settings. It is important to view measures relating to snooker/pool halls and indoor bowling alleys in the context of this wider package of actions.

Options Appraisal

The Strategic Framework includes a range of actions designed to suppress virus transmission. In taking action a careful balance needs to be struck between protecting health and minimising the negative impacts on business, jobs and livelihoods.

The text and table below brings together the benefits and costs by option as set out in this BRIA. The summary table below brings together the benefits and costs of:

- Closure of facilities (level 2, 3 and 4)

Option 1: Baseline

The baseline option (effectively level 0 of the Strategic Framework) would have a positive economic impact on those businesses which operate and provide facilities and services which support snooker/pool halls and indoor bowling alleys through their revenue generation, employment of staff, and on supply chain businesses. Snooker/pool halls and indoor bowling alleys provide important settings for friends and families to socialise, reducing the risk of isolation and loneliness. Maintaining the conditions in which people can gain these benefits is an important factor in balancing the risk of allowing activity to continue as far as possible.

Option 2: Strategic Framework

<i>Measure</i>	<i>Benefits</i>	<i>Costs</i>
Closure of facilities (level 2 and above)	Closing snooker, pool halls and indoor bowling alleys at level 2 will result in lower risk of infection. At level 2 there is increased	We recognise that this restriction will impact negatively on businesses which run, support and supply snooker/ pool halls and indoor

	<p>incidence of the virus, with multiple clusters and increased community transmission. Indoor bowling, snooker and pool halls, meet a number of the criteria associated with increased risk of virus transmission. Closing these activities has the benefit of protecting public health.</p>	<p>bowling alleys. The revenue forgone may affect financial viability and threaten businesses and jobs (although this is offset to some extent by the financial support available to businesses outlined below)</p>	
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Conclusion

This BRIA has set out the relative costs and benefits of options with the intended effect of suppressing the virus whilst acknowledging and minimising the economic harms faced by businesses.

There is a comprehensive package of financial support from the UK Government and the Scottish Government for businesses to mitigate the negative impacts of the restrictions. Subsequent to the regulations commencing on 2nd November, there have been changes to the financial support package, notably the extension of the UK Government Coronavirus Job Retention Scheme until the end of March 2021.

The new Scottish Government financial support will apply across all the relevant levels and will provide:

- A grant of £2,000 or £3,000 (depending on rateable value) for business required to close by law, payable every four weeks for the duration protective measures are in place
- A hardship grant of £1,400 or £2100 (depending on rateable value) for businesses that remain open but are specifically required to modify their operations by protective measures, payable every four weeks for the duration measures are in place

These grants will be provided regardless of level, to eligible businesses, and paid in fortnightly instalments (subject to discussions with local authorities).

This support is in addition to the UK government Coronavirus Job Retention Scheme whereby employees working for businesses will receive 80% of their salary paid for by government.

- This applies to all countries and regions of the UK and is not linked to specific tiers or restrictions.
- The Government will fund 80% of wages for hours not worked with employers' contributions initially limited to employers' NICs and pension costs – reflecting the terms and conditions of the CJRS applicable in August 2020. Employer contributions will be reviewed in January.
- All employees who were on the payroll as of 30th October are now eligible.
- Employees that were on the payroll as at 23 September but have since been made redundant can be re-employed and claimed for

The UK Government also announced increased support for the self-employed who will also receive 80% of their average trading profits for November to January, with a further, as yet unspecified, grant to follow covering February to April.

The UK Government also announced (2 November)

- An extension of the coronavirus business interruption loan schemes until the end of January.
- Additional funding for Local authorities to support their local health response worth £500 million
- An extension of mortgage and consumer credit payment holidays, lasting 6 months

All these support measures are designed to support businesses and mitigate the negative impacts of the restrictions which have been identified and considered. We will continue to engage with the businesses affected on the impact of the measures, and the level of support available, as they are implemented.

Title: Scotland’s Strategic Framework: Leisure and Entertainment: SOFT PLAY CENTRES

Purpose and intended effect:

The objective of Scotland’s Strategic Framework is to set out a sustainable response to the pandemic to be implemented until either a vaccine or highly effective treatments to the virus are developed. The Framework covers the four key harms of the virus, how we will work to suppress the virus, and sets out our proposal to move to a strategic approach to outbreak management based on five levels of protection.

This BRIA is focused on the set Leisure and entertainment measures included within Scotland’s Strategic Framework. However, individual measures need to be viewed within the broader context of the package of measures within each level, with the strategic framework taking a four harms approach to considering which interventions are introduced at each level through assessment of:

- direct health harms associated with COVID-19
- broader health harms
- social harms
- economic harms

The Strategic Framework⁹⁴ includes measures across a wide number of settings and provides a comprehensive approach to reducing infection rates and suppressing the spread of the virus. Each of the levels is designed to reflect the relative severity of the area it is being applied to, with progressively heightened restrictions implemented as necessary.

The key measures relating to **Soft play centres** are set out in the table below:

Leisure and Entertainment Sector Measures (socialising rules apply)	Level 0 (Baseline)	Level 1	Level 2	Level 3	Level 4
Soft play centres	Soft play centres may open in line with specific guidance	Soft play centres may open in line with specific guidance	Soft play centres must close	Soft play centres must close	Soft play centres must close

⁹⁴ <https://www.gov.scot/publications/covid-19-scotlands-strategic-framework/>

Purpose and intended effect: Scotland's Strategic Framework Leisure and Entertainment Protections

Introduction

The Leisure and Entertainment sector is a very important part of Scotland's economy and society.

Soft play centres across Scotland form part of a more aggregated sector on "Other amusement and recreation activities" and as such statistics are not readily available at a more detailed breakdown for this sub-sector. Soft play centres can vary quite a lot – some operate as 'standalone' facilities whilst others are part of a bigger visitor attraction (such as a leisure centre) or hospitality venue. As such, it is also difficult to fully ascertain the number of other businesses that provide soft play facilities within them (e.g. cafes or bars which have soft play facilities which are also covered by the soft play guidance).

According to the information we have received from the Scottish Indoor Play Centres Owner & Management Group, there could be up to 145 small and medium enterprises in Scotland providing soft play facilities. The Group estimates that the sector provides up to 4,500 jobs and employs proportionately more women than men.

COVID-19 and the Soft play Sector

Soft play centres have been closed since March 2020. From 2 November, soft play centres have been able to open in areas in protection level 0 and 1, having regard to specific [guidance](#) published on 30 October. The guidance which has been developed in collaboration with the sector, regulators and clinicians, sets out clear mitigation measures to reduce the risk of virus transmission, such as enhanced cleaning regime, restricting numbers at the centre at any point to ensure physical distancing can be maintained and any equipment which may be more difficult to clean (such as ball pits) would be removed or closed off.

Soft play businesses have been able to access support where eligible, e.g. 100% rates relief for 2020/21 is available for premises used wholly or mainly as soft play centres. Pay to play soft play centres have been allocated specific funding through the £11 million Contingency Fund, a strand of the COVID-19 Restrictions funding. On 27 October, the Scottish Ministers announced that all pay to play soft play centres would be eligible for grants of up to £50,000 (depending on their Rateable Value) recognising the fact that businesses across this sector have been closed since March. Businesses that operate from multiple premises are eligible for one full grant plus grants of up to 75% on subsequent properties.

We do not have data available on the loss of earnings/jobs in the sector but the industry has expressed concerns about financial viability given the period of time they have been unable to open. The information from the Scottish Indoor Play Centres Owner & Management Group estimated that if they remained closed without additional support provided, many businesses may not survive past Spring 2021. In terms of wider impact on society, the closure of the soft play sector has contributed to reduced opportunities for play and socialising, particularly for younger children and their parents / carers. Soft play centres also provide an opportunity for parents with young children to socialise. Closing soft play centres may contribute to social isolation and loneliness.

However, the Leisure and Entertainment sector, and soft play centres in particular, fulfils many of the high-risk criteria for COVID-19 transmission, as transmission of SARS-CoV-2 is most strongly associated with close and prolonged contact in indoor environments. The highest risks of transmission are in crowded spaces over extended periods.⁹⁵ This has formed the basis for consideration of further measures in recent weeks, including around Leisure and Entertainment settings, in response to the recent increases in COVID-19 cases and transmission experienced across Scotland.

⁹⁵ [Transmission of SARS-CoV-2 and Mitigating Measures, SAGE EMG June 2020](#)

Policy Objective

In common with the wide range of other countries who have implemented similar measures, the objective of the restrictions set out within the Strategic Framework is to ensure that the operation of Leisure and entertainment settings including soft play centres is appropriate to the level of COVID-19 risk within the Local Authority area, also taking into account the other restrictions in place. Any restrictions on operations are intended to help control and suppress the spread of the virus, ultimately minimising transmission rates, hospital admissions, deaths and the potential overwhelming of the NHS.

Transmission

SARS-CoV-2 can be transmitted by three main routes: close-range respiratory droplets and aerosols, longer range respiratory aerosols, and direct contact with surfaces contaminated with virus. Transmission is strongly associated with proximity and duration of contact in indoor environments. It is possible for SARS-CoV-2 to be transmitted at distances of more than 2 metres.⁹⁶

We know from contact tracing, international evidence and scientific research that a wide range of social, residential and workplace settings have been associated with transmission. The highest risks of transmission, including those from super-spreading events, are associated with poorly ventilated and crowded indoor settings with increased likelihood of aerosol emission and no face coverings are worn such as bars, nightclubs, parties/family gatherings, indoor dining, gyms and exercise classes. Poor ventilation and crowding have been suggested to be factors in numerous transmission clusters^{97,98}.

The Government recognises that transmission of the virus within households presents the highest risk, which is why gatherings in private dwellings was targeted first and will be restricted across all of the 5 levels.

However, other setting also have the potential to transmit the virus due to the risk factors. Understanding settings where multiple risk factors come together, and large outbreaks are likely to occur, is important in controlling the epidemic.

For soft play centres, particular high-risk factors include issues with maintaining physical distancing, as younger children have to be accompanied and supervised by adults, the high volumes of children / adults coming into contact in close proximity for prolonged periods of time (more than 15 minutes), the likelihood of social interaction, the amount of contact with surfaces, and issues with keeping facilities/equipment clean between use by a high number of children and adults. Parents often move about and come into contact with other parents and children when supervising their children within soft play centres.

Current position of Leisure and Entertainment (Soft play centres)

Soft play centres in Scotland have been closed since March 2020, but some have been able to re-open at levels 0 and 1 under the new Strategic Framework from 2 November. We have worked closely with regulators (Environmental Health and Safety Executive), clinicians and the industry to develop guidance to help the sector to prepare for re-opening. We have monitored developments elsewhere in the UK where indoor soft play centres have re-opened and this has informed our approach to, developing guidance, including enhanced cleaning requirements and restricting numbers of users to minimise risk of

⁹⁶ [Transmission of SARS-CoV-2 and Mitigating Measures, SAGE EMG June 2020](#)

⁹⁷ Leclerc QJ FN, Knight LE. What settings have been linked to SARS-CoV-2 transmission clusters? [version 1; peer review: 1 approved with reservations]. Wellcome Open Res **2020**; 5:83

⁹⁸ Dillon Adam PW, Jessica Wong et al. Clustering and superspreading potential of severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2) infections in Hong Kong

transmission.

In line with the Strategic Framework, soft play centres have re-opened from 2 November in areas in protection level 1, following the guidance published on 30 October. (Soft play centres in areas in protection level 0 are also permitted to open under the Strategic Framework.) Soft play centres in higher level areas are required to remain closed.

Conclusion

Limiting social mixing as much of possible in all settings is the most effective measure against transmission of the virus. It is particularly important to focus on settings which have high risk factors.

However, it is widely recognised that wider health and wellbeing is impacted by our ability to mix with other people. The effects of loneliness are profound and increased markedly during lock down, alongside big increases in mental health problems. The limitations on leisure and entertainment sector are part of an overall system to balance suppression of the virus whilst minimising wider harm to our health and wellbeing as well as minimising the wider social and economic harms associated with the measures. The levels approach sets out proportionate action to address the harm from the virus whilst acknowledging the wider health, social and economic harms. When the risk of COVID-19 rises, so too will the restrictions on the leisure and entertainment sector. Similarly as the risk falls, restrictions will ease.

Across all of the five levels we seek to balance:

- The impact on reducing the risk of transmission of the virus through restricting the opportunity for mixing of children and adults in soft play settings
- Enabling as much of the sector as possible to remain open safely in areas with low infection rates, in ways that enable businesses to remain viable and reduce the likelihood of redundancies
- The economic costs, including wider costs and the impact on the supply chain.

Consultation

Public Consultation: No (precluded by urgent implementation timescales)

Business: We have engaged with the soft play sector, regulators and clinicians on developing the guidance. This included the Scottish Indoor Play Centres Owner & Management Group, the Scottish Chamber of Commerce, the Association of Scottish Visitor Attractions and the British Association of Leisure Parks, Piers and Attractions. The sector has suggested a number of changes and mitigating measures and the feedback from this consultation has shaped the guidance, which continues to be kept under review.

We have also engaged with the industry on developing a support package for the sector, recognising the challenges resulting from ongoing closure. The sector has set out concerns about the requirement to close soft play centres in protection level 2 and we are in ongoing discussions with the sector about the new strategic framework and the specific protection levels which are kept under constant review while we monitor developments in Scotland, UK and elsewhere.

Options:

This section sets out a range of options that have been considered, and we continue to work constructively with the industry to explore and assess alternatives.

Across all Levels there are a number of mitigating actions required, including:

- Taking reasonably practical measures to maintain physical distancing (although there is recognition that this may be difficult to implement with very young children)
- wearing of face coverings by adults (exemption applies for children under the age of 5 and children or adults engaging in physical activity, including soft play)

Social gathering rules in place across Scotland also apply across all levels, but the rules vary between the various levels. Additionally, guidance against non-essential travel applies in the various levels and again, varies between the various levels.

Sectors and groups affected

These Regulations will affect:

- soft play centre owners and operators

Our approach to assessing options

Within this BRIA we have compared the package of measures within each level against the baseline approach of level 0. Throughout these measures we have sought to develop the right package of measures to reduce circulation of the virus whilst limiting wider health, economic and social harms.

Our objective is to get all parts of the country to level 0 or level 1 and remain there if we can. Within these levels, we would expect to see low incidence of the virus with isolated clusters, and low community transmission. Broadly, these levels are the closest we can get to normality without a vaccine or effective treatment which would allow us to move to Phase 4 of the Route Map and then back to normality. They would be similar to the measures in place during the summer, once we reached Phase 3. The Baseline and Level 1 are designed to be sustainable for longer periods.

Options for 'Baseline' / Level 0

The Baseline (Level 0) is designed to be sustainable for longer periods. Within this level, we would expect to see very low incidence of the virus with isolated clusters, and low community transmission. Broadly, this level is the closest we can get to normality, without a vaccine or effective treatment in place. In the Baseline, all soft play centres will be able to operate in line with the guidance⁹⁹.

Options for Level 1

Level 1 is designed to be sustainable for longer periods. Within this level, we would expect to see very low incidence of the virus with isolated clusters, and low community transmission.

The main options considered for this level include:

1. Maintain Baseline
2. Close soft play centres

⁹⁹ <https://www.gov.scot/publications/coronavirus-covid-19-guidance-for-the-soft-play-sector/>

Given the low incidence of the virus, the evidence doesn't support closing soft play centres at this level. The guidance which has been developed in collaboration with the sector, regulators and clinicians, sets out clear mitigation measures to reduce the risk of virus transmission, such as enhanced cleaning regime, restricting numbers at the centre at any point to ensure physical distancing can be maintained and any equipment which may be more difficult to clean (such as ball pits) would be removed or closed off.

Conclusion

In considering the evidence around options for level 0 and level 1 Scottish Ministers weighed up the need to reduce social interaction, clinical evidence regarding the spread of infection, and the social and economic harms of intervention. It was concluded that the selection of this measure of maintaining the Baseline- in preference to mandatory closures – dilutes the effectiveness in reducing the R rate, but this reduced effectiveness is offset by other mitigation measures implemented at this level and the fact that the degree of reduction needed to bring the spread of virus back until control will be less extreme. They concluded that, given the robust mitigation measures in the guidance, soft play centres could remain open at this level.

Options for Level 2 and 3

Levels 2 and 3 are intended to apply for limited periods of time.

Within Levels 2 and 3, we would expect to see increased incidence of the virus, with multiple clusters and increased community transmission. There would be a series of protective measures across all sectors to tackle the virus, focusing on key areas of risk – broadly, indoor settings where household mixing takes place with less, or less well-observed, physical distancing and mitigations.

The measures would be intended to be in place for relatively short periods and only for as long as required to get the virus down to a low, sustainable level.

The options considered at level 2 and 3:

1. Maintain baseline
2. Close soft play centres

The advantages of keeping soft play centres open include additional opportunities for socialising and active indoor play for young children and their families which have clear benefits for general health and wellbeing of families using the soft play centres. The disadvantages include an increased risk of transmission, given the high risk factors involved, including being an indoor facility where high number of households could mix for a prolonged period, with difficulty in maintaining physical distancing and wearing of face coverings and difficulty to keep shared equipment and surfaces clean between use. There are also clear economic impacts of the two options on soft play businesses and their employees.

Conclusion

In considering the evidence around options for level 2 and level 3 Scottish Ministers weighed up the need to reduce social interaction, clinical evidence regarding the spread of infection, and the social and economic harms of intervention. It was concluded that given the high risk factors for soft play centres, such as being an indoor facility with high number of households mixing and difficulties with maintaining physical distancing, wearing of face coverings and keeping shared equipment and surfaces clean, the soft play centres should be closed in level 2 and 3.

Whilst some other businesses remain open at levels 2 and 3 (such as hospitality) it is not considered possible to open soft play centres because of the higher risk factors including (including the increased opportunity for high number of households mixing and interacting, difficulty in maintaining physical distancing and wearing of face coverings and difficulty to keep shared equipment and surfaces clean

between use).

Options for Level 4

Level 4 will be deployed only if absolutely necessary as a short, sharp intervention to address high transmission rates.

Within this level we would expect to see very high or rapidly increasing incidence, and widespread community transmission which may pose a threat to the NHS to cope. It is likely that this level would see the introduction of measures close to a return to full lockdown. Measures would be designed to be in place for a short period, to provide a short, sharp response to quickly suppress the virus. Measures introduced in level 4 would be to control and suppress the spread of the virus, reduce transmission rates, hospital admissions, deaths, allow key services to continue such as education and avoid overwhelming of the NHS.

As in level 2 and 3, soft play centres would be required to remain closed at this level due to the high prevalence of the virus and the need to cease almost all social interactions apart from the essential.

Scottish Firms Impact Test:

There has been engagement with Scottish soft play businesses in developing the guidance for re-opening and support package for businesses during closure. This engagement is set out within the consultation section of this BRIA.

Will it have an impact on the competitiveness of Scottish companies within the UK, or elsewhere in Europe or the rest of the world?

Soft play centres in other parts of the UK have been able to open earlier (10 August in Wales, 15 August in England and 14 September in Northern Ireland). Some soft play owners operate multiple facilities in different parts of the UK and have been affected by different respective measures and support.

How many businesses and what sectors is it likely to impact on?

According to the information we have received from the Scottish Indoor Play Centres Owner & Management Group, there could be up to 145 small and medium enterprises in Scotland providing soft play facilities. The Group estimates that the sector provides up to 4,500 jobs and employs proportionately more women than men.

Many soft play centres are likely to be SMEs, some are part of broader chains. Some hospitality settings which incorporate soft play centres will often similarly be small businesses although some may be part of larger network. The other parts of the supply chain possibly affected are the manufacturers of the soft play equipment.

• What is the likely cost or benefit to business?

At Levels 2-4, soft play centres will have to close (most have been closed since March 2020). Closed businesses have incurred a number of on-going costs relating to, for example, accommodation costs (rent, insurance, maintenance, security etc) and wage costs. Closure will also result in revenue forgone and threaten financial viability of the businesses and associated jobs. We do not have data available on the loss of earnings/jobs in the sector but the industry has expressed concerns about financial viability given the period of time they have been unable to open. The information from the Scottish Indoor

Play Centres Owner & Management Group estimated that if they remain closed without additional support provided many centres will not survive past Spring 2021.

At levels 0-1 soft play centres can open, but adhering to the new soft play guidance will incur additional costs and reduce profits for soft play centres as social distancing measures will reduce the capacity at which centres can operate and the number of customers who are able to visit at any one time. Enhanced cleaning and safety requirements will also increase costs for businesses.

Funding has been made available for pay to play soft play centres through the £11 million COVID-19 Contingency Fund which was introduced as part of the £48 million COVID-19 Restrictions Fund. All pay to play centres are eligible for support through this fund irrespective of whether they re-opened following the introduction of the Strategic Framework.

One-off grants of up to £50,000, based on rateable value, will be available to businesses in soft play sector through the COVID-19 Contingency Fund. Businesses operating multiple premises will be eligible to claim one full grant plus grants of up to 75% on subsequent properties.

Local authorities will be contacting businesses directly to get the information needed to progress their claim. The grant thresholds are outlined in the table below.

Grant thresholds

Rateable Value	Grant Amount
£18,000 or under	£10,000
Between £18,001 and £51,000	£25,000
Above £51,001	£50,000

These grants take account of the exceptional circumstances faced by soft play centres and will provide a boost as we continue to tackle the virus.

Moving forward, from 2 November, the Strategic Framework confirms that our new financial support will provide:

- A grant of £2,000 or £3,000 (depending on rateable value) for business required to close by law, payable every four weeks for the duration protective measures are in place
- A hardship grant of £1,400 or £2,100 (depending on rateable value) for businesses that remain open but are specifically required to modify their operations by protective measures, payable every four weeks for the duration measures are in place

Competition Assessment:

Closing soft play centres from protection level 2 onwards could impact on competition between businesses.

• Will the measure directly or indirectly limit the number or range of suppliers?

The impact on business viability may mean that some businesses cease to trade and this will reduce the number of suppliers. Industry reports at least one soft play business with several venues in Scotland and around 300 staff started a redundancy process in September. At the UK level, latest research from the Association of Indoor Play shows that out of 1,100 play centres in the UK and Northern Ireland, 107 have closed in the last two months, with 2,000 job losses.¹⁰⁰

The restrictions are likely to limit the ability of new businesses to enter the market.

¹⁰⁰ <https://www.bbc.co.uk/news/uk-england-south-yorkshire-54621770>

• Will the measure limit the ability of suppliers to compete?

It is likely that the restrictions on soft play sector will limit the ability of some suppliers to compete. Similarly, travel restrictions will stop people travelling to a different local authority to visit a soft play centre. It is difficult to assess whether the restrictions on soft play centres are likely to have an advantageous effect on other businesses – although there are some sports, visitor attraction, hospitality and leisure venues who are able to remain open at level 2 who may benefit.

• Will the measure limit suppliers' incentives to compete vigorously?

It seems unlikely that measures will limit incentives to compete vigorously.

• Will the measure limit the choices and information available to consumers?

Yes. It will mean that children and families in some local areas may have reduced opportunity for socialising and indoor play, particularly in winter months.

Consumer Assessment:

The following sets out the Scottish Government's initial view on the impact of the Leisure and entertainment (soft play) sector measures within the Strategic Framework on consumers.

• Does the policy affect the quality, availability or price of any goods or services in a market?

The restrictions within the Strategic Framework may restrict choice and price, as business operating costs will be increased while capacity and income will be reduced. Some soft play centres may choose not to reopen which will result in reduced availability of soft play facilities.

• Does the policy affect the essential services market, such as energy or water?

There is no expected impact on markets for essential services.

• Does the policy involve storage or increased use of consumer data?

No

• Does the policy increase opportunities for unscrupulous suppliers to target consumers?

This is unlikely to occur as a consequence of the Strategic Framework.

Test run of business forms: N/A

Digital Impact Test: N/A

Legal Aid Impact Test: N/A

Enforcement, sanctions and monitoring: Regulations have been put in place to support the implementation of the measures. Monitoring and enforcement will be undertaken by Local Authority Environmental Health Officers and, in some cases, Police Scotland.

Implementation and delivery plan and post-implementation review:

Regulations and guidance have been put in place to support the implementation of the measures contained within the Strategic Framework. These regulations came into effect from the 2nd November 2020 and must be reviewed by the Scottish Ministers at least every 21 days. We are continuing our constructive engagement with the sector.

Summary and recommendations:

Introduction

This BRIA has examined the measures within each level of the Strategic Framework and compared these measures with the baseline option, the equivalent of Level 0 in the Strategic Framework.

Background

The Scottish Government’s Strategic Framework includes a package of measures which collectively are designed to suppress transmission of the virus.

Whilst this BRIA is focused on soft play sector, measures are also being taken to reduce opportunities for transmission across a range of settings. It is important to view soft play measures in the context of this wider package of actions.

Options Appraisal

The Strategic Framework includes a range of actions designed to suppress virus transmission. In taking action a careful balance needs to be struck between protecting health and minimising the negative impacts on business, jobs and livelihoods.

The text and table below brings together the benefits and costs by option as set out in this BRIA. It compares these measures against the baseline / level 0 option.

Option 1: Baseline

The baseline option (effectively level 0 of the Strategic Framework) would have a positive economic impact on soft play centres through their revenue generation, employment of staff, and on supply chain businesses. However this would be off-set by the health risks associated with increased opportunities for virus transmission in soft play settings.

Soft play centres are characterised by many of the high-risk factors associated with transmission of the virus. The health risks would increase as the R rate increased meaning there would be potential for increased community transmission and multiple clusters.

Higher rates of infection may ultimately impact negatively on the soft play industry as trade made be reduced due to customers being anxious about social interaction, particularly in indoor venues. The workforce may be affected by higher levels of sick workers due to high rates of COVID-19, or larger numbers of staff self-isolating for 14 days.

Option 2: Strategic Framework

<i>Measure</i>	<i>Benefits</i>	<i>Costs</i>
<i>Soft play centres open in</i>	<i>Soft play centres are characterised by many of the high-risk factors associated with transmission of the</i>	<i>There will be costs associated with complying with guidance including enhanced cleaning regime and</i>

Level 0 and 1 (with guidance to mitigate risk factors)	virus. However, with robust guidance in place to mitigate the risks, soft play centres could remain open in areas with low incidence of virus.	reducing capacity to ensure physical distancing can be maintained which will result in increased costs to the businesses.
Soft play centres closed in Level 2-4	As above, given the high risk factors associated with soft play centres in relation to virus transmission, keeping soft play closed would contribute to reducing the R number and community transmission.	There will be costs for soft play centres which will be required to close and increasing concerns over financial viability of businesses in the sectors and jobs put at risk. A support package has been developed to mitigate this. There will also be impact in relation to reduced opportunity for social interaction and play indoors for younger children and their families.

Conclusion

This BRIA has set out the relative costs and benefits of options with the intended effect of suppressing the virus whilst acknowledging and minimising the economic harms faced by businesses.

It is also important to note that we have set out a comprehensive package of financial support for businesses in the soft play sector to mitigate the negative impacts of the restrictions.

The new Scottish Government financial support will apply across all the relevant levels and will provide:

- A grant of £2,000 or £3,000 (depending on rateable value) for business required to close by law, payable every four weeks for the duration protective measures are in place
- A hardship grant of £1,400 or £2,100 (depending on rateable value) for businesses that remain open but are specifically required to modify their operations by protective measures, payable every four weeks for the duration measures are in place

These grants will be provided regardless of level, to eligible businesses, and paid in fortnightly instalments (subject to discussions with local authorities).

This support is in addition to the UK government Coronavirus Job Retention Scheme whereby employees working for businesses will receive 80% of their salary paid for by government.

- This applies to all countries and regions of the UK and is not linked to specific tiers or restrictions.
- The Government will fund 80% of wages for hours not worked with employers' contributions initially limited to employers' NICs and pension costs – reflecting the terms and conditions of the CJRS applicable in August 2020. Employer contributions will be reviewed in January.
- All employees who were on the payroll as of 30th October are now eligible.
- Employees that were on the payroll as at 23 September but have since been made redundant can be re-employed and claimed for

The UK Government also announced increased support for the self-employed who will also receive 80% of

their average trading profits for November to January, with a further, as yet unspecified, grant to follow covering February to April.

The UK Government also announced (2 November)

- An extension of the coronavirus business interruption loan schemes until the end of January.
- Additional funding for Local authorities to support their local health response worth £500 million
- An extension of mortgage and consumer credit payment holidays, lasting 6 months

All these support measures are designed to support businesses and mitigate the negative impacts of the restrictions which have been identified and considered. We will continue to engage with the businesses affected on the impact of the measures, and the level of support available, as they are implemented.

Title: Scotland’s Strategic Framework: Amusements Arcades

Purpose and intended effect:

The objective of Scotland’s Strategic Framework is to set out a sustainable response to the pandemic to be implemented until either a vaccine or highly effective treatments to the virus are developed. The Framework covers the four key harms of the virus, how we will work to suppress the virus, and sets out our proposal to move to a strategic approach to outbreak management based on five levels of protection.

This BRIA is focused on the set of **Amusements Arcades** measures included within Scotland’s Strategic Framework; specifically relating to the closure provisions for this sector and the safety measures taken to open from the permitted (24 Aug) date

The closure requirements apply to amusement arcades themselves (though some other businesses are mentioned throughout, including betting shops – which are subject to different closure requirements)

The requirement on businesses to take reasonably practicable measures has a wider impact not only on amusement arcades but also on those other types of businesses mentioned throughout e.g. betting shops. pubs

However, individual measures need to be viewed within the broader context of the package of measures within each level, with the strategic framework taking a four harms approach to considering which interventions are introduced at each level through assessment of:

- direct health harms associated with COVID-19
- broader health harms
- social harms
- economic harms

The Strategic Framework includes measures across a wide number of settings and provides a comprehensive approach to reducing infection rates and suppressing the spread of the virus. Each of the levels is designed to reflect the relative severity of the area it is being applied to, with progressively heightened restrictions implemented as necessary.

The key measures relating to **Amusements Arcades** are set out in the table below:

Amusement Arcades Measures (socialising rules apply)	Level 0 (Baseline)	Level 1	Level 2	Level 3	Level 4
Family Entertainment	Open, with	Open, with	Open, with	Closed	Closed

Centres (FECs) and Adult Gaming Centres (AGCs)	mitigating measures in place	mitigating measures in place	mitigating measures in place		
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Purpose and intended effect: Scotland's Strategic Framework Amusement Arcades Protections

Introduction

The amusement arcades sector which includes adult gaming centres and family entertainment centres is an important part of Scotland's economy and society.

- There are [75 establishments](#) registered under the category Amusement Arcade in Scotland according to the Scottish Assessors Association
- Employing between approx. 500 -1000 people in Scotland

Adult Gaming Centres

Adult Gaming Centres, of which there are about 50 in Scotland, is much like any other High Street shop in terms of its size, customer base and staff profile. Adult Gaming Centres generally speaking will be equivalent in size to other High Street retail units in the order of 1000 to 2000 square feet. You can find smaller and larger. They will house fruit machines of different types.

There will usually be two or three shifts operating with typically two to three floor staff but varies. If the venue is also the company premises, backroom staff and managers will also be on the shop floor from time to time to help out or greet customers.

Adult Gaming centres are usually 7 days a week. Average time spent in the outlet is anywhere between 30 minutes an hour. Some customers may visit a couple of times per week. It's often part of a shopping trip in to town.

Staff are the usual working-age mix, and have customers of all ages and genders.

Family Entertainment Centres

The family entertainment centres, of which there are about 25 in Scotland, are very much part of the visitor economy dependent upon families visiting as part of a day trip or during a holiday.

Seaside arcades offer a wide range of facilities for various age groups. They are located usually on sea fronts with open frontages and often utilise the space outside on the pavement (subject to planning) to site coin-operated children's rides and vending machines. These would be usually in the order of c.2000 to c.5000 square feet. Please note that they are also located in caravan parks.

They have usually around 4-5 staff on any one shift at peak times and it depends on the time of year. As seasonal businesses they will close during the winter, but perhaps opening on a few weekends. Quieter parts of the season also require fewer staff.

The staff tend to be younger and are seasonal, which often suits students especially over the summer.¹⁰¹

In seaside arcades and in caravan parks, the customers are almost exclusively family groups of all ages. Numbers visiting depend on the time of year and the weather. They often/ pop in to the arcade as part of a

¹⁰¹ Information provided by BACTA

day trip or as part of their annual holiday.

COVID-19 and the Amusement Arcades

Amusement arcades includes Family Entertainment Centres (FECs) and Adult Gaming Centres (AGCs), The continued closure of amusement arcades impacted consumers across different age groups. For AGCs, consumers are a mix of ages. For FECs, the customers are generally families with young children.

BACTA (British Amusement Catering Trade Association) have highlighted the significant financial impact the continued closure had on the sector, particularly family entertainment centres which are seasonal and rely on business during the summer months for their survival through the year. During the review period BACTA had flagged in correspondence to the Scottish Government that many of the smaller businesses would not survive if they were not permitted to reopen quickly.

However, amusement arcades fulfil many of the high-risk criteria for COVID-19 transmission, as transmission of SARS-CoV-2 is most strongly associated with close and prolonged contact in indoor environments. The highest risks of transmission are in crowded spaces over extended periods.¹⁰² This has formed the basis for consideration of further measures in recent weeks, including around amusement arcades settings, in response to the recent increases in COVID-19 cases and transmission experienced across Scotland.

Continued closure has impacted on the financial viability of Amusement arcades and there is a risk of business closures and associated job losses.

Policy Objective

In common with the wide range of other countries who have implemented similar measures, the objective of the restrictions set out within the Strategic Framework is to ensure that the operation of amusement arcades settings is appropriate to the level of COVID-19 risk within the Local Authority area, also taking into account the other restrictions in place. Any restrictions on operations are intended to help control and suppress the spread of the virus, ultimately minimising transmission rates, hospital admissions, deaths and the potential overwhelming of the NHS.

Transmission

Feedback earlier in July highlighted risks in relation to surface transmission (via machines and also handling of cash/tokens), and the fact that these are indoor premises which can be loud and encourage raised voices. However BACTA have developed [industry guidance](#) which would mitigate many of these risks and Scottish Government has endorsed this guidance

Current position of amusement arcades

Amusement arcades were required to close at the start of the Covid-19 pandemic. This was specified within the Health Protection (Coronavirus) (Restrictions) (Scotland) Regulations 2020.

Amusement arcades, which includes Family Entertainment Centres (FECs) and Adult Gaming Centres (AGCs) were permitted to re-open on 24 August, with increased cleaning regimes and physical distancing measures and the requirement of face coverings to be worn in such premises.

¹⁰² [Transmission of SARS-CoV-2 and Mitigating Measures, SAGE EMG June 2020](#)

In England amusement arcades, bingo halls, indoor leisure centres or facilities – including indoor games and recreation – opened on 4th July but are closed again from 5 Nov due to a nationwide lockdown. In Wales, amusement arcades reopened from 27 July but were required to close again from 23 October under the requirements for the 17 day welsh lockdown.

Conclusion

The closure of amusement arcades had a detrimental economic impact on the sector. BACTA (British Amusement Catering Trade Association) the trade association that represents the UK's Amusement arcade Industry developed industry guidance. This guidance has been endorsed by Scottish Government, to support the safe reopening of amusement arcades. The industry have also agreed that AGCs will follow the Scottish Government retail guidance, and FECs will follow the SG tourism and hospitality guidance.

At a time when the population of Scotland has spent months stuck at home the re-opening of amusement arcades has contributed to a much needed diversion and entertainment to get their lives and may have contributed to an improvement in mental health for customers.

Consultation

Public Consultation

We have not undertaken any public consultation on this measure.

Business

A large volume of correspondence has been received from both amusement arcades owners and employees, which has provided an insight into the challenges faced by the sector.

Scottish Government officials have engaged with BACTA, the trade association for the amusement and gaming machine industry in the UK. They have represented the views of businesses.

Gaming machines can also be found in pubs, betting shops and other hospitality premises and it was agreed with BACTA that a consistent approach should be taken to switching gaming machines back on. The Scottish Tourism Alliance had a call with senior opposition MSPs (Oct) where BACTA highlighted the plight of the supply chain, and said much more help was needed to help businesses survive and suggested that a standards based approach is what all governments should be adopting; this was discussed with SG official and is being reviewed

BACTA had a call with SG officials on 30 Oct to seek clarification on the position of amusement arcades in Level 2 areas., Although it had been announced and confirmed that amusement arcades would be allowed to remain open in Level 2 areas, the Health Protection (Coronavirus) (Restrictions and Requirements) (Local Levels) (Scotland) Regulations as published required them to close. This was rectified by amending regulations before the main Regulations came into force on 2 November, to confirm that amusement arcades can indeed open in Level 2 areas.

BACTA have highlighted that betting shops are open with machines in Level 3 areas. BACTA are of the view that amusement arcades should be treated in the same way as betting shops, i.e. as non-essential retail and therefore open in Level 3 areas.

Options:

This section sets out a range of options that have been considered by arcade outlets to ensure that they can open safely at levels 0-2, and we continue to work constructively with the industry to explore and assess alternatives.

Across all Levels there are a number of mitigating actions required including:

1. Provide clear signage to customers and staff to promote physical distancing.
2. Hand sanitiser to be provided by a member of staff to all customers entering the premises and for hand sanitisation stations to be available around the venue. Promote good hand hygiene for all staff/visitors/service users. Ensure there are sufficient hand washing facilities and provision of alcohol based hand rub at key areas such as entry and exit points.
3. Arrange premises in configurations to provide natural physical distancing where possible.
4. Provide where alternative configurations are not possible, and signage is not practical, plexi-glass or similar dividers to maintain physical distancing.
5. Utilise signage or screens on multi-player machines so that there is only one player permitted to play at any one time or if two players wish to play that there is physical distancing between them.
6. Limit and monitor the customers in the premises to a level that allows for appropriate physical distancing.
7. Staff to request contact details for Test and Protect.
8. In the event that the number of customers exceeds the number that can safely enter the premises according to the venue's risk assessment, provide indicative physical distancing signage to customers waiting outside of the premises.
9. Staff to be fully trained and prepared in these Covid-19 safety protocols.
10. Staff to regularly clean, with a suitable product, all machines especially after they have been vacated by a player. Ensure regular detergent cleaning schedules and procedures are in place using a product which is active against bacteria and viruses. Ensure regular (at least twice daily) cleaning of commonly touched objects and surfaces (telephones, keyboards, door handles, desks, counter tops etc).
11. Staff to wear PPE where identified as appropriate in the venue risk assessment (gloves always to be used when handling cash), in line with relevant guidelines.
12. Customer use of toilets should be restricted to one person at a time, unless children are being accompanied by an adult
13. Face coverings to be worn by everyone within the premises.

Social gathering rules in place across Scotland also apply across all levels, and new guidance against non-essential travel apply in levels 3 and 4.

Mitigations:

Industry developed guidance to support amusement arcades to reopen safely has been endorsed by Scottish Government. Adult gaming centres must also follow the SG retail guidance, and family entertainment centres the Scottish Government tourism and hospitality guidance. The industry guidance includes a link to the SG staying safe and protecting others guidance, which includes guidance on face coverings. BACTA have shared the industry guidance with their members.

Sectors and groups affected

The closure requirements related to levels 3 and 4 in the Strategic Framework, which have been implemented in the Health Protection (Coronavirus) (Restrictions and Requirements) (Local Levels) (Scotland) Regulations 2020 will affect:

- AGCs (as a type of amusement arcade)
- FECs (as a type of amusement arcade)
- Outlets and centres which have gaming machines
- Motorway Service Stations
- Businesses providing services to customers for the amusement arcades industry (e.g. supply chains, transport providers, vending machine food providers)

The key measures which will affect the amusement arcades sector are presented in this table:

Amusement Arcades Measures (socialising rules apply)	Level 0 (Baseline)	Level 1	Level 2	Level 3	Level 4
Family Entertainment Centres (FECs) and Adult Gaming Centres (AGCs)	Open, with mitigating measures in place	Open, with mitigating measures in place	Open, with mitigating measures in place	Closed	Closed

Our approach to assessing options

Within this BRIA we have compared the package of measures within each level against the baseline approach of level 0. This has allowed us to present the clinical evidence for intervention at each level setting out the health benefits, whilst acknowledging the potential impacts on the amusement arcades and other affected businesses mentioned above. We have also set out some other key options considered at each level. Throughout these measures we have sought to develop the right package of measures to reduce circulation of the virus whilst limiting wider health, economic and social harms.

Our objective is to get all parts of the country to level 0 or level 1 and remain there if we can. Within these levels, we would expect to see low incidence of the virus with isolated clusters, and low community transmission. Broadly, these levels are the closest we can get to normality without a vaccine or effective treatment which would allow us to move to Phase 4 of the Route Map and then back to normality. They would be similar to the measures in place during the summer, once we reached Phase 3. The Baseline and Level 1 are designed to be sustainable for longer periods.

In assessing the relevant options for each level we considered current and previous restrictions, international best-practice and examples, clinical and sectoral input, and proposals from, industry, and experts. We analysed the relative impact of each of the options on the spread of the virus, as well as the additional costs and benefits.

Options for 'Baseline' / Level 0

The Baseline (Level 0) is designed to be sustainable for longer periods. Within this level, we would expect to see very low incidence of the virus with isolated clusters, and low community transmission. Broadly, this level is the closest we can get to normality, without a vaccine or effective treatment in place. The Baseline is similar to what was in place during the summer, once we reached Phase 3 of the Route Map.

Options for Level 1

Option 1: maintain Baseline

This option would mean that amusement arcades, whilst applying the mitigating actions that are required at all levels, could operate a full service.

This effectively takes Scotland back to the position during the summer, once we reached Phase 3 of the Route Map, when amusement arcades were open with mitigating measures in place. This would affect all amusement arcade venues. It would have a positive impact on their revenue generation, employment of staff, and on supply-side businesses – although customer numbers would still be limited by physical distancing requirements.

The risk-reduction benefits would be achieved from the mitigating actions in place August 24, such as physical distancing screens, one-way systems, ventilation, use of contactless payments, and increased

hygiene.

The opportunity for virus transmission would be relatively high, even taking into account the existing mitigations as businesses have already invested a lot of time, money, and effort in implementing these and the evidence demonstrates that amusement arcades continue to be high-risk settings.

In level 0, where there is very low incidence of the virus, physical distancing measures, and restrictions on social gatherings will still be in place, and these are considered sufficient to support suppression of the virus. In level 1, there are slightly higher rates of virus. Therefore there are greater public health risks of doing nothing to restrict opportunities for social mixing. Given the increased risk at level 1, doing nothing and maintaining the base line measures would not meet the public health objectives.

Option 2 for level 1: Close all amusement arcades businesses

This option would mean that all amusement arcades settings could not open within a level 1 Local Authority Area. This would affect all businesses within the area, and their customers. It would impose substantial costs on businesses affected, impacting revenues and leaving businesses still having to meet fixed costs.

Complementary industries, such as transport and supply chains, would also be affected, resulting in loss of income and job losses

In general, the impacts for amusement arcades would be the closure of businesses / facilities and inability to generate income to cover costs (overheads such as rent, rates and water).

Conclusion

In considering the evidence around options for level 0 and level 1 Scottish Ministers weighed up the need to reduce social interaction, clinical evidence regarding the spread of infection, and the social and economic harms of intervention. It was concluded that the selection of this measure - in preference to mandatory closures – dilutes the effectiveness in reducing the R rate, but this reduced effectiveness is offset by other measures implemented at this level and the fact that the degree of reduction needed to bring the spread of virus back until control will be less extreme at these levels.

It was therefore determined that, in line with clinical advice and other evidence and considerations, amusement arcades will be open with mitigating measures in place under levels 0, and level 1.

Options for Level 2 and 3

Within Level 2 we would expect to see increased incidence of the virus, with multiple clusters and increased community transmission. There would be a graduated series of protective measures to tackle the virus, focusing on key areas of risk – broadly, indoor settings where household mixing takes place with less, or less well-observed, physical distancing and mitigations.

Level 3 would see all of the increased incidence levels mentioned in level 2 but with a higher R number. The protective measures would be the same as level 2.

The measures would be introduced on the basis of evidence and would preferably be intended to be in place for relatively short periods (preferably less than 4 weeks), and only for as long as required to get the virus down to a low, sustainable level.

OPTIONS FOR LEVEL 2

Option 1 for Level 2: maintain Baseline

This would mean that amusement arcades settings, whilst applying the mitigating actions that are required at all levels, could operate a full service, with all the benefits this has for continued income generation, employment of staff, and operation of supply-chain businesses. Risk-reduction benefits would be achieved from the mitigating actions (for example general rules on social gatherings).

Under level 2, there would be increasing community transmission and multiple clusters. For example, more than 75 cases per 100,000 population¹⁰³. There are therefore greater public health costs of not restricting social interaction within high risk settings. Level 1 measures would, in many cases, have already been applied and would not have been sufficient.

Option 2 for level 2: Close all amusement arcades businesses

This option would mean that all amusement arcades settings could not open within a level 2 Local Authority Area. This would affect all businesses within the area, and their customers. It would impose substantial costs on businesses affected, impacting revenues and leaving businesses still having to meet fixed costs.

Complementary industries, such as transport and supply chains, would also be affected, resulting in loss of income and job losses

In general, the impacts for amusement arcades would be the closure of businesses / facilities and inability to generate income to cover costs (overheads such as rent, rates and water).

Conclusion

In considering the evidence Scottish Ministers weighed up the need to reduce social interaction, clinical evidence regarding the spread of infection, and the social and economic harms of intervention. It was concluded that the selection of this measure - in preference to mandatory closures – dilutes the effectiveness in reducing the R rate, but this reduced effectiveness is offset by other measures implemented at this level and the fact that the degree of reduction needed to bring the spread of virus back until control will be less extreme at these levels

It was therefore determined that, in line with clinical advice, amusement arcades will remain open with mitigating measures in place under level 2.

OPTIONS FOR LEVEL 3

Under level 3, there would be increasing community transition and multiple clusters. For example, more than 150 cases per 100,000 population. There are therefore greater public health costs of not restricting social interaction within a high-risk setting as the virus would continue and accelerate its spread, ultimately

¹⁰³ Decisions regarding which level applies to each local authority will be informed by 5 key indicators: Numbers of new cases per 100,000 people, test positivity rate, future number of cases per 100,000 people, number of people likely to need acute hospital care in future weeks, number of people likely to need intensive care in future weeks. Further information on these indicators can be found at: <https://www.gov.scot/publications/coronavirus-covid-19-allocation-of-levels-to-local-authorities/>

resulting in direct harms to health.

Option 1 for Level 3: level 0 Baseline

This would mean that amusement arcades settings, whilst applying the mitigating actions that are required at all levels, could operate a full service, positively impacting on revenue, employment of staff, and on supply-side businesses. Beyond the risk-reduction benefits achieved from the mitigating actions there would be no further public health benefits. Due to the higher level of the R number allowing amusement arcades to open in level 3 areas would increase the risk of transmission.

Option 2: Close all amusement arcades businesses

This option would mean that all amusement arcades settings could not open within a level 3 Local Authority Area. This would affect all businesses within the area, and their customers. It would impose substantial costs on businesses affected, impacting revenues and leaving businesses still having to meet fixed costs. This approach would benefit public health by reducing the risk of transmission of the virus.

Complementary industries, such as transport and supply chains, would also be affected, resulting in loss of income and job losses

In general, the impacts for amusement arcades would be the closure of businesses / facilities and inability to generate income to cover costs (overheads such as rent, rates and water).

Conclusion

In considering the evidence Scottish Ministers weighed up the need to reduce social interaction, clinical evidence regarding the spread of infection, and the social and economic harms of intervention.

It was determined that, in line with clinical advice, all amusement arcades would be required to stay closed at level 3

Options for Level 4

Level 4 will be deployed only if absolutely necessary intended as a short, sharp intervention to address high transmission rates.

Within this level we would expect to see very high or rapidly increasing incidence, and widespread community transmission which may pose a threat to the NHS to cope. It is likely that this level would see the introduction of measures close to a return to full lockdown. Measures would be designed to be in place for a short period, to provide a short, sharp response to quickly suppress the virus. Measures introduced in level 4 would be to control and suppress the spread of the virus, reduce transmission rates, hospital admissions, deaths, allow key services to continue such as education and avoid overwhelming of the NHS

Option 1 for Level 4: level 0 Baseline

This would mean that amusement arcades settings, whilst applying the mitigating actions that are required at all levels, could operate a full service, positively impacting on revenue, employment of staff, and on supply-side businesses. Beyond the risk-reduction benefits achieved from the mitigating actions there would be no further public health benefits. Due to the higher level of the R number allowing amusement arcades to open in level 4 areas would increase the risk of transmission.

Option 2: Close all amusement arcades businesses

Due to the high level of the R number this approach would benefit public health by reducing the risk of transmission of the virus.

This option would mean that all amusement arcades settings could not open within a level 4 Local Authority Area. This would affect all businesses within the area, and their customers. It would impose substantial costs on businesses affected, impacting revenues and leaving businesses still having to meet fixed costs.

Complementary industries, such as transport and supply chains, would also be affected, resulting in loss of income and job losses

In general, the impacts for amusement arcades would be the closure of businesses / facilities and inability to generate income to cover costs (overheads such as rent, rates and water).

Conclusion

In considering the evidence Scottish Ministers weighed up the need to reduce social interaction, clinical evidence regarding the spread of infection, and the social and economic harms of intervention.

It was determined that, in line with clinical advice, all amusement arcades would be required to stay closed at level 4

Scottish Firms Impact Test:

There has been engagement with BACTA (British Amusement Catering Trade Association) the trade association that represents the UK's Amusement arcades Industry in developing the provisions within the Strategic Framework. This engagement is set out within the consultation section of this BRIA.

What proportion of businesses are registered in Scotland?

There are 75 amusement arcade businesses registered in Scotland out of which 50 are AGCs and 25 are FECs.

• Will it have an impact on the competitiveness of Scottish companies within the UK, or elsewhere in Europe or the rest of the world?

As of 5 November England will return to a full nationwide lockdown situation with only limited activities permitted. Pubs, clubs, bars, leisure centres, bingo halls, bowling alleys, AGCs and arcades will be required to close; while Motorway Service Stations will remain open on site arcades will be closed. The lockdown will last until December 2nd when the UK Government will look to return to the current tiered approach. In this sense, assuming businesses in Scotland are closed for the same period as in England then they are not disadvantaged.

• How many businesses and what sectors is it likely to impact on?

The majority of amusement arcades operating in Scotland are micro and small businesses. As previously stated there are around 75 businesses registered as either AGCs or FECs in Scotland employment and turnover figures are not available. The figures in the table below for from the Interdepartmental Business Register (2019) and the Business Register and Employment Survey (2018) to amusement and recreational businesses which is a broader level of businesses. The measures within the Strategic Framework may impact disproportionately on small businesses who may experience cash-flow problems as a result of any further tightening of restrictions.

Example Table: Breakdown of the Scottish other amusement and recreation activities

Sector	Employment (2019)	Number of Businesses (2019)	Number of Business Sites (2019)
<i>Other amusement and recreation activities</i>	7000	365	395

• What is the likely cost or benefit to business?

The measures set out in the strategic framework are likely to have significant costs for amusement arcades businesses. Currently businesses are allowed to open up to level 2 and close at level 3 and 4.

Costs will escalate if local authorities are required to move up levels, e.g. from level 2 to 3 the impact for amusement arcades would be the closure of businesses / facilities and inability to generate income to cover costs (overheads such as rent, rates and water).

Also moving between levels (from level 3 & 4 to 2) will incur start up and shut down costs in relation to for example staff wages and training and having to dispose of perishable stock etc.

Any further restrictions to trading or further temporary closures to amusement arcades will have significant impacts on the economy. Many of these businesses are operating well below pre-Covid capacity and some have recently just been able to reopen. Amusement arcades, currently have limited opportunities for revenue generation and the viability of many businesses in this sector, and associated jobs, are under threat.

The costs to amusement arcades businesses will however, be partially off-set by the business support schemes in place by the Scottish Government and the UK Government Job Support Scheme.

Competition Assessment:

Closing amusement arcades industry will likely impact on competition between businesses

• Will the measure directly or indirectly limit the number or range of suppliers?

Whilst the amusement arcades sector, has shown gradual signs of recovery, activity levels remain significantly below pre-COVID levels as they were only permitted to re-open on 24 Aug. Businesses are currently only allowed to open in level 0, 1 and 2 areas and closed at level 3 and 4.

With further restrictions and the potential for level 4 measures there is the potential that some businesses could cease trading. This could limit the number and range of suppliers.

• Will the measure limit the ability of suppliers to compete?

The different levels depending on the severity of the epidemic are likely to be advantageous to amusement arcades in areas at levels 0, 1 and 2 where they are allowed to open and to betting shops in particular as they are allowed to be open at level 3 whereas amusement arcades are not. Thus the betting shops with gaming machines would benefit.

The requirement for amusement arcades to remain closed in level 3 and 4 areas are also likely to increase costs for amusement arcades and other related businesses potentially making it harder for new businesses to compete.

The new guidance against non-essential travel in and out of areas may also impact on city centre and seaside arcades as people will be discouraged from traveling into town and city centres and visiting amusement arcade venues.

• **Will the measure limit suppliers' incentives to compete vigorously?**

It is not anticipated that the measures in the strategic framework will impact on suppliers incentives to compete vigorously.

• **Will the measure limit the choices and information available to consumers?**

Some of the measures in the strategic framework will limit the choices and information available to consumers through limited availability and lack of alternatives.

Consumer Assessment:

The following sets out the Scottish Government's view on the impact of the amusement arcades measures within the Strategic Framework on consumers. Scottish Government will continue, as with all measures, to keep this under review.

• **Does the policy affect the quality, availability or price of any goods or services in a market?**

Restrictions will impact upon consumers in terms of the inability to visit amusement arcades in levels 3-4. The physical distancing measures will also impact consumers at levels 0, 1 and 2 because they may result in a limit on the number of customers who can be admitted at a time.

• **Does the policy affect the essential services market, such as energy or water?**

There is no expected impact on markets for essential services.

• **Does the policy involve storage or increased use of consumer data?**

No

• **Does the policy increase opportunities for unscrupulous suppliers to target consumers?**

This is unlikely to occur as a consequence of the strategic framework

Test run of business forms: N/A

Digital Impact Test: N/A

Legal Aid Impact Test: N/A

Enforcement, sanctions and monitoring: Regulations have been put in place to support the implementation of the measures. Monitoring and enforcement will be undertaken by Local Authority Environmental Health Officers and, in some cases, Police Scotland.

Implementation and delivery plan and post-implementation review:

Regulations and guidance have been put in place to support the implementation of the measures contained within the Strategic Framework. These regulations will come into effect from the 2nd November 2020. We are continuing our constructive engagement with the sector and are analysing the clinical evidence to determine whether it is possible to allow amusement arcades to open in level 3 areas.

Summary and recommendations:

Introduction

This BRIA has examined the amusement arcades measures within each level of the Strategic Framework and compared these measures with the baseline option, the equivalent of Level 0 in the Strategic Framework.

Background

The Scottish Government's strategic framework includes a package of measures which collectively are designed to suppress transmission of the virus.

Whilst this BRIA is focused on amusement arcades measures are also being taken to reduce opportunities for transmission across a range of settings. It is important to view amusement arcades measures in the context of this wider package of actions.

Options Appraisal

The Strategic Framework includes a range of actions designed to suppress virus transmission. In taking action a careful balance needs to be struck between protecting health and minimising the negative impacts on business, jobs and livelihoods.

The text and table below brings together the benefits and costs by option as set out in this BRIA. The summary table below brings together the benefits and costs of:

- Opening amusement arcades based on licensing times (in level 1-2)
- Closing amusement arcades (in level 3)
- Closing amusement arcades (in level 4)

It compares these measures against the baseline / level 0 option. More detailed discussion of each of the levels and the options that have been considered by Scottish Ministers within levels is contained within the main body of this document.

Option 1: Baseline

The baseline option (effectively level 0 of the Strategic Framework) would have a positive economic impact on amusement arcade venues through their revenue generation, employment of staff, and on supply chain businesses. However this would be off-set by the health risks associated with increased opportunities for virus transmission.

Amusement arcade venues are characterised by many of the high-risk factors associated with transmission of the virus. The health risks posed would increase as the R rate increased meaning there would be potential for increased community transmission and multiple clusters.

Higher rates of infection may ultimately impact negatively on the amusement arcade industry as trade would be reduced due to customers being anxious about social interaction. The workforce may be affected by higher levels of sick workers due to high rates of Covid-19, or larger numbers of staff self-isolating for 14 days.

Option 2: Strategic Framework

Measure	Benefits	Costs
Open, with mitigating measures in place (in level 1-2)	<p>Amusement arcade venues are characterised by many of the high-risk factors associated with transmission of the virus.</p> <p>But with hygiene and physical distancing rules in place It was determined that, in line with clinical advice, outlets can open and licensing times will apply under level 1-2.</p>	<p>Opening based on licensing times with tighter mitigating measures i.e. physical distancing will restrict demand, reduce revenue and turnover and consequently affect the financial viability the amusement arcades businesses.</p> <p>As restrictions are tightened moving to higher levels will increase the negative economic impact on businesses and increase risk of redundancies.</p>
Closing amusement arcades (in level 3 & 4)	<p>Level 3 & 4 will be deployed only if absolutely necessary as a short, sharp intervention to address extremely high transmission rates. Within this level we would expect to see very high or rapidly increasing incidence, and widespread community transmission which may pose a threat to the NHS to cope. Closing amusement arcades (along with the package of other measures under level 4 of the Strategic Framework) would lead to a rapid reduction in infection rates.</p>	<p>Evidence from the lockdown period shows that the immediate closure of businesses led to a collapse in income and immediate cash-flow and viability challenges for many sectors of the economy. Closure will threaten viability of businesses putting jobs at risk and leading to higher unemployment.</p>

Conclusion

This BRIA has set out the relative costs and benefits of options with the intended effect of suppressing the virus whilst acknowledging and minimising the economic harms faced by businesses.

It is also important to note that we have set out a comprehensive package of financial support for businesses in the amusement arcade sector to mitigate the negative impacts of the restrictions.

The new Scottish Government financial support will apply across all the relevant levels and will provide:

- A grant of £2,000 or £3,000 (depending on rateable value) for business required to close by law, payable every four weeks for the duration protective measures are in place
- A hardship grant of £1,400 or £2100 (depending on rateable value) for businesses that remain open but are specifically required to modify their operations by protective measures, payable every four weeks for the duration measures are in place

These grants will be provided, to eligible businesses, and paid in fortnightly instalments (subject to discussions with local authorities). This support is in addition to the UK government Job Support Scheme whereby employees working for businesses legally mandated to shut will receive 67% of their salary paid for by government.

Employees working for businesses affected by restrictions but not fully shut, will also receive support to enable businesses to keep employees on part time. This would include businesses limited to certain opening times or table service, and businesses adversely impacted by social distancing rules.

The employee will receive 73% of their normal salary, but must work a minimum of 20% of their normal hours. The employer must pay for that 20% (as the employee is working), plus 5% of salary costs for the time not worked, plus national insurance and pension contributions.

These support measures are designed to support businesses and mitigate the negative impacts of the restrictions which have been identified and considered. We will continue to engage with the sector on the impact of the measures, and the level of support available, as they are implemented.

Summary and recommendations:

Introduction

This BRIA has examined the measures included within Scotland's Strategic framework which relate to the closure or restricting of the following sectors:

- Accommodation
- Retail
- Close Contact Services
- Stadia and Events
- Sports and Exercise
- Indoor bowling, snooker and pool halls
- Soft play
- Arcades

Background

The Scottish Government's Strategic Framework includes a package of measures which collectively are designed to suppress transmission of the virus.

Whilst this BRIA has focused on a number of sectors, the Strategic Framework includes measures across a wide number of settings and provides a comprehensive approach to reducing infection rates and suppressing the spread of the virus. Each of the levels is designed to reflect the relative severity of the area it is being applied to, with progressively heightened restrictions implemented as necessary. It is important to view individual measures within the broader context of the package of measures within each level.

Options Appraisal

The Strategic Framework includes a range of actions designed to suppress virus transmission. In taking action a careful balance needs to be struck between protecting health and minimising the negative impacts on business, jobs and livelihoods. The types of measures that the BRIA have examined include restricting use to only essential purposes; requiring additional protective measures; restricting numbers or seating arrangements; restricting operations to outdoor settings; and closing businesses/premises.

The option appraisal has considered the impact that the measures would have on transmission risks, and on economic costs.

Transmission and Risk Factors

We know from contact tracing, international evidence, and scientific research that a wide range of social, residential, and workplace settings have been associated with transmission. The highest risks of transmission, including those from super-spreading events, are associated with poorly ventilated and crowded indoor settings with increased likelihood of aerosol emission and no face coverings are worn such as bars, nightclubs, parties/family gatherings, indoor dining and gyms and exercise classes. Poor ventilation and crowding have been suggested to be factors in numerous transmission clusters^{104,105}.

¹⁰⁴ Leclerc QJ FN, Knight LE. What settings have been linked to SARS-CoV-2 transmission clusters? [version 1; peer review: 1 approved with reservations]. Wellcome Open Res **2020**; 5:83

¹⁰⁵ Dillon Adam PW, Jessica Wong et al. Clustering and superspreading potential of severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2) infections in Hong Kong

The Government recognises from Test and Protect data¹⁰⁶ that a high proportion of new cases came from social interactions between different households in our homes, where it can be difficult to maintain physical distance and have good ventilation. Given transmission of the virus within homes is high risk¹⁰⁷¹⁰⁸, gatherings in private dwellings was targeted first and will be restricted to some degree across all of the 5 levels. However, other settings also have the potential to transmit the virus due to the risk factors. Understanding settings where multiple risk factors come together, and large outbreaks are likely to occur, is important in controlling the epidemic. Limiting social mixing as much as possible in all settings is the most effective measure against transmission of the virus until a vaccine and treatments become available.

Each place an individual visits brings different risks of the transmission of COVID-19 depending on a range of factors, such as¹⁰⁹:

- the mix and number of people present
- the amount of time individuals are likely to spend there
- the ability to maintain 2 metre distancing
- the likelihood of pinch points where people might gather (e.g. toilets, entrances and exits)
- the standard and type of ventilation
- the likelihood of people touching surfaces and goods
- the potential for significant aerosol projection activity¹¹⁰

Risk factors for different businesses in different sectors vary hugely, and most will have a number of risk factors to consider. This BRIA has examined a range of options which will have different impact on reducing these risk factors. In general, there is a greater increase in risk factors, and therefore in the potential for COVID-19 transmission, as we move through the five levels of the Strategic Framework.

- In Levels 0 and 1, we would expect to see low incidence of the virus with isolated clusters, and low community transmission. Many sectors can continue to operate, with a range of mitigating measures in place. However, for some sectors, such as nightclubs, the risk factors are so significant that they cannot be re-opened safely.
- In Levels 2 and 3, we would expect to see increased incidence of the virus, with multiple clusters and increased community transmission. There would be a graduated series of protective measures to tackle the virus, focusing on key areas of risk. For example, in sports and exercise level 2 the graduated measures include restricting indoor contact sports for age 18+, where there would be reduced ability to maintain 2m distancing, increased likelihood of people touching surfaces etc. In level 3, this graduated measure is extended so that only individual exercise is permitted indoors (for 18+ age).
- In Level 4, we would expect to see very high or rapidly increasing incidence, and widespread community transmission which may pose a threat to NHS capacity. Measures would be in place for a short period, to provide a short, sharp response to quickly suppress the virus. This could include the closure of aspects of all of the businesses within the scope of this BRIA, subject to exceptions.

¹⁰⁶ <https://www.gov.scot/publications/coronavirus-covid-19-update-first-ministers-speech-22-september-2020/>

¹⁰⁷

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/925856/S0770_NPIs_table_pivot.pdf

¹⁰⁸ <https://www.gov.uk/government/publications/sars-cov-2-transmission-routes-and-environments-22-october-2020>

¹⁰⁹ [COVID-19: NOTE BY THE CHIEF MEDICAL OFFICER, CHIEF NURSING OFFICER AND NATIONAL CLINICAL DIRECTOR 7th October 2020](#)

¹¹⁰

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/933225/S0824_SARS-CoV-2_Transmission_routes_and_environments.pdf

Economic Costs

In general, the negative economic impact increases as we move through the levels. Some of the packages of levels disproportionately affect the sectors of the economy that were impacted more in the first lockdown. These sectors may continue to struggle for viability and are now less resilient for a second period of further restrictions / closure, such as accommodation, culture and events. At the extreme, a level 3 or level 4 lockdown could leave many businesses and households extremely vulnerable and risk redundancies.

- Level 0: The negative economic impact within the lowest level of the Framework will be minimised, with the majority of sectors operational. However, it is important to note that some restrictions will still be in place to minimise transmission of the virus, with social distancing measures in particular impacting on the events and entertainment sectors.
- Level 1: The main negative economic impacts come through firms operating at below capacity as a result of physical distancing rules as well as the socialising rules which weaken demand particularly in the hospitality sector. Nightclubs and sexual entertainment venues will be required to close and these sectors will be particularly impacted by their inability to open at any of the levels. Guidance on travelling to higher risk areas may further weaken demand in the economy. Restrictions will result in revenue forgone for many businesses.
- Level 2: Further closure of businesses such as venues and stadia will disproportionately affect the events sector and threaten its financial viability and associated jobs. The closure of more parts of the economy, such as the events sector, funfairs and snooker halls will have negative economic impacts.
- Level 3: The economic impacts of level 3 are high as more parts of the economy are closed down such as all leisure and some visitor attractions and restrictions on some sports activities. Closure would come at time when businesses have already incurred substantial and sustained losses. Once a business has closed it is not a simple reversal to re-open and could be a trigger for permanent closure. The situation is now very different to the period of the first lockdown in March and evidence shows that the risk of insolvency is real for many businesses in the hardest hit sectors. Further restrictions therefore represent a tipping point for the businesses affected. The travel guidance applying in level 3 areas will also have an impact on businesses outwith the local authorities at that level.
- Level 4: The economic impacts of level 4 are very high as restrictions includes closure of non-essential retail as well as close contact personal services and gyms. Closing non-essential retail could have particular adverse economic effects at a time when the sector is entering its 'golden quarter' in the run up to Christmas and when it makes most of its sales. Closing tourism will have a significant negative impact leading to business closure, unemployment and serious impacts on the food supply sector in Scotland. Impact on wider business and consumer confidence will also be significant. The economic context, has changed since the lockdown in March and business support is therefore crucial but may not be sufficient to cover losses. Second time around the negative impacts of closing down a large part of the economy may be amplified. The economic recovery is already fragile and a further lockdown will lead to a greater degree of structural damage to the economy from which it may take decades to recover and with long term scarring in terms of unemployment and the associated negative impacts on health and wellbeing.

Conclusion

This BRIA has set out the relative costs and benefits of options with the intended effect of suppressing the virus whilst acknowledging and minimising the economic harms faced by

businesses.

Closures and restrictions imposed upon businesses are unwelcome, but are necessary to control the virus. The progressive approach taken in the measures ensures that business can remain open where it is safe to do so, but we recognise that there are significant resultant costs to business.

We have set out a comprehensive package of financial support from the UK Government and the Scottish Government for businesses to mitigate the negative impacts of the restrictions, although we recognise it may not cover all losses. Subsequent to the regulations commencing on 2nd November, there have been changes to the financial support package, notably the extension of the UK Government Coronavirus Job Retention Scheme until the end of March 2021.

The new Scottish Government financial support will apply across all the relevant levels and will provide:

- A grant of £2,000 or £3,000 (depending on rateable value) for business required to close by law, payable every four weeks for the duration protective measures are in place
- A hardship grant of £1,400 or £2,100 (depending on rateable value) for businesses that remain open but are specifically required to modify their operations by protective measures, payable every four weeks for the duration measures are in place

These grants will be provided regardless of level, to eligible businesses, and paid in fortnightly instalments (subject to discussions with local authorities).

This support is in addition to the UK government Coronavirus Job Retention Scheme whereby employees working for businesses will receive 80% of their salary paid for by government.

- This applies to all countries and regions of the UK and is not linked to specific tiers or restrictions.
- The Government will fund 80% of wages for hours not worked with employers' contributions initially limited to employers' NICs and pension costs – reflecting the terms and conditions of the CJRS applicable in August 2020. Employer contributions will be reviewed in January.
- All employees who were on the payroll as of 30th October are now eligible.
- Employees that were on the payroll as at 23 September but have since been made redundant can be re-employed and claimed for

The UK Government also announced increased support for the self-employed who will also receive 80% of their average trading profits for November to January, with a further, as yet unspecified, grant to follow covering February to April.

The UK Government also announced (2 November)

- An extension of the coronavirus business interruption loan schemes until the end of January.
- Additional funding for Local authorities to support their local health response worth £500 million
- An extension of mortgage and consumer credit payment holidays, lasting 6 months

All these support measures are designed to support businesses and mitigate the negative impacts of the restrictions which have been identified and considered. We will continue to engage with the businesses affected on the impact of the measures, and the level of support available, as they are implemented.

Declaration and publication

Sign-off for BRIA:

I have read the Business and Regulatory Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the measures set out in the regulations and guidance. I am satisfied that business impact has been assessed with the support of businesses in Scotland.

Signed: Michael Russell

Date: 12th November 2020

Minister's name: Michael Russell

Minister's title: Cabinet Secretary for Constitution, Europe and External Affairs.