

Business and Regulatory Impact Assessment

UEFA European Championship

Act

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Scottish Government
Riaghaltas na h-Alba
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Final Business and Regulatory Impact Assessment

Title of Proposal

UEFA European Championship (Scotland) Act 2020 and associated Regulations.

Purpose and intended effect

Background

To commemorate the 60th Anniversary of the European Football Championship in 2020, the Union of European Football Associations (UEFA) is providing a “EURO for Europe” and has awarded twelve cities and countries the opportunity to host matches, including Glasgow.

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

The Championship as a whole presents a significant economic opportunity for Scotland. It will provide another opportunity for Scotland to demonstrate to the world that Glasgow is a vibrant, cosmopolitan, dynamic city, building on the legacy of the Commonwealth Games. The Scottish Government believes that the event will reinforce Scotland’s and, in particular, Glasgow’s reputation internationally as a major event and tourist destination.

This Business Regulatory Impact Assessment outlines the evidence, engagement and careful consideration that has been undertaken in relation to the UEFA European Championship (Scotland) Act 2020 (the Act) and associated secondary legislation.

Objectives

The Scottish Government aims to drive sustainable economic growth and enhance Scotland’s international reputation (in particular as a place to live, work, study, visit and invest) through delivery of the national tourism strategy, ‘Tourism Scotland 2020’, and the national events strategy, ‘Scotland the Perfect Stage’.

The key objectives of the policy delivered by the Act and regulations are:

- To prohibit the unscrupulous touting of match tickets, often at significantly inflated prices, both in person and by electronic methods;
- To meet UEFA's requirements for hosting the tournament in relation to protecting commercial rights and preventing ambush marketing;
- To protect the character and integrity of the Championship by eliminating inappropriate advertising and street trading;
- To control advertising (including giving away merchandise) in designated areas to ensure the safety and the free flow of spectators to and from the event zones, including accessing the Championship venue;
- To ensure that the Championship has a consistent "celebratory" look and feel across all 12 host cities; and
- To maintain and develop Scotland's reputation as a place to host successful major events.

The Scottish Government has ensured that the measures in the Act and regulations are targeted and proportionate, and draw upon the experience from the 2014 Commonwealth Games, which was the last major event in Scotland for which primary legislation was prepared. The proposals for street trading and advertising are intended to allow the vast majority of businesses in Glasgow to operate as normal while ensuring that the Championship interests and related objectives are not compromised.

Rationale for Government intervention

Current laws in Scotland are not adequate to implement the Rights Protection Programme in accordance with UEFA's requirements to host the Championship and so the Act and regulations will help to ensure successful delivery of the Championship by meeting these requirements during the period of the event. The Act prohibits ticket touting, which is considered to benefit the public as a whole. The legislation strengthens restrictions on street trading and advertising. It does not make provision in relation to any of the broader preparations that are underway to host the Championship, nor will it apply to any other events.

Much of this legislation is designed to tackle ambush marketing. Major events such as the UEFA European Championship attract large audiences and have positive values associated with their brand. They are, therefore, attractive to businesses seeking to promote their goods or services. Such businesses pay significant sums to the organisers of these events to become official sponsors, thereby securing the right to promote themselves and their goods or services as associated with the event.

If sponsors do not have confidence in the exclusivity of such sponsorships rights, their value as a source of revenue can become eroded. Ambush marketing describes the actions of companies or advertisers who seek to capture these benefits for themselves without the authorisation of the event organisers. If unregulated, such activity can prove very lucrative for those organisations as they gain the benefits of association without paying the sponsorship fee. Not paying this fee also allows them to direct greater levels of resource at traditional marketing activities. Such practices can frustrate an event's ability to attract commercial investment and undermine its

revenue base. Many sponsors now insist that protection against such tactics is in place before they commit.

The sale of such sponsorship rights provides a significant revenue stream for events which might otherwise have to rely more heavily on public subsidy.

The short term, high profile nature of the Championship leaves it vulnerable to ambush marketing strategies which could operate successfully within the law currently and so additional protection through the Act and regulations is required.

Demand for tickets for the Championship is expected to exceed supply. Government intervention is therefore also considered necessary to prohibit ticket touting of match tickets.

In the absence of the Act and regulations it is considered highly likely that ticket touting and unauthorised advertising and street trading would occur and that it would not be possible to provide the necessary level of rights protection required to host the event.

The Act and regulations provide for three event zones in Glasgow where street trading and advertising restrictions will apply: Hampden Park, the Merchant City, and George Square. Subject to Parliamentary approval of the regulations, the event zones are proposed to be in operation as follows;

- George Square zone: 10 June to 12 July 2020
- Hampden Park zone: 1 June to 30 June 2020
- Merchant City zone: 14, 15, 18, 19, 22, 23, 29 and 30 June 2020

The provisions related to ticket touting apply throughout and outwith Scotland, and prohibit ticket touting in person and by electronic methods. The legislation contains an exemption from the offence for auctions of tickets where the proceeds are given to a charity and a partial exemption for UEFA, as the only authorised seller of tickets in the primary and secondary market.

The Act provides for the enforcement of measures related to trading, advertising and ticket touting by designated enforcement officers. These will be drawn from the existing pool of experienced officers at Glasgow City Council, although consideration is currently underway of whether secondments from other local authorities will be required. Police Scotland may also enforce the legislation.

The package of subordinate legislation consists of:

- Trading and Advertising (Scotland) Regulations 2020;
- Ticket Touting Offence (Exceptions for Use of Internet etc.) (Scotland) Regulations 2020; and
- Compensation for Enforcement Action (Scotland) Regulations 2020.

Overall, the aim of the Act and regulations is to ensure the right balance between supporting local traders, minimising disruption for local people and businesses while protecting the integrity of the Championship by restricting street trading and advertising in event zones. These measures will help to ensure successful delivery of the event.

In particular, the legislation supports the achievements and outcomes of the Scottish Government's National Performance Framework¹, Scotland's Events Strategy² and, Scotland's Economic Strategy³.

- We have a globally competitive, entrepreneurial, inclusive and sustainable economy;
- We are open, connected and make a positive contribution internationally;
- There must be sustained support for and investment in events and business events from private, public and third sectors. Gaining this support requires a clear demonstration of value to those investing; and
- Promote Scotland's international brand, and showcase both Scotland and Scottish goods and services internationally and secure major international cultural and sporting events.

Consultation

Delivery Partners

The Scottish Government has consulted delivery partners on the legislative proposals, including the Local Organising Committee (LOC) which is made up of the Scottish Football Association, the Scottish Ministers, Glasgow City Council, Hampden Park Limited, VisitScotland and Police Scotland. The proposals have also been discussed with UEFA and Glasgow Life. These views helped to shape the legislation. In particular this engagement informed the development of the event zones and the necessary periods of restrictions.

Public Consultation

The requirement for the Act and regulations arose reasonably recently and so there has not been sufficient time for a full public consultation to be held. Initially the LOC had sought to deliver the required protections without developing new legislation. However, during detailed consideration and discussions with UEFA about how to deliver the event it became clear that there were some areas where strengthening commercial rights protection would be required, including on street trading and advertising. It was also decided that in addition to the terms and conditions of ticket sales, stronger enforcement powers were required through legislation for ticket touting.

An information session was held at Hampden Park in November 2019 to discuss the event, including the legislation. Invitations were issued to 2,333 businesses and residents within the proposed Hampden Park zone who may be affected by the Championship.

¹ <https://nationalperformance.gov.scot/index.php/what-it>

² <http://www.eventscotland.org/assets/show/4658>

³ <https://www.gov.scot/publications/scotlands-economic-strategy/>

Parliament

The Act was passed unanimously by the Scottish Parliament on 16 December 2019. During the Bill's parliamentary process there was general support for the proposals in relation to ticket touting, street trading and advertising. There were some concerns raised about the extent of enforcement powers and safeguards in place in relation to these and the Scottish Government brought forward a number of amendments to respond to these.

The Scottish Government shared illustrative regulations with the Scottish Parliament on 17 October 2019, in order to provide an indication of how powers in the Act were expected to be used⁴. While no written feedback was received on the content of the illustrative regulations, the Scottish Government has taken on board feedback from Parliament which was received during the Parliamentary process for the primary legislation, including ensuring that busking is excepted from the street trading restrictions. These illustrative regulations have been discussed with a range of stakeholders (see Business section below).

Business

As street trading is governed by the Civic Government (Scotland) Act 1982 and administered by local authorities, information on the number of street trading (business) licences held within the event zones has been gathered directly from Glasgow City Council to inform the data analysis for this Business Regulatory Impact Assessment.

There are no street trading licences currently in place for the proposed George Square and Merchant City event zones. As of 28 August 2019, Glasgow City Council has indicated that there are currently 107 street traders (113 licences) that will be affected by the proposed Hampden Park zone. Some of these traders have mobile licences, which allow them to trade in a number of parts of Glasgow, whereas some have fixed licences that allow them to trade in one particular location (called a stance). There are also currently 23 Pedlars licences, issued by Police Scotland, in force for the Greater Glasgow Division, some of whom work in the Championship zones.

Glasgow Life has identified advertising firms and media owners in Glasgow, though not all have media sites in the proposed zones. These are: Chris Stewart Group, Drum Development, Poster Plus, Insite Poster Properties Ltd, Build Hollywood T/a Jack Arts Scotland, The Poster Association, Clear Channel, Primesight, Exterion, JCDecaux, Infinity, Blow Up and Ocean.

Glasgow Life has also indicated that as at December 2019, there are 29 digital and inlink sites that are either in the event zones or in close proximity to them (Merchant City and George Square only, there are none for Hampden Park). These are owned by Clear Channel, Global, and JCDecaux.

⁴ https://www.parliament.scot/S5_European/Inquiries/CTEEA_2019.10.17_MinEuropetoConvenerUEFA.pdf

The Scottish Government wishes to learn from previous experience from the 2014 Commonwealth Games. Key feedback from the business engagement during the BRIA process for the Glasgow Commonwealth Games (Scotland) Act 2008 was that it would be important that businesses were well informed about the restrictions. For the Commonwealth Games this was done through publication of guidance which translated the legislation into an easy to follow format suitable for all businesses that may be affected.

When developing the legislation, the Scottish Government and Glasgow City Council arranged two informal drop in sessions in August 2019. Businesses, street traders and media owners that could potentially be affected by the introduction of the Bill and associated regulations were invited. Other organisations such as the Federation of Small Businesses, Glasgow Chamber of Commerce, the Scottish Retail Consortium, and Greater Glasgow Hoteliers Association were also invited.

The meetings were intended to provide the businesses with details about the proposed legislation and hear the views of those who could be affected so that this could help to inform the development of the legislation. Telephone calls took place with street traders and other businesses that wanted to understand the proposals but who could not attend in person.

In addition to the drop in sessions and phone calls, Scottish Government officials attended the proposed Hampden event zone before a football match in order to speak to street traders about the legislation. From its engagement, the Scottish Government understands that most of these traders also trade in other parts of Glasgow (for example at Celtic Park and Ibrox Stadium). Some indicated that they would trade in other parts of Scotland (such as at Murrayfield, Edinburgh), while one indicated that they would trade in other parts of the UK, including London.

The Scottish Government has also engaged directly with the Advertising Association, the Scottish Police Federation, the Association of Tartan Army Clubs, the Scottish Football Supporters Association, Supporters Direct Scotland and Mount Florida Community Council during the Bill's Parliamentary process, including sharing illustrative regulations. This has helped to inform policy development and is expected to assist with awareness raising about the restrictions.

Street traders – key matters raised

Other opportunities to trade: A number of the traders understood that there were requirements to hold a major event that could include restrictions on trading around the Championship venue. Almost all traders were interested in what alternative trading arrangements would be offered by Glasgow City Council (as provided for in the Act), including whether there might be scope to trade near, or in, the city centre. Some were also interested in what scope there was to become a UEFA approved partner (the Scottish Government provided appropriate contact details so that this could be discussed with UEFA directly) although others did not think that this would be something that would be suitable for them.

Size of the event zone: Some of the traders were concerned about the size of the Hampden Park event zone, which is based on the Commonwealth Games event zone, although others thought that it was reasonable to use the 2014 event zone.

Impact on small traders to the benefit of larger companies: This concern was raised by two of the traders. To help to mitigate the impact of the restrictions on street traders the Act provides that Glasgow City Council must offer alternative trading arrangements during the time the event zone is in operation. One trader noted that there was likely to be quite a lot of competition between existing traders to get another location, given the numbers likely to be affected. The temporary licence fee that would usually be associated with applying for a temporary trading licence (£62) will be waived by the Council and the Council will prioritise processing these applications. Two traders asked about whether it would be possible to trade in the city centre zones instead. Traders affected by the proposed event zones will be advised to register on Public Contracts Scotland to be notified of tender opportunities, although there is no guarantee that they would be successful.

Other businesses – key matters raised

Road closures: A number of businesses were concerned about road closures, restrictions on parking and what was planned in terms of public transport given the number of people that would be in the city centre and around Hampden Park. These matters are not included in the Act and regulations but form part of wider planning for delivery of the event. Further information is available on the Get Ready Glasgow website.⁵

Costs to businesses: Some concerns were raised about any costs to businesses of covering or removing advertising. The Scottish Government considers that these costs are likely to be small and would be more than offset by the business opportunity the Championship represents. A number of exceptions to the advertising restrictions are included in the regulations. This will reduce any potential costs for businesses by permitting certain advertising. For example, advertising on buses and taxis will be permitted, as will advertising where there is an existing contract in place that cannot be cancelled without a penalty, and advertising permitted under the Town and Country planning regulations. In addition, the dates of operation of the zones, in particular for the Merchant City, have been minimised in order to reduce the impact on businesses.

UEFA has indicated its intention to provide assistance to local businesses (including providing options for branding for street furniture) where businesses are impacted by the legislation and will seek to engage with businesses directly when it undertakes site visits early in 2020.

⁵ <http://www.getreadyglasgow.com/>

Newspapers: The Advertising Association raised a query about advertising supplements with newspapers. The Scottish Government has clarified wording in the regulations based on this feedback to ensure that it is clear that it is only advertising supplements that are intended to act as ambush marketing of the event that are not permitted.

Awareness raising: Some suggested the need for good communication about the restrictions in a range of formats so businesses knew what was and was not permitted. This has been considered during development of the Act. A duty has been placed on Glasgow City Council to publish guidance on the advertising and trading restrictions. This will be available in hard copy as well as online. It is also the intention to publicise the event zones, for example in local newspapers and other media, as appropriate, to ensure that those affected are aware of the restrictions.

Overall, most of the businesses that attended the drop-in sessions or that the Scottish Government has engaged with through other means indicated that what was proposed on advertising and street trading was reasonable and would be likely to have a minimal impact on their day to day business.

Options

Prior to development of the Bill, four options were considered by the Scottish Government.

Option 1: Do nothing (reliance on existing legislation and regulations)

Under this option it is expected that the event would go ahead and that existing legislation would be relied upon to try to deliver the required protection of commercial rights and discourage ticket touting.

Existing powers are as follows:

Street Trading – In Scotland street trading is regulated under the Civic Government (Scotland) Act 1982⁶, administered by local authorities. The 1982 Act provides for a street trader's licence to be required for trading by a person whether trading on their own or as an employee. There are certain exemptions set out, relating to the sale of certain goods, and for activities in respect of which a pedlar's certificate has been granted. Governance under the Civic Government (Scotland) Act 1982 is generally not sufficient to meet the key aims of the policy, largely due to the inability to suspend current licences in the event zones on particular days and limit trading to approved event sponsors.

Advertising – In Scotland the display of advertisement is controlled by the Town and Country Planning (Control of Advertisements) (Scotland) Regulations 1984⁷. Local authorities are responsible for the day to day operation of advertising control. Although the Town and Country Planning (Control of Advertisements) (Scotland) Regulations 1984 give local authorities the ability to require the removal of illegal

⁶ <http://www.legislation.gov.uk/ukpga/1982/45/contents>

⁷ <https://www.legislation.gov.uk/uksi/1984/467/contents/made>

advertisements on private property, the removal process is too slow to enable Glasgow City Council to deal effectively with advertisements installed during the Championship. Ambush marketers in particular are becoming particularly innovative in finding ways to associate their brand, in an unauthorised fashion, with large scale high profile events.

Ticket Touting – Scots law restricts ticket touting through section 55 of the Civic Government (Scotland) Act 1982. This does not specifically criminalise the touting of tickets but rather causing annoyance, either to persons being approached to purchase tickets, or any other person who has reasonable grounds to be annoyed by the selling operation. The offence can be committed only by touting in a public place, and therefore does not cover ticket touting by electronic methods. Furthermore, the offence arises only where touting has continued in spite of a request from a constable in uniform that the tout desists. The Civic Government (Scotland) Act 1982 is not truly concerned with the prevention of ticket touting but rather the prevention of a public nuisance. As such it is incapable of satisfying the policy intention. In addition, anyone selling a ticket would have to provide information regarding the face value, location and any restrictions or conditions as per the Consumer Rights Act 2015 Chapter 5⁸. Any ticket conditions (such as prohibiting resale) could be enforced at the stadium to try to discourage touting, although by that point the person buying the ticket would be the one affected, rather than the person selling the ticket. This is unlikely to discourage ticket touts, though it may help to discourage the public from buying touted tickets. This is not ideal and it would be better to have specific provisions to limit ticket touting, both in person and by electronic methods, to discourage people who wish to try to profit from reselling match tickets. For street trading of tickets, if this is not licensed under the Civic Government (Scotland) Act 1982 an offence will have been committed.

Benefits

This option would mean the Scottish Government would not be required to produce the Act and associated regulations, but would result in the Championship not meeting the assurances that have been provided to UEFA as a condition of hosting the event. It is expected that the event would still go ahead under this option, although it is possible that UEFA could decide not to proceed with Glasgow as a host of the event.

There would also be less necessity for increased resource from Glasgow City Council (estimated at £45,000-£85,000) and Police Scotland (£5,000) to enforce the enhanced regulation, so this would be a saving compared to option 3.

Businesses that are affected by options 2, 3 and 4 would not be under this option and would be able to trade as usual. This is likely to be most beneficial to street traders in the Hampden Park event zone who would not be able to trade in their usual location under the other options.

⁸ <https://www.legislation.gov.uk/ukpga/2015/15/part/1/chapter/5>

Costs

If Scottish Ministers had not prepared legislation then Glasgow would be unlikely to meet UEFA's requirements to host the Championship. Without detailed regulation to prevent ambush marketing or trading activity, UEFA may find it more difficult to secure investment commitment from sponsors, for example to purchase advertising space. This could potentially have a significant negative financial impact on the delivery and success of the Championship in Scotland. Not meeting the standards required by UEFA could have a negative impact on Scotland's reputation as a place to hold major events, and might make it less likely that we are successful in bidding for events in the future, which could have a negative economic impact.

Summary

Ultimately, relying solely on existing legislation would not act as a sufficiently strong deterrent to ambush marketing and trading and would not meet UEFA requirements. Existing legislation was not drafted to support such a large and time critical event as the UEFA Euro 2020 Championship. It is therefore insufficient for example, to prevent illegal ambush marketers from benefiting from an association with the Championship. Nor is it considered sufficient to discourage ticket touting.

Option 2: Voluntary restrictions on trading, advertising and ticket touting

Under this option agreement would need to be reached with street traders not to trade when the zones are in operation on a voluntary basis and a similar approach would be taken with owners of advertising spaces and other businesses.

Benefits

This option would also avoid the cost to the Scottish Government of producing the Act and associated regulations. Street traders and advertisers would not be subject to enforcement action if they accidentally or intentionally breached the voluntary restrictions, though this could disproportionately benefit businesses that decide to ignore the voluntary suspension of trading and advertising compared to businesses that adhere to the voluntary restrictions. There would also be the benefit of reduced resource requirements from Glasgow City Council and, to a lesser extent Police Scotland, for enforcement as for option 1.

Costs

Relying on voluntary compliance with advertising and trading restrictions is not thought to provide sufficient assurance to UEFA that its requirements would be met and would not provide any mechanism to address breaches, due to its voluntary nature. Without this assurance through legislation, UEFA may find it more difficult to secure investment commitment from sponsors, resulting in similar financial and reputational challenges as set out in Option 1.

Summary

This would rely entirely on the goodwill of street traders, advertisers and others to meet the restrictions voluntarily. There would be no way to ensure compliance if this voluntary agreement was breached. Therefore this option would not meet the conditions of hosting the event.

Option 3: Proportionate and limited restrictions (preferred option)

Introduce legislation which prohibits ticket touting for profit and restricts street trading and advertising in 3 event zones in Glasgow, to protect the rights of sponsors during Euro 2020 in June and July 2020.

The Scottish Government is taking a proportionate approach given the size and duration of the Championship, so as to balance protecting commercial rights with the impact on businesses. For example the Scottish Government has limited the scope of restrictions by introducing legislation which will only restrict specific activity within a limited area in three parts of Glasgow for a short and specified time. This proportionate approach reflects the intention of the Scottish Government to ensure that for the majority of businesses in Glasgow it will be business as usual during Championship time. This option will also ensure that sponsors' brand association rights are not compromised in key event locations.

Section 6 of the Act specifies that it is an offence to trade outdoors in an event zone during a prohibited period and Section 12 provides that it is an offence to advertise in an event zone during a prohibited period. The Act enables Scottish Ministers to make associated regulations which set out the extent of the event zones, timings when the restrictions will apply (though these must be within the event period defined in the Act), and exceptions to the trading, advertising and ticket touting offences.

To progress with this option, Scottish Statutory Instruments (SSIs) will be laid before the Scottish Parliament. Illustrative regulations have been shared with Parliament and draft regulations were laid on 17 February 2020. Other regulations will be laid in due course. Maps of the event zones are included in the Trading and Advertising Regulations to reflect the boundaries where the restrictions apply and will be enforced.

It is the intention that certain advertisements and trading activity will be excepted from the restrictions. Details of this are set out in regulations. This includes selling, distributing or providing current newspapers; busking; advertisements on or in moving vehicles, for example buses, vans or trucks; and advertisements displayed on products for sale, as long as they are less than 0.1 square metres in area.

Charity collections in the event zones will be permitted providing that a permission has been granted by Glasgow City Council under section 119 of the Civic Government (Scotland) Act 1982, making use of an existing process. Details of exceptions to the restrictions will be set out in guidance published by Glasgow City Council.

The Act provides an exemption from the ticket touting offence where a ticket is auctioned and the proceeds donated to charity. The ticket touting regulations provide for certain exceptions to the ticket touting offence – for example where electronic data is only being cached, stored or hosted. Again, this will help to ensure that the restrictions are proportionate.

The Scottish Government recognises that the effectiveness of enforcement activity is paramount. It is equally important that an undue burden is not imposed on the pool of resource available to carry out this activity. The Act allows Glasgow City Council to designate an individual as an enforcement officer only if they are an inspector of weights and measures, or are authorised by a local authority to enforce the provisions of section 92 of the Trade Marks Act 1994, or are employed by Glasgow City Council or by another local authority and are, in the Council's view, sufficiently experienced in exercising functions of the kind conferred on enforcement officers by the Act.

The extent of enforcement officers' powers has been considered carefully and the Act places a range of restrictions on these. For example, an infringing article may only be destroyed if it concerns the advertising offence and if the officer does not consider seizing or concealing the article to be a reasonable alternative course of action in the circumstances. Powers to enter and search a home are also restricted to reasonable times when the officer is accompanied by a police constable, or where a sheriff has granted a warrant. The enforcement provisions in the Act, including level of penalties associated with this offence, are very similar to those included in the Glasgow Commonwealth Games Act 2008.

In relation to compensation, the Act sets out that if damage is caused by an enforcement officer or by a constable accompanying an enforcement officer then compensation is payable by Glasgow City Council. Compensation is only payable by the Scottish Police Authority if the damage is caused by a police constable who is not accompanying an enforcement officer. The compensation for enforcement action regulations set out further details on the process to apply for compensation, including information to be submitted and timescales for making a decision. The regulations have been discussed with Glasgow City Council, the Scottish Police Authority and Police Scotland. It is expected that the number of compensation applications will be very low as enforcement officers and police officers will carry out their role in such a way so as to minimise damage. Compensation is not payable where someone has committed a Championship offence.

Benefits

By introducing legislation to support the Rights Protection Programme (a requirement of hosting the event) which adopts a proportionate and time limited approach, the Scottish Government will help to ensure successful delivery of Euro 2020.

This option will ensure there is a safe and celebratory look and feel within proportionate boundaries and will help to maintain the free flow of spectators. Importantly, it will help to secure sponsorship funding by ensuring sponsors' exclusive rights to associate their brands with the UEFA Euro 2020 Championship. Without this sponsorship the event may need to rely more heavily on public investment.

The ticket touting offence will protect UEFA's rights as the only authorised seller of tickets in the primary and secondary market. This will help to ensure fair access to tickets so that as many fans as possible can enjoy the matches. The exception to this offence for charity auctions will allow charities to benefit from fundraising through auctions of tickets, although it is important to note that UEFA should be contacted where an auction is planned in order to ensure that tickets will be valid for entry.

This option will help to ensure that the wider economic, social and cultural benefits of the Championship are realised and enhances Scotland's reputation as the perfect stage for major events, in line with requirements of the organisers, potentially increasing the likelihood of Scotland to be successful in bidding for any future major events.

Costs

The costs of the Act and regulations are considered to be relatively minor, especially in relation to the economic opportunity provided by co-hosting the Championship (as set out in the Economic Impact section). The main costs are for Glasgow City Council in relation to enforcement activity that is required to ensure compliance with the provisions in the Act (£45,000-£85,000). Glasgow City Council expects to incur these costs from early 2020 until shortly after the Championship ends, with the bulk of costs arising in June and July. There are also expected to be some small costs to other organisations including Police Scotland, the Scottish Government, the Scottish Courts and Tribunals Service and the Crown and Procurator Fiscal Service as a result of the Act.⁹ The overall cost of the Act to these five public sector organisations is £80,000-£130,000.

There are no street trading licences currently in place for the proposed George Square and Merchant City event zones, so no existing street traders will be affected by these zones. As of 28 August 2019, Glasgow City Council has indicated there will be an impact on 107 street traders (113 licences). There are 23 Pedlars licences issued by Police Scotland in the event zones. These traders will be unable to trade when the zone is in operation. Glasgow City Council has a duty to offer affected traders alternative trading arrangements, which we expect will mitigate the impact of the restrictions and allow them to still benefit from the opportunity the Championship represents.

A small number of media owners may be able to generate less revenue if they are unable to sell all advertising space in the zones to approved sponsors of the event. Some businesses may need to remove or cover advertising when the event zones are in operation, though this has been mitigated by a number of exceptions to the advertising offence. Certain advertising that is in place in the event zones can remain such as fixed/permanent branding of businesses and other advertising permitted by the Town and Country Planning Regulations. There is also an exception to allow advertising that is not in a competing product category to UEFA sponsors to remain in place as long as it is in place when the regulations come into force. Glasgow City Council will carry out an audit of existing branding before the event. This will help to minimise the impact of the advertising restrictions on businesses. The council will also publish guidance so that businesses understand what is and is not permitted.

⁹ https://www.parliament.scot/S5_Bills/UEFA%20European%20Championship%20Bill/SPBill54FMS052019.pdf

Summary

In meeting UEFA's requirements for Rights Protection Programme, the Scottish Government wants to create a backdrop that will be fit to present Scotland's celebration of the Championship locally and to the world. This not only includes the stadium where there are spectators and extensive television camera coverage, but also within the city centre where it will be important to create the celebratory look and feel of the Championship while ensuring safe and secure routes allowing the free flow of spectators, while also safeguarding sponsors brand association rights.

The costs to public sector organisations and businesses are considered proportionate given the expected wider economic benefits of the event and steps that have been taken to minimise the impact on local businesses, for example through limiting the number of event zones to three, minimising the size of all three zones, offering alternative arrangements, and creating exceptions to the advertising, trading and ticket touting restrictions.

Option 4: Extended advertising and trading restrictions

This option would be an extension of option 3 in that there would still be a necessity to have an Act and associated regulations. This option would also meet UEFA's requirements. The legislation would, however, be more wide-ranging and stringent preventing all advertisers and traders from conducting business within a wider space in and around event zones and for longer extended periods of time. This could extend to advertising not only in the three event zones but also in the vicinity of event zones and on vehicles entering the event zones (such as taxis and buses) that are exempt under option 3. Under this option there would be additional event zones to include all train stations and Glasgow airport. The three event zones included under option 3 would also be larger under this option and the Merchant City zone would be in operation throughout the Championship.

Benefits

The introduction of more far reaching and stringent restrictions would exceed the requirements of UEFA. There would also be a high satisfaction level assured from Championship sponsors, potentially more so than under option 3. As the restrictions would apply to more locations, giving event sponsors greater exclusivity than under option 3.

Costs

This option would be expected to increase the number of traders and advertisers negatively affected as a result of the increase in the number of event zones, extended boundaries of the three zones included under option 3 and extended time periods.

Increasing the restrictions on advertising and trading activity could have a detrimental impact on enforcement activity. It would most certainly increase the costs to Glasgow City Council who would have to increase its enforcement officer resource, and potentially the number of enforcement officers it might need to have

seconded from other local authorities, in order to cover wider geographical areas for longer periods of time. The overall costs to public sector organisations could be expected to be in excess of the £130,000 upper estimate for option 3.

Summary

This option would be likely to result in high satisfaction from Championship sponsors, giving them scope to maximise revenue. However, it would be expected to increase the number of traders and advertisers negatively affected as a result of the increase in the number of event zones, extended boundaries of the three zones included under option 3 and extended time periods.

Increasing the restrictions on advertising and trading activity would be expected to increase the costs of enforcement activity, which would mainly fall to Glasgow City Council.

Ultimately, this option goes beyond UEFA's requirements and is not considered proportionate.

Sectors and groups affected

As the key purpose of the Act and associated regulations is to restrict ticket touting, trading and advertising activity for the reasons outlined under the policy objectives, there would be an impact on both traders and advertisers under options 3 and 4. Glasgow City Council would also be affected under both these options as local authority enforcement officers would be carrying out the enforcement. There would also be an impact on Police Scotland as police constables may also take enforcement action.

Street trading – Under option 3 (preferred option) street traders with static trading licences and street traders with mobile trading licences will not be permitted to trade in the event zones. As of 28 August 2019, Glasgow City Council has indicated that there are currently 107 street traders (113 licences) and 23 Pedlars licences, issued by Police Scotland, around Hampden Park that are expected to be affected by option 3. Most traders do not operate in the Hampden Park zone every day (though some are permitted to do so under the terms of their licence). The majority trade specifically for football matches or other events held at Hampden. There are no existing street traders in the George Square and Merchant City zones.

In considering how this group could be affected the Scottish Government's aim is to minimise the burden on businesses, and small businesses in particular, maintaining business as usual as far as possible across Glasgow as a whole. This was considered along-side the strong commitment to maximise the wider benefits of hosting the Championship. For this Championship a temporary licencing application scheme has not been put in place for the event zones, as a requirement of hosting the Championship is that only UEFA or Glasgow Life approved partners will be allowed to trade. None of the existing street traders meet this criterion but we have offered contact details for UEFA and Glasgow Life should any existing trader wish to explore these options.

Charity collections in the event zones will be permitted providing that a permission has been granted by Glasgow City Council under section 119 of the Civic Government (Scotland) Act 1982, making use of an existing process. This will ensure that numbers are managed.

The impact on trading for other businesses (for example shops, car garages, bars and restaurants) has been minimised through a number of exceptions in the trading regulations.

Advertising – The Scottish Government expects that the Act and associated regulations would only have a limited effect in relation to advertisers, given the extent of the proposed event zones. In addition, exceptions to the restrictions are set out in regulations as described elsewhere in this BRIA. It is possible that the majority of the advertising space in the zones could be sold to sponsors or Championship partners, in which case any negative impact of the restrictions on media owners would be reduced. The regulations provide that advertising space which has already been sold and cannot be cancelled without a financial penalty, will be permitted. Again, this should minimise the impact on media owners and advertisers. There are a number of exceptions in the regulations to the advertising offence which are expected to minimise the impact on shops, bars, restaurants and other businesses in the event zones.

Local authorities and Police Scotland - There will be implications for Glasgow City Council in conducting its enforcement role. The designated enforcement officers will be experienced local authority officers trained in the detailed provisions of the Act and Regulations. The police may also take enforcement action, and so there is also a potential impact on Police Scotland, however, this has been minimised by the Act provisions to allow enforcement officers to enforce the restrictions, not only the police. The enforcement activity will range from a warning being given to ensure the offender is aware how to comply with the restrictions to confiscation and destruction of property.

Overall economic benefits of hosting the event

Hosting the UEFA Euro 2020 Championship is predicted to have a positive impact economically and reputationally due to an increase in visitor numbers to the host city and wider Scotland. Over 200,000 people are expected to visit Glasgow during the Championship. These impacts are considered to outweigh the short term impact on businesses in a limited geographical area, Glasgow City Council and Police Scotland of the preferred option (option 3).

Major events normally bring a benefit to the economy of the local areas and potentially more broadly. For example we know that preparation for, and delivery of, the 2014 Commonwealth Games supported a substantial amount of economic activity. Overall the Games are estimated to have contributed, in gross terms, approximately £740 million to Scotland's Gross Value Added (GVA), and approximately £390 million to Glasgow's GVA specifically, over the period 2007-2014. An estimated average of 2,100 jobs per year nationally, and

1,200 jobs per year in Glasgow specifically, were supported over this time period, peaking in 2014.¹⁰

Specifically for football, Glasgow City Council has indicated that the gross impact of the 2007 UEFA Cup Final at Hampden was expenditure of over £16.3 million, with expenditure by finalist supporters accounting for £8.9 million of this, £2.3 million from neutral fans, and £2.3 million from delegates. Net impact was nearly £10 million of expenditure in Glasgow including indirect and induced impacts, with a further £1.5 million outside Glasgow.

Additionally, the UEFA Champions League has resulted in substantial economic gain for its hosts in recent years. Post event reports from previous finals indicate that when the final was held in London in 2011, the city earned an estimated £43 million; when Lisbon hosted in 2014, income was estimated at 45 million euros and the Football Association for Wales has confirmed that an economic impact evaluation of the Cardiff final has indicated an estimated £45 million in direct additional spending in and around Cardiff.¹¹

These examples give us some indication of the scale of the economic impact for Glasgow of hosting four matches as part of the Championship. The expected impact of the Championship will also be affected by the teams that are drawn to play matches at Hampden. The initial draw has taken place and it is now confirmed that Croatia and the Czech Republic will play matches at Hampden Park. However, the final make-up of the teams will not be known until later in 2020, once the Nations League play-offs have taken place.

Scottish Firms Impact Test

These regulations will have an impact on a relatively small number of street traders and other businesses in comparison to those operating in Glasgow as a whole. Only external advertising and trading is captured by the restrictions, meaning that many existing businesses in these zones can continue to trade unaffected and certain advertising in place in the event zones when the regulations come into force is expected to be able to remain, minimising the impact on business. The duty Glasgow City Council has to offer affected street traders alternative trading arrangements is designed to mitigate the impact of the legislation on this group.

In order to understand and try to mitigate the impact on businesses, when developing the legislation, the Scottish Government and Glasgow City Council arranged two informal drop in sessions and invited street traders, advertising and media owners, and other businesses in Glasgow that could potentially be affected. Other organisations such as the Federation of Small Businesses, Glasgow Chamber of Commerce and the Scottish Retail Consortium were also invited. The Scottish Government wants to continue engagement with those businesses that are expected to be affected so that they understand the restrictions and the Council will publish guidance in order to assist with this. The effective enforcement of the legislation will be beneficial in preventing ticket touting and in dealing with any rogue traders who

¹⁰ <https://www.gov.scot/publications/evaluation-legacy-glasgow-2014-commonwealth-games-post-games-report/>

¹¹ <https://www.walesonline.co.uk/all-about/uefa-champions-league-final>

are trying to capitalise on the Championship by taking away business from legitimate authorised traders.

Given the one-off, relatively short nature of the event, the actions that have been taken or will be taken to mitigate the impact on business, and the limited number of event zones, the Scottish Government does not believe that the restrictions are substantial or that their impact will be long lasting.

Competition Assessment

A relatively small number of suppliers (compared to those operating in Glasgow as a whole) could be directly limited, but only when the event zones are in operation. The Scottish Government anticipates that the impact on street traders will be mitigated by the duty the Act places on Glasgow City Council to offer them alternative trading arrangements.

In relation to advertising, the Scottish Government has set out exceptions to the advertising offence through regulations. Examples of these exceptions are set out elsewhere in this BRIA. These exceptions will help to minimise the impact on businesses.

As the regulations will restrict trading and advertising in the event zones for specified event periods there will be some impact on competition. This is expected to benefit championship sponsors and authorised traders who will be able to operate in the event zones with reduced competition. We think that this impact on competition is proportionate given the overall size and economic benefit of the event to Glasgow as a whole. Where the regulations do apply it will be for a short time and within a limited geographical area. We are not making a permanent change to business. As UEFA is the only authorised seller of match tickets, the ticket touting restrictions should not have an impact on competition.

As with the Scottish Firms Impact Test, the Scottish Government does not regard the impact on competition to be substantial, widespread or long lasting and as such it is considered that this policy does not raise competition concerns.

Consumer Assessment

The Act and regulations do not affect the essential services market. The provisions will limit the number and range of suppliers in the event zones when these are in operation (providers of food, beverages and Championship memorabilia, in the main), however, other businesses in the zones such as those based inside buildings (such as bars, shops and restaurants) will be able to operate as normal. These provisions are considered to be proportionate as they will only apply to the relatively small geographical area covered by the event zones and will only be in effect for a short period of time around the time of the event.

We also expect that there will be a positive impact of the Act and regulations for consumers as a result of people being assured that they are buying official merchandise. Creating a criminal offence of ticket touting is expected to discourage this practice and allows for action to be taken to punish ticket touting both in person

and by electronic methods. For these reasons the Act and regulations are considered to reduce opportunities for unscrupulous suppliers to target consumers.

The provisions are not considered to have an impact on consumers' ability to seek advice. It will be possible for consumers to inform enforcement officers of breaches of the restrictions so that these can be addressed, as appropriate. The policy will not affect the information available to consumers on either goods or services, or their rights in relation to these. The policy does not involve storage or increased use of consumer data.

Test run of business forms

In order to ensure awareness and understanding of the restrictions by affected businesses and others, Glasgow City Council will publish guidance online and in hard copy. This will include details of exceptions to the restrictions and about how applications for compensation may be made. Awareness raising of the restrictions through local press and other media channels is being considered, as appropriate.

Digital Impact Test

The legislation will make it an offence to tout a Championship ticket, either electronically or in person. This is considered to be important as increasingly there are opportunities to tout tickets electronically, through both public and private methods. The ticket touting regulations provide for certain exceptions to the ticket touting offence – for example where electronic data is only being cached, stored or hosted. As such the Act does take into account changing digital technologies and its aims cannot be circumvented by digital / online transactions.

Legal Aid Impact Test

The legislation is considered to have minimal implications in terms of legal aid.

While any individual (excluding a “body corporate or unincorporate”) is entitled to advice and assistance on a matter of Scots law, subject to financial eligibility and liability to pay a contribution, the number of prosecutions of individuals as a result of the legislation is expected to be very low. Prosecution would be expected to be a last resort and the potential impact is also reduced due to the time-limited nature of the offences.

Enforcement, sanctions and monitoring

The UEFA European Championship 2020 will be a large event hosted in Glasgow and will attract an unprecedented level of commercial activity in public spaces in the proximity of the Championship venue, unless it is proportionately controlled. It is essential that trading and advertising is managed safely, for residents and visitors alike, or the integrity of the Championship will be affected. It is also important that touting of event tickets does not take place in order to protect UEFA's commercial interests as the sole approved seller of tickets. This will have broader benefits in

helping to ensure public access to tickets. The Act and its regulations will strengthen the ability to regulate and enforce activity at the right level to ensure this is the case.

Enforcement of the regulations may be carried out by enforcement officers designated by Glasgow City Council. The enforcement officers will be drawn from teams within Glasgow City Council, who are familiar in dealing with street trading and advertising offences (e.g. trading standards officers). Glasgow City Council is considering whether enforcement officers may be required on secondment from other local authorities in order to increase the number of officers available to enforce the restrictions, however, this is uncertain at present. The initial draw has taken place, however, the final make-up of the teams will not be known until the end of March 2020, once the Nations League play-offs have taken place.

Enforcement officers will be familiar with the local traders, will know the local area and will be able to use their existing powers if necessary to deal with other offences. Breaches of the restrictions could result in offending items being seized, removed or destroyed. Deliberate ambush offences will be dealt with using the enforcement powers conferred on designated officers to secure compliance. Although a light touch approach may be taken to minor infringements, persistent offenders and more serious offences could potentially be reported for prosecution through the criminal courts. The enforcement provisions in the Act, including level of penalties associated with the offences, are similar to those included in the Glasgow Commonwealth Games Act 2008, but have been amended in certain areas in light of feedback from Parliament.

Implementation and delivery plan

Draft regulations were laid on 17 February 2020. Other regulations will be laid in due course. Subject to Parliamentary approval of these regulations, it is expected that guidance on what restrictions will apply, where and when will be produced so that this can be published as soon as possible after the regulations are passed to allow local businesses and others affected by the legislation to understand what is and is not permissible in the event zones. This will allow them to understand the restrictions and take any action that is required to prepare. This guidance is expected to be made available in a range of formats, including hard copy and online. It is expected that the Guidance will be published in April 2020 with the event zones becoming operational in June 2020.

The Act provides that Glasgow City Council will offer existing street traders who cannot trade in their usual area alternative trading arrangements during the time when the trading offence applies. It is expected that Glasgow City Council will approach traders, beginning in April 2020, to discuss potential alternative arrangements.

Post-implementation review

The Act will be used for this specific event only and will be repealed on 31 December 2020. We will seek feedback from Glasgow City Council, other key partners, local businesses and others with an interest after the event on how the legislation worked

in practice. This could help to inform development of any future legislation to support major events.

An Evaluation Framework has been developed for the broader event with input from the partners. The Act and regulations will be included in this.

Summary and recommendation

Following consideration of options, the Scottish Government has decided to implement option 3 – Introduce the Act and associated regulations which are proportionate in their restrictions on trading, advertising and ticket touting in Glasgow during the UEFA Euro 2020 Championship.

This will meet the requirements to co-host the event, protecting against ambush marketing, protecting sponsorship rights and proportionately restricting trading activity to meet the key objectives already set out, while ensuring as far as possible that existing businesses can continue to operate as usual.

- **Summary costs and benefits table**

Options	Benefits	Costs
1. Do nothing and rely on existing regulations	<p>Avoids cost to the Scottish Government of introducing secondary legislation. Also reduces costs to Glasgow City Council and Police Scotland of enforcement activity. Overall saving to public sector organisations of £80,000-£130,000 compared to option 3.</p> <p>Minimises disruption to street traders and other businesses in proposed event zones, allowing them to generate revenue during the Championship.</p>	<p>Would not provide sufficient assurance about commercial rights protection required to host the event.</p> <p>Potential damage to Scotland's reputation as a location to host major events.</p> <p>Risk to sponsorship revenue.</p>
2. Voluntary restrictions on trading, advertising and ticket touting	<p>Avoids cost to the Scottish Government of introducing secondary legislation. Also reduces costs to Glasgow City Council and Police Scotland of enforcement activity. Overall saving to public sector organisations of £80,000-£130,000 compared to option 3.</p>	<p>Would not meet the requirements to protect commercial rights as there would be no way to take action to address breaches.</p> <p>Potential damage to Scotland's reputation as a location to host major events.</p> <p>Risk to sponsorship revenue.</p> <p>Impact on ability of 107 street traders (113 licences) and 23 Pedlars licenses, issued by Police Scotland, in the event zones when these are in operation. A small number of media owners may be able to generate less revenue if they are unable to sell all advertising space in the zones to approved sponsors of the event. However, businesses that choose to ignore the restrictions will be able to benefit at the expense of businesses that choose to observe them.</p>

<p>3. Act and associated Regulations with proportionate and limited restrictions.</p>	<p>Will ensure there is a safe and celebratory look and feel within proportionate boundaries. Will maintain free flow of spectators and secure sponsorship funding by maintaining sponsors exclusive rights to associate their brands with the UEFA Euro 2020 Championship is assured.</p> <p>Ensures that wider economic benefits of the Championship are realised and enhances Scotland's reputation as a location that can stage major events in line with requirements of the organisers, potentially increasing the likelihood of Scotland to be successful in bidding for any future major events.</p>	<p>Costs of £80,000 - £130,000 – mainly to Glasgow City Council for enforcement activity (£45,000-£85,000). The figure also includes some lesser costs to Police Scotland, the Scottish Government, the Scottish Courts and Tribunals Service and the Crown and Procurator Fiscal Service.</p> <p>Impact on ability of 107 street traders (113 licences) and 23 Pedlars licences issued by Police Scotland in the event zones when these are in operation (though mitigated by requiring Glasgow City Council to offer alternative trading arrangements). A small number of media owners may be able to generate less revenue if they are unable to sell all advertising space in the zones to approved sponsors of the event.</p> <p>These costs are considered proportionate given the expected wider economic benefits of the event and steps that have been taken to minimise the impact on local businesses, for example through limiting the number of event zones to three, minimising the size of all three zones, offering alternative arrangements, and creating exemptions to advertising restrictions.</p>
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4. Extended advertising and trading restrictions	High satisfaction from Championship sponsors, giving them scope to maximise revenue.	<p>Costs of over £130,000, higher than option 3, mainly to Glasgow City Council for enforcement activity (over £85,000). The figure also includes some lesser costs to Police Scotland, the Scottish Government, the Scottish Courts and Tribunals Service and the Crown and Procurator Fiscal Service.</p> <p>Highest impact on local businesses through additional event zones around airports and stations, wider extent of these zones and operation of all zones for a longer period of time than option 3.</p>
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Sign-off for Final BRIA:

I have read the Business and Regulatory Impact Assessment and I am satisfied that (a) it represents a fair and reasonable view of the expected costs, benefits and impact of the policy, and (b) that the benefits justify the costs. I am satisfied that business impact has been assessed with the support of businesses in Scotland.

Signed: 

Date: 17 February 2020

Minister's name Mr Ben Macpherson
Minister's title Minister for Public Finance and Migration



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