Disclosure (Scotland) Act 2020 – Accredited body fees and proposals for discounting under the PVG Scheme consultation

Business and Regulatory Impact Assessment



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1. Title of Proposal

Disclosure (Scotland) Act 2020 – Accredited body fees and proposals for discounting under the PVG Scheme consultation

2. Purpose and intended effect

2.1 Background

This is a partial BRIA, to accompany the formal consultation on accredited body fees and fee discounting in the PVG Scheme under the Disclosure (Scotland) Act 2020 ("the Disclosure Act").

Disclosure Scotland charges fees for some of its functions, including disclosure certificates. There is also a longstanding fee waiver in relation to PVG disclosures for qualifying voluntary organisations. The current fees were set in 2011 (basic, standard and enhanced were set at £25, PVG Scheme at £59 for a full scheme record and £18 for a short scheme record).

2011 to present is the longest period disclosure fees in Scotland have remained frozen.

During the consultation on Protection of Vulnerable Groups and disclosure of criminal information in 2018, an initial consultation into revised fee structures was undertaken.

2.2 Objective

The primary objective of setting fees is to bring Disclosure Scotland back to a costneutral position, as required by the Scottish Public Finance Manual by changing statutory fees. Charging for services helps to avoid unnecessary public expenditure and eliminate hidden subsidies.

This consultation supports developing policy proposals which could provide more targeted support to certain groups of customers who may be less able to pay the full fee than other parts of the population. It also looks at the impact of an inflationary increase on accredited body fees on business customers.

2.3 Rationale for Government intervention

The proposals contribute to the following objectives of the National Performance Framework by ensuring the continued disclosure and safeguarding service without unnecessary public expenditure:

- Our public services are high quality, continually improving, efficient and responsive to local people's needs.
- We grow up loved, safe and respected so that we realise our full potential.

• We live in communities that are inclusive, empowered, resilient and safe.

Any increase in fees will be felt most by those already struggling to obtain employment or on short-term contracts. These proposals are intended to look at addressing that within the context of the PVG Scheme.

In relation to accredited body fees, there has been no change since 2011. The Scottish Government previously consulted on an inflationary increase in 2018, however, this was on hold pending implementation of the Disclosure Act.

3. Consultation

3.1 Within Government

Discussions have been on-going with colleagues across the Scottish Government in developing the proposals, including

- Third Sector Unit and Community Resilience Unit in relation to proposals around the qualifying voluntary organisation fee waiver
- Family Care and the Student Awards Agency for Scotland in relation to discounting for care-experienced young people
- colleagues working on childcare and adult social care policy on their past work around sector specific fee waivers
- Employability colleagues about discounting for people in receipt of certain benefits.

Their feedback helped shape proposals and options were added to development around care-experienced young people for specific further consultation.

Scottish Government colleagues have helped to identify further networks and organisations to consult with to maximise reach with key sectors affected by the proposals within the consultation. We continue to work across government to help to ensure that the outcomes and strategic direction of the future disclosure regime are aligned with other relevant policies across the Scottish Government.

3.2 Public Consultation

The public consultation will run for a 12 week period from February 2024. Online and in-person engagement sessions are planned for specific sectors and businesses, including volunteer involved organisations.

Informal consultation has taken place with cross-government policy colleagues and Volunteer Scotland Disclosure Services. Options around the qualifying voluntary organisation waiver were streamlined and simplified following feedback in summer 2023. The public consultation will provide an opportunity for exploration of the proposal to move from the current fee waiver to a discounting model.

3.3 Business

Engagement with specific sectors and businesses on the proposals will take place during the formal public consultation period. Disclosure Scotland has identified key stakeholders with an interest in these proposals to have face-to-face or online engagement sessions with.

This will inform the Scottish Firms Impact Test below.

4. Options

4.1 Accredited bodies fees (registration and nomination of signatories)

Accredited bodies will replace registered bodies for countersigning Level 2 disclosures. They also replace the administrative 'responsible body' arrangement for receiving basic disclosures on behalf of applicants, such organisations will now have to be registered as accredited bodies to request and receive Level 1 disclosures.

Registered bodies are currently charged £75 annually for the registration of a lead signatory and up to four countersignatories. There is an additional £15 annual fee for the fifth and each subsequent countersignatory. There is also a £15 fee to change the lead signatory to a person other than an existing countersignatory, and a £15 charge to add a countersignatory.

As accredited bodies will now register to countersign for Level 1, Level 2 or both, a new issue around how to ensure accredited body fees are charged fairly arises. Some organisations may join initially to countersign only one type of disclosure and later decide to join for the other type. Without provision to address this, accredited bodies could be charged twice for registering unless they are eligible to register for both levels of disclosure when first registering.

Option 1: Do nothing. Retain current fees for equivalent service. £75 annually for registration and initial four countersignatories. £15 per year for each additional CSG. Separate payment required for Level 1 and Level 2 accreditation.

Option 2: £120 annual fee covering registration and initial four CSGs. £15 per year for each additional CSG.

Option 2a: £120 annual fee covering registration and initial four CSGs. £15 per year for each additional CSG. Accredited bodies who initially register for one disclosure type but later decide to register for the second will be charged a one-off £15 administration fee to have their account upgraded. This 'upgrade' fee will not recur.

4.1.1 Sectors and groups affected

Data from Disclosure Scotland's systems indicates there are currently over 4,000 registered bodies (receiving higher level disclosures) and over 1500 responsible bodies (receiving basic disclosures). Only a small proportion of responsible bodies are B2B customers, the most likely group to register for Level 1 accredited body status. This includes public, private and third sector organisations.

4.1.2 Benefits

Option 1: Do nothing. Retain current fees for equivalent service. £75 annually for registration and initial four countersignatories. £15 per year for each additional CSG.

Retains existing income (around £320,000 annually) from registrations and subscriptions. Disclosure Scotland can expect a small additional income from those registering for both types of disclosure, however, this change would not cover the inflationary increase in cost of maintaining and auditing accredited bodies.

Option 2: £120 annual fee covering registration and initial four CSGs. £15 per year for each additional CSG.

Expected annual income of at least £484,500 from registrations and subscriptions. This would cover the inflationary increases in maintaining and auditing accredited bodies. Disclosure Scotland can expect a small additional income from those registering for both types of disclosure.

Option 2a: £120 annual fee covering registration and initial four CSGs. £15 per year for each additional CSG. Accredited bodies who initially register for one disclosure type but later decide to register for the second will be charged a one-off £15 administration fee to have their account upgraded. This fee will not recur.

Expected annual income of £484,500 from registrations and subscriptions. This would cover the inflationary increases in maintaining and auditing accredited bodies. Disclosure Scotland can expect a smaller additional income from those registering for both types of disclosure. The fee is set to cover just the administration of the account type change.

4.1.3 Costs

There is a flat subscription fee for all current registered bodies, no option proposes changes to this format as it would put a significant resource strain on Disclosure Scotland's Finance Operations to manage. This means all existing registered bodies' treatment remains the same under accredited body arrangements. New accredited bodies will be treated the same as any other accredited body for the purposes of fee payment.

Option 1: Do nothing. Retain current fees for equivalent service. £75 annually for registration and initial four countersignatories. £15 per year for each additional CSG.

Cost on Disclosure Scotland, as an Executive Agency of the Scottish Government, would be around £164,500 annually in inflationary cost not met. This is a cost Disclosure Scotland has been absorbing to now, however, this approach is not in line with best practice for public sector finance.

Responsible bodies are generally private sector businesses, the highest volumes are through those which carry out employment checks on behalf of other organisations. It is not anticipated that an annual £75 fee to manage responsibilities as an accredited body will have a significant impact on their business or competition in this sector. A small number of current responsible bodies also act as registered bodies.

Under Option 1, they would be charged a one-off additional fee of £75 if looking to register for a second disclosure type after already being set up as an accredited body, plus for any additional countersignatories.

Option 2: £120 annual fee covering registration and initial four CSGs. £15 per year for each additional CSG.

This is a £45 increase in annual subscription compared to current registered bodies and a new fee accredited bodies looking to receive Level 1 disclosures. This increase in not viewed as prohibitive. A previous proposal in 2018 to provide an inflationary increase was acknowledged cross-sectors as sensible to meet the inflationary demand. This increase was not taken forward in 2019 as work was ongoing on the Disclosure (Scotland) Bill.

Responsible bodies are generally private sector businesses, the highest volumes are through those which carry out employment checks on behalf of other organisations. It is not anticipated that an annual £120 fee to manage responsibilities as an accredited body will have a significant impact on their business or competition in this sector. A small number of current responsible bodies also act as registered bodies.

Under Option 2, they would be charged an additional fee of £120 when they initially registered for one disclosure type but later decide to register for the second, plus for any additional countersignatories. This would become £120 annually thereafter.

Option 2a: £120 annual fee covering registration and initial four CSGs. £15 per year for each additional CSG. Accredited bodies who initially register for one disclosure type but later decide to register for the second will be charged a one-off £15 administration fee to have their account upgraded. This fee will not recur.

This is a £45 increase in annual subscription compared to current registered bodies and a new fee accredited bodies looking to receive Level 1 disclosures.

Responsible bodies are generally private sector businesses, particularly those which carry out employment checks on behalf of other organisations. It is not anticipated that an annual £120 fee to manage responsibilities as an accredited body will have a significant impact on their business or competition in this sector. A small number of current responsible bodies also act as registered bodies. Under Option 2a, they will only be charged a one-off administration fee to register their account for both disclosure types. This proposal presents a £105 saving for these organisations compared against Option 2.

4.2 Fee waiver/discount for volunteers in Qualifying Voluntary Organisations

Option 1: Do nothing. Retain fee waiver for volunteers in Qualifying Voluntary Organisations (QVO) applying for a PVG disclosure.

Option 2: Move from fee waiver for volunteers in QVOs to a fee discount. For policy development purposes, the proposed discount is 60% of the full cost of a Level 2

PVG disclosure. For example, a £70 Level 2 PVG disclosure would cost £28 for a volunteer in a QVO.

4.2.1 Sectors and groups affected

Option 1: Do nothing. Retain fee waiver for volunteers in Qualifying Voluntary Organisations (QVO) applying for a PVG disclosure.

Option 2: Move from fee waiver for volunteers in QVOs to a fee discount.

Annually, around 19% of PVG level disclosures come from volunteers in QVOs.

Broadly, charities working with children or protected adults (both secular and religious), community youth groups and youth sports groups are the most likely to benefit from the fee waiver. Volunteer Scotland Disclosure Services (VSDS) provide an 'umbrella body' service (meaning they sign and process disclosures on behalf of a third party eligible for the disclosure) to several thousand groups eligible for fee waived disclosures in Scotland. Disclosure Scotland is working with VSDS and third sector interface groups throughout Scotland to ensure consultation and wider engagement on this topic reaches as many organisations as possible.

The highest volume of QVO applications come from VSDS. They provided a breakdown of applications from enrolled bodies 2022-23. Generally the highest volume enrolled bodies are sports organisations, including the Scottish Youth Football Association, Scottish Women's Football, Scottish Rugby Union, Scottish Swimming and Scottish Athletics. Highest volume non-sports bodies were MCR Pathways, STEM Learning and the Catholic Church.

Also looking at 2022-23, the highest volumes of QVO applications directly to Disclosure Scotland in 2022 came from Girlguiding, the Church of Scotland Safeguarding Service, Scripture Union Scotland and the Royal Voluntary Service. All other registered bodies submitted fewer than 300 applications under the QVO fee waiver that year.

The Scottish Government currently covers the cost of the fee waiver for QVOs. Public sector bodies and for-profit businesses which use volunteers are not eligible for the fee waiver.

4.2.2 Benefits

Option 1: Do nothing. Retain fee waiver for volunteers in Qualifying Voluntary Organisations (QVO) applying for a PVG disclosure.

This option introduces no new costs on QVOs or volunteers in QVOs (where the cost sat under a paid model would depend on whether an organisation chose to cover the cost of the volunteer's application).

Option 2: Move from fee waiver for volunteers in QVOs to a fee discount.

Disclosure Scotland's modelling suggests that a fee of £28 on QVO volunteer applications would generate between £792,988 and £869,988 in 2025-26 to contribute towards maintaining and introducing broader discounting for applications for Level 2 PVG disclosures. Practice in other countries is to cover the cost of fee waived or discounted disclosures from the income generated by paid disclosures, rather than from central government funding. However, Disclosure Scotland is not currently in a cost recovery position therefore any funding for such programmes needs to come from the central budget.

4.2.3 Costs

Option 1: Do nothing. Retain fee waiver for volunteers in Qualifying Voluntary Organisations (QVO) applying for a PVG disclosure.

The value of non-chargeable disclosures provided to volunteers during 2022/23 amounted to £2.318 million (this fluctuates year-on-year depending on volumes, ranging from £1.5 million to £2.5 million). This is met by Disclosure Scotland and the Scottish Government as the income from paid disclosure types does not cover the fee waiver.

The effectiveness of the QVO fee waiver has not been assessed or consulted on since 2010.

Option 2: Move from fee waiver for volunteers in QVOs to a fee discount. Scotland's Volunteering Action Plan sets out that out-of-pocket expenses should be covered by the organisation taking on volunteers to promote the practice and avoid people being locked out of volunteering through financial hardship.

For example, one large youth volunteering organisation made 1218 applications in a single year. If their central organising body was covering the cost of those applications at £28 each, it would cost £34,104. However, they also have local-level groups who do their own fundraising. In situations like this it is not apparent where the cost on an organisation would lie.

We are seeking representations through the consultation and engagement period from organisations which benefit from the QVO fee waiver on what their costs would be under the proposal and how it would impact their activities.

4.3 Fee discount for people in receipt of certain benefits

Option 1: Do nothing. Flat fee for Level 2 with PVG.

Option 2: Fee discount for people in receipt of certain benefits. For policy development purposes, the proposed discount is a 50% reduction of the full fee for people in receipt of the qualifying benefits. For example, the £70 PVG scheme join fee would be £35.

4.3.1 Sectors and groups affected

Option 1: Do nothing. Flat fee for Level 2 with PVG

Option 2: Fee discount for people in receipt of certain benefits

No sector or group has been clearly identified for the purposes of the partial BRIA as being affected by this proposal, outwith the cost implication on the Scottish Government. Past work to support people working in adult social care and childcare into roles by waiving regulator and PVG scheme membership fees has not identified a clear link between reduction in fees in these sectors and improved recruitment and retention of staff in the long term, however, these initiatives targeted job roles not individual circumstances. The Fairer Scotland Duty assessment and the Equality Impact Assessment (EQIA) cover that women are more likely to be in lower pay or part-time caring or education roles that may attract PVG scheme membership, however, it is not apparent that the proposal will impact any specific business or sector. Rather this proposal looks at addressing the potential to give support to individuals across all sectors that may require PVG scheme membership to find employment.

The consultation and engagement phase of policy development running early 2024 will seek views on whether any specific business impacts can be identified.

4.3.2 Benefits

Option 1: Do nothing. Flat fee for Level 2 with PVG

Option 2: Fee discount for people in receipt of certain benefits.

No specific benefit on any sectors or groups have been identified. Looking at the Fairer Scotland Duty assessment and EQIA, it was identified there may be a higher uptake of any discounting in caring and education roles, which could benefit organisations looking to recruit in this area, however, there is no specific evidence for particular sectors in relation to PVG scheme membership and recruitment and retention.

The consultation and engagement phase of policy development running early 2024 will seek views on whether any specific business or sector benefits can be identified.

4.3.3 Costs

Option 1: Do nothing. Flat fee for Level 2 with PVG.

No specific cost on any sectors or groups have been identified.

The consultation and engagement phase of policy development running early 2024 will seek views on whether any specific business or sector costs can be identified.

Option 2: Fee discount for people in receipt of certain benefits

The cost on the Scottish Government is estimated to be similar to the cost of administering the QVO fee waiver (£1.5 million to £2.5 million annually) as initial estimates are that eligibility would apply to around 18% of scheme members. This

has been based on national population estimates and work is ongoing with Disclosure Scotland and Scottish Government statisticians to establish whether a more accurate application to PVG scheme membership can be made before a final BRIA and recommendations are made.

4.4 Fee discount for care leavers aged 16 to 25

Option 1: Do nothing. Flat fee for Level 2 with PVG.

Option 2: Fee discount for care leavers aged 16 to 25. A fee discount of 50% to care experienced young people who have been looked after by a local authority at any time from their sixteenth birthday onwards and are no longer looked after by a local authority. For example, the £70 PVG scheme join fee would be £35.

Option 3: Fee discount for care-experienced people aged 16 to 25. A fee discount of 50% to care experienced young people who have ever been looked after via foster care, kinship care (arranged by a local authority or where there has been local authority/social work contact during the arrangement), looked after at home or away from home under a Compulsory Supervision Order or in residential care. For example, the £70 PVG scheme join fee would be £35.

4.4.1 Sectors and groups affected

Option 1: Do nothing. Flat fee for Level 2 with PVG.

Option 2: Fee discount for care leavers aged 16 to 25

Option 3: Fee discount for care experienced people aged 16 to 25

No sector or group has been clearly identified for the purposes of the partial BRIA as being affected by this proposal, outwith the cost implication on the Scottish Government. This proposal looks at addressing the potential to give support to care-experienced young people across all sectors that may require PVG scheme membership to find employment.

The consultation and engagement phase of policy development running early 2024 will seek views on whether any specific business impacts can be identified.

4.4.2 Benefits

Option 1: Do nothing. Flat fee for Level 2 with PVG.

Option 2: Fee discount for care leavers aged 16 to 25.

Option 3: Fee discount for care experienced people aged 16 to 25

No specific benefit on any sectors or groups have been identified. There is no specific evidence for particular sectors in relation to PVG scheme membership experiencing a higher level of recruitment of care experienced young people.

The consultation and engagement phase of policy development running early 2024 will seek views on whether any specific business or sector benefits can be identified.

4.4.3 Costs

Option 1: Do nothing. Flat fee for Level 2 with PVG

No specific cost on any sectors or groups have been identified.

The consultation and engagement phase of policy development running early 2024 will seek views on whether any specific business or sector costs can be identified.

Option 2: Fee discount for care leavers aged 16 to 25

The cost on the Scottish Government is estimated to be around £31,500. This has been based on national population estimates. Work is ongoing with Disclosure Scotland and Scottish Government statisticians to establish whether a more accurate application to PVG scheme membership can be made before a final BRIA and recommendations are made.

Option 3: Fee discount for care experienced people aged 16 to 25

The cost on the Scottish Government is estimated to be around £66,500. This based on an assumption of around 30,000 care-experienced 16-25 year olds eligible under this proposal. This is under 4% of the population at the age range. Applying this across to PVG scheme record applications in that age range, around 1,900 young people could be eligible annually. Work is ongoing with Disclosure Scotland and Scottish Government statisticians to establish whether a more accurate figure for care-experienced young people nationally and an application to PVG scheme membership can be made before a final BRIA and recommendations are made.

5. Intra-UK Trade

Is this measure likely to impact on intra-UK trade?

No. These measures relate to the charging of disclosure fees for Level 1 and Level 2 disclosures and for regulated roles in Scotland. Basic, standard and enhanced disclosures and regulated activity in England and Wales is managed by the Disclosure and Barring Service and in Northern Ireland by Access NI.

6. International Trade

Is this measure likely to impact on international trade and investment?

No. These measures relate to the charging of disclosure fees in Scotland.

7. EU Alignment

Is this measure likely to impact on the Scottish government's policy to maintain alignment with the EU?

No. These measures relate to the charging of disclosure fees for regulated roles in Scotland.

8. Scottish Firms Impact Test

The 2018 consultation provided an indicative basis for the development of proposals in relation to accredited body fees. During this engagement several options for reform were presented and the impacts discussed. These were presented in the statutory consultation that ran for 12 weeks from 24 April 2018. Not only were the views on various options requested, there were also a number of questions specifically asking about the impact of the proposals on businesses and organisations.

Businesses were asked to consider a projection of the impact of changing fees to their organisation.

The main concerns were around:

- potential for a significant increase to annual costs due to existing membership renewals
- the administrative burden of a time limited scheme could deter people from volunteering

No specific concerns were raised by small or larger businesses in relation to an inflationary increase in accredited body fees. It was acknowledged that, while fee increases are rarely welcomes, that costs have increased and it was anticipated that an increase in accredited body fees would be forthcoming.

Updated engagement with specific sectors and businesses on the proposals will take place during the formal public consultation period. Disclosure Scotland has identified key interested parties in relation to these proposals to have face-to-face and online engagement sessions with.

This will inform the Scottish Firms Impact Test.

8.1 Competition Assessment

The Scottish Government has considered the following questions to establish whether a full competition assessment is required:

- Will the measure directly or indirectly limit the number or range of suppliers?
- Will the measure limit the ability of suppliers to compete?
- Will the measure limit suppliers' incentives to compete vigorously?
- Will the measure limit the choices and information available to consumers?

The Scottish Government has concluded that the answer to each of these questions is no and therefore no further competition assessment is required.

8.2 Consumer Assessment

Consideration is being given as part of these proposals on consumers whose circumstances make them more vulnerable. They do not increase opportunities for unscrupulous suppliers to target consumers or impact the information available to consumers in different ways. As currently, different consumers will also have the

same routes to raise complaints or access refunds under Disclosure Scotland's refund policy.

8.3 Test run of business forms

Disclosure Scotland's Digital programme is developing the applications for Level 1 and Level 2 disclosures, including payment. Any applications brought in to facilitate new processes such as fee waivers will be tested before implementing and results will be reflected in their ongoing impact assessment.

8.4 Digital Impact Test

Disclosure Scotland's Digital programme is developing the platform for applications for Level 1 and Level 2 disclosures, including payment. Disclosure Scotland currently takes a digital first approach but facilitates alternative routes for customers to access its services. Consideration will continue to be given to this when looking to implement new processes or policies.

9. Legal Aid Impact Test

These fee regulations do not interact with legal aid.

10. Enforcement, sanctions and monitoring

Disclosure Scotland will be responsible for the collection of fees and debt recovery. Information is provided for each financial year in the annual report and accounts which includes the independent auditor's report.

11. Implementation and delivery plan

We intend to lay fee regulations as part of the transition to new Level 1 and Level 2 disclosures. We expect fee regulations, including any change to fee discounting or waiver policy, will take effect on 1 April 2025.

Post-implementation review

Disclosure fees have been fixed for over 12 years. This is not a desirable position and at latest, we will undertake a full review of fees and fee structures within three years of commencement of new fee regulations. Disclosure Scotland will monitor the changes in 2025-26 and look at whether changes to the fee levels and structure are appropriate in 2026-27.

12. Summary and recommendation

All options presented in this partial BRIA are under policy development. Further engagement and stakeholder views need to be gathered before a recommendation on any options presented are made under the full BRIA.

Declaration and publication

The Cabinet Secretary or Minister responsible for the policy (or the Chief Executive of non-departmental public bodies and other agencies if appropriate) is required to sign off all BRIAs prior to publication. Use appropriate text from choices below:

• **Sign-off for Partial** BRIAs:

I have read the partial 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 leading options. I am satisfied that business impact has been assessed with the support of businesses in Scotland.

Signed: Gerard Hart **Date:** 1 February 2024

Name: Gerard Hart, Chief Executive Disclosure Scotland

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