

Period Products (Free Provision) (Scotland) Bill [As Amended at Stage 2]

Revised Financial Memorandum

Introduction

1. This Revised Financial Memorandum has been prepared by the Scottish Government on behalf of Monica Lennon MSP, the member in charge of the Period Products (Free Provision) (Scotland) Bill to accompany the Bill (as amended at Stage 2) as required under Rule 9.7.8B of the Parliament's Standing Orders. It does not form part of the Bill and has not been endorsed by the Parliament.

2. The purpose of this Revised Financial Memorandum is:

- To set out the best estimates of the potential costs associated with the implementation of the range of duties and powers in the Bill (as amended at Stage 2). These powers and duties are substantially different as a result of the amendments agreed to at Stage 2. These amendments are considered to materially affect some assumptions in the original Financial Memorandum.
- To provide best estimates of the potential costs in 2021/22 and over the five years from 2022/23 onwards¹, assuming that there are certain year-on-year increases in uptake and that there is no change to the way in which administrative funding is calculated compared to existing non-statutory provision.
- To provide an indication of the significant margins of uncertainty in these estimates.

3. This Revised Financial Memorandum relates to the Bill as amended at Stage 2. As the Bill was extensively amended, the original Financial

¹ 2022/23 represents the first financial year in which the duty on local authorities and the duty on education providers are expected to come into force.

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Memorandum has been superseded, and this Revised Financial Memorandum therefore replaces it entirely.

Approach to The Revised Financial Memorandum

4. The specific sections of the Bill covered by this Revised Financial Memorandum are:

- Section 1: A duty on local authorities to ensure period products are obtainable free of charge by all persons who need to use them.
- Section 5: A duty on education providers to ensure period products are obtainable free of charge by pupils and students during term time.
- Section 6: A duty on specified public service bodies to ensure period products are obtainable free of charge to persons in their premises.²
- Section 6B: Scottish Ministers must issue guidance to local authorities and education providers about the exercise of functions conferred on them by section 1 or 5 and section 7, and to any specified public services bodies about the exercise of functions conferred on them by sections 6 and 7.

5. Any ongoing costs incurred by bodies in compliance with sections 6C, 6D and 7 are expected to be covered by cost estimates relating to sections 1, 5 and 6 in this Revised Financial Memorandum, wherever possible.

6. Sections 6A, 9A, 10, 11 and 12 are not expected to have any cost implications in addition to those covered elsewhere in this Revised Financial Memorandum.

7. The Scottish Government's best estimates of potential costs are provided in this Revised Financial Memorandum. It should be noted, however, that there are a number of issues that make accurate estimation challenging:

- Scotland is a world leader in this policy area, which means there are no relevant data from international comparators to draw upon. Accurately predicting demand, and how this might change over

² The Bill itself does not specify any such bodies, but allows Scottish Ministers to do so by regulations; therefore this is covered only in relation to potential future cost if bodies are specified.

time, is therefore challenging. The demand-led nature of the policy means that there is a significant margin of uncertainty in the costings presented in this Revised Financial Memorandum.

- There is substantial variability in possible product costs, reflecting the array of available types and brands, introducing additional uncertainty into the costings.
- The Scottish Government has received some data from the implementation of non-statutory provision, providing a baseline for uptake and likely product costs, but this data is limited and reflects a relatively short time period of delivery.

8. Illustrative costs under a range of uptake rates and product unit prices are therefore presented. The Scottish Government intends to work in partnership with COSLA and the Scottish Funding Council to agree future funding of implementing the Bill based on the most up-to-date information.

9. This Revised Financial Memorandum addresses the changes proposed by the Bill under the following headings:

- Background calculations;
- Costs of the Bill on the Scottish Administration;
- Costs of the Bill on local authorities;
- Costs of the Bill on other bodies, individuals and businesses;
- Margins of uncertainty.

Background Calculations

Menstruating Population

10. Based on the mid-2019 population estimates from the National Records of Scotland³, there are 1,579,882 women and girls aged between 11⁴ and 55⁵ in Scotland. This age range is expected to capture the majority of menstruating people in Scotland, including menstruating pupils and students attending schools and further and higher education institutions.

³<https://www.nrscotland.gov.uk/statistics-and-data/statistics/statistics-by-theme/population/population-estimates/mid-year-population-estimates/mid-2019>

⁴ Reflects the average age of menarche minus one standard deviation. Based on UK Biobank data: <https://biobank.ctsu.ox.ac.uk/crystal/field.cgi?id=2714>

⁵ Reflects the average age of menopause plus one standard deviation. Based on UK Biobank data: <https://biobank.ctsu.ox.ac.uk/crystal/field.cgi?id=3581>

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11. Population estimates for menstruating pupils and students in educational institutions covered by the duty on education providers are provided in Table 1. These estimates are based on the most up-to-date data available on pupil and student numbers.

Table 1: Population estimates for menstruating pupils and students in educational institutions

Description of population	Population estimate
Menstruating pupils attending local authority primary and secondary schools in Scotland ⁶	185,784
Menstruating pupils attending grant-aided schools in Scotland ⁷	343
Menstruating students attending further education institutions in Scotland ⁸	112,975
Menstruating students attending higher education institutions in Scotland ⁹	149,255
Menstruating pupils attending independent schools in Scotland ¹⁰	8,880
Total	457,237

12. The duty on education providers (section 5) requires that products are made obtainable free of charge to meet the needs of pupils and students arising during term time (38 weeks/year for schools; 33 weeks/year for further and higher education institutions). Table 1 shows that there 457,237 pupils of menstruating age. Taking the fact that pupils and students can only access products during term time, this is equivalent

⁶ Reflects all female local authority primary and secondary school pupils aged 11 and above at June 2020. Based on bespoke analysis of the 2019 Pupil Census.

⁷ Reflects all female grant-aided school pupils aged 11 and above at June 2020. Based on bespoke analysis of the 2019 Pupil Census.

⁸ Reflects the headcount of female students at further education institutions in Scotland, excluding school pupils at college. Based on data from the 2018/2019 academic year from the SFC Infact Database: <http://www.sfc.ac.uk/publications-statistics/statistics/statistics-colleges/infact/infact-database.aspx>

⁹ Reflects the number of female enrolments at higher education institutions in Scotland. Based on data from the 2018/2019 academic year from HESA: <https://www.hesa.ac.uk/data-and-analysis/students>

¹⁰ Reflects all female pupils born in 2007 or earlier in independent schools. Based on bespoke analysis of 2019 data held by the Registrar of Independent Schools.

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to 308,920¹¹ pupils and students accessing products from education providers under the section 5 duty.

13. The duty on local authorities (section 1) requires that products are made obtainable free of charge to all persons that need to use them, including pupils and students. However, it is reasonable to assume, for the purposes of this Revised Financial Memorandum, that pupils and students will only access free period products from their education provider during term time and not through the section 1 duty. This reduces the number of menstruating people potentially accessing products from local authorities under the section 1 duty to 1,270,962¹².

Number of Disposable Period Products Used

14. People typically require around three to six disposable period products¹³ per menstruating day (an average of 4.5) and have, on average, 68 menstruating days a year. So each menstruating person will use, on average, around 306 disposable period products a year.

Cost of Disposable Period Products

15. The cost of period products can vary widely depending on type and brand.

16. Current Scottish Government funding for non-statutory provision, to local authorities and further and higher education institutions, was calculated on the basis of a unit price of 11.6p per period product.

17. The Scottish Government received (unpublished) data from local authorities and further and higher education institutions¹⁴ on period products purchased between 1 September 2018 and 31 August 2019. As shown in Table 2, the median unit price (middle unit price) was 11.4p per disposable period product. There was a large variation of unit prices; half of

¹¹ $(185,784 \times 38/52) + (343 \times 38/52) + (112,975 \times 33/52) + (149,255 \times 33/52) + (8,880 \times 38/52) = 308,920$

¹² Reflects the whole menstruating population of 1,579,882 minus the equivalent number of pupils and students accessing products from education providers during term time (308,920).

¹³ "Disposable period products" refers to sanitary towels and tampons, and excludes articles that are reusable.

¹⁴ Data is available for 30 (out of 32) local authorities, 23 (out of 26) further education institutions and 18 (out of 18) higher education institutions.

all providers purchased disposable period products with unit prices between 9.1p and 17.7p.

18. While these unit prices reflect the available evidence on products purchased in the 2018/2019 academic year, it is likely that these prices will change as existing supplier contracts end. For the purposes of this Revised Financial Memorandum, a unit price range of 9.1p and 17.7p (with a median cost of 11.4p¹⁵) will be used for estimating the cost to bodies of the duties under sections 1 and 5.

Table 2: Range of unit costs of disposable period products

Lower quartile (25% of unit prices are lower than this value)	Median	Upper quartile (75% of unit prices are lower than this value)
9.1p	11.4p	17.7p

Estimated Uptake

Estimated Uptake of Current Non-Statutory Provision

19. The Scottish Government currently provides funding to local authorities to support the non-statutory provision of free period products in community settings, but does not have access to any data to inform estimates of current uptake. Funding provided to local authorities in 2019/20 would support the equivalent of around 5% of the menstruating population not covered by term-time education provision to access their full annual product requirement¹⁶. As this reflects the most likely uptake supported by non-statutory funding and as no data is available to suggest uptake is substantially lower or higher, 5% is considered to be a reasonable baseline uptake rate prior to the duty under section 1 coming into force.

20. The current uptakes for non-statutory provision in educational settings are considered to be a reasonable baseline prior to the duty on education providers under section 5 coming into force. The number of products purchased during the first full academic year of non-statutory provision in educational settings is equivalent to:

- around 15% uptake in local authority schools;

¹⁵ The mean product unit cost was 17.3p. The median, lower and upper quartiles have been used for the purpose of calculations in this Revised Financial Memorandum as the mean can be skewed by significant outliers.

¹⁶ Full annual requirement reflects 306 products at 11.4p per product.

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- around 10% uptake in further and higher education institutions¹⁷.

Assumed Uptake of Statutory Provision From 2022/23 Onwards

21. The duties on local authorities and education providers under sections 1 and 5 are demand-led: the actual cost will depend on the number of people who access free period products and number of free products accessed by each person, as well as the cost of the products themselves.

22. It has been assumed for the purposes of this Revised Financial Memorandum that a proportion of persons in the menstruating population will make use of the free provision for their full annual product requirement (herein referred to as “uptake”).

23. Actual take up is, however, likely to be variable and might reflect a higher proportion of the menstruating population accessing free provision to meet less than their full annual product requirement. It is expected that there is sufficient allowance in the costings presented in this Revised Financial Memorandum for both scenarios.

24. Accurate forecasting is, however, challenging given the lack of available data. It is recognised that demand may increase over time as accessing free products is normalised. Estimated costs in this Revised Financial Memorandum therefore include year-on-year increases¹⁸ presented under three assumptions:

- lower uptake;
- mid uptake;
- higher uptake.

¹⁷ Estimated uptake to date for non-statutory provision in further education institutions, based on the available data, is around 5%. However, for the purposes of costings in this Revised Financial Memorandum, an uptake rate of 10% is assumed for further education institutions. This brings it in line with the estimated and assumed uptake for higher education institutions.

¹⁸ Note that year-on-year increases do not take into account changes in inflation nor in the number of menstruating people in the Scottish population. However, there are likely minimal changes in inflation or in population demographics over the five years costed in this Revised Financial Memorandum and, given the margins of uncertainty around the estimates presented, no significant impact of these factors on the figures is expected.

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25. For the purposes of this Revised Financial Memorandum, the largest year-on-year increase is assumed to be from the current non-statutory provision to 2022/23 (when the duties come into force and information is provided to the public in compliance with section 7 of the Bill). Thereafter, relatively smaller year-on-year increases are assumed, reflecting provision becoming further bedded in and access to free period products becoming normalised. Ongoing data collection will be critical to more accurately forecast demand over time.

26. As education providers have been providing non-statutory access to free period products for pupils and students since August 2018, year-on-year increases in uptake under section 5 are estimated to be smaller than those anticipated for the duty on local authorities under section 1.

27. As summarised in Table 3, the costings related to the duty on local authorities under section 1 assume an initial increase in uptake¹⁹, from the current estimated uptake of non-statutory provision, to 13% in 2022/23 at the mid uptake rate, followed thereafter by year-on-year increases in uptake²⁰ rising to 26% in 2026/27 at the mid uptake rate.

Table 3: Estimated uptake rates used in costings related to the duty on local authorities under section 1

Year	Estimated uptake rates (%)		
	Lower uptake	Mid uptake	Higher uptake
Current	5		
2022/23	10	13	15
2023/24	11	15	20
2024/25	12	18	25
2025/26	13	22	33
2026/27	15	26	43

28. As summarised in Table 4, the costings related to the duty on education providers under section 5 assume an initial increase in uptake²¹, from the current estimated uptake of non-statutory provision, to 23% in

¹⁹ The costings related to the duty on local authorities under section 1 assume initial increases in uptake in 2022/23, from the current estimate uptake of non-statutory provision, of 2 times (lower uptake), 2.5 times (mid uptake) and 3 times (higher uptake).

²⁰ Assumes year-on-year increases in uptake from 2022/23 onwards of 10% (lower uptake), 20% (mid uptake) and 30% (higher uptake).

²¹ The costings related to the duty on education providers under section 5 assume initial increases in uptake in 2022/23, from the current estimated uptakes of non-statutory provision, of 25% (lower uptake), 50% (mid uptake) and 75% (higher uptake).

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schools and 15% in further and higher education providers in 2022/23 at the mid uptake rate, followed thereafter by year-on-year increases²² in uptake rising to 33% in schools and 22% in further and higher education institutions in 2026/27 at the mid uptake rate.

Table 4: Estimated uptake rates used in costings related to the duty on education providers under section 5

Year	Estimated uptake rates (%)					
	Schools ²³			Further and higher education institutions		
	Lower uptake	Mid uptake	Higher uptake	Lower uptake	Mid uptake	Higher uptake
Current	15			10		
2022/23	19	23	26	13	15	18
2023/24	20	25	30	13	17	20
2024/25	21	27	35	14	18	23
2025/26	22	30	40	15	20	27
2026/27	23	33	46	15	22	31

Set-Up (Transition) Costs

29. It is expected that the current non-statutory provision (and the associated Scottish Government funding) provides a strong foundation from which to implement the requirements of the Bill.

30. Local authorities have been providing non-statutory access to free period products in public buildings for community access since January 2019. A one-off funding allocation of £536,000 was provided by the Scottish Government at that time to cover set-up costs. Education providers have been providing non-statutory access to free period products for pupils and students since August 2018. A one-off funding allocation was provided by the Scottish Government to support the set-up of the provision in educational settings: £478,000 to local authorities and £783,000 to further and higher education providers.

31. It is expected that there will be transition costs in moving from non-statutory to statutory provision. Alongside requiring an expansion of non-

²² Assumes year-on-year increases from 2022/23 onwards of 5% (lower uptake), 10% (mid uptake) and 15% (higher uptake).

²³ Includes local authority schools, grant-aided schools and independent schools.

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statutory provision, the Bill also places additional duties on responsible bodies that may result in both transition and ongoing administrative costs:

- section 6C requires that responsible bodies prepare a statement on the exercise of functions;
- section 6D requires that responsible bodies consult with product users and persons who may obtain products on behalf of product users;
- section 7 requires that responsible bodies provide information to members of the public, pupils or students.

32. There will be some staff time associated with compliance with sections 6C, 6D and 7, but the cost will depend on whether these additional duties are undertaken by bodies in-house or externally commissioned and, if undertaken in-house, allocation of staff resources within bodies. In addition, the exact costs incurred through compliance with these sections will depend on the approaches taken by bodies, on existing infrastructure arrangements, and the frequency with which they undertake these functions. Therefore, there is the potential for substantial variability and it is not possible to predict transition costs with any accuracy. Transition costs, which are likely to be incurred primarily in 2021/22, will need to be explored and budgets agreed with COSLA and the Scottish Funding Council.

Ongoing Administrative Costs

33. The Scottish Government currently provides annual funding to support the administration of non-statutory provision of period products in community and educational settings. The funding is calculated based on the number of people taking their full annual product requirement, at a price per head of £5. It is anticipated that the current funding levels may be sufficient to cover ongoing annual administrative costs related to the duties under sections 1 and 5, plus the additional duties under sections 6C, 6D and 7 (where undertaken annually).

34. If the Scottish Government continues to allocate funding to cover administrative costs on the same basis as current non-statutory provision following implementation of the Bill, the administrative costs set out in this Revised Financial Memorandum would apply. However, discussions on ongoing administrative costs and the most appropriate way to allocate this element of the budget will be undertaken. Administrative costs calculated in this way are therefore only presented as an illustration of potential costs if the current basis of funding costs related to non-statutory provision is extended to statutory provision.

Costs of The Bill on The Scottish Administration

Preparation of Guidance Under Section 6b

35. Section 6B of the Bill requires the Scottish Ministers to issue guidance to local authorities, education providers and any specified public service bodies about the exercise of functions conferred to them. The production of guidance will require a small team in the Scottish Government, resulting in staffing costs on the Scottish Administration. One-off staffing costs to support the production of guidance are estimated to be no higher than £14,000 for 2021/22²⁴.

Duties on Local Authorities and Education Providers Under Sections 1 And 5

36. The Scottish Government has committed to continue to provide funding to local authorities, grant-aided schools and governing bodies of further and higher education institutions to meet their duties under sections 1 and 5 of the Bill.

37. Based on the assumptions set out above, the total costs on the Scottish Administration relating to the duties under sections 1 and 5 are estimated to be £8.7 million in 2022/23 at the mid uptake rate (with a range of £5.8 million to £15.2 million depending on uptake and product costs).

38. As set out in Table 5 below, the costs on the Scottish Administration may increase over time reflecting demand-led increases in uptake. There is additional variability in the estimates introduced by the potential for substantial range in the product unit price.

39. If year-on-year increases in uptake continue to occur over the first five years following the duties coming into force, the total estimated cost could increase to £16.6 million in 2026/27 at the mid uptake rate (with a range of £8.1 million to £39.1 million). This illustrates how costs could increase over time, but it is difficult to accurately predict whether actual demand will follow this trajectory.

²⁴ Staffing costs have been estimated for a six-month period in 2021/22, reflecting 0.05 time of a Scottish Government C2 grade staff member (at a gross annual cost of £95k), 0.1 time of a Scottish Government C1 grade staff member (at a gross annual cost of £77k), and 0.25 time of a Scottish Government B3 grade staff member (at a gross annual cost of £58k)

Table 5: Total annual costs on the Scottish Administration arising from the Bill

Year	Lower uptake	Mid uptake	Higher uptake
	£m, rounded to nearest £0.1m		
2022/23	5.8 – 10.3 (7.0)	7.2 – 12.8 (8.7)	8.6 – 15.2 (10.3)
2023/24	6.3 – 11.2 (7.6)	8.4 – 15.0 (10.2)	10.8 – 19.2 (13.0)
2024/25	6.9 – 12.2 (8.3)	9.9 – 17.6 (12.0)	13.6 – 24.3 (16.5)
2025/26	7.5 – 13.3 (9.0)	11.7 – 20.7 (14.1)	17.3 – 30.8 (20.9)
2026/27	8.1 – 14.4 (9.8)	13.7 – 24.4 (16.6)	21.9 – 39.1 (26.5)

N.B. Figures in parentheses represent costings based on the median (50th percentile) product unit cost of 11.4p. The other figures show the interquartile range based on the 25th and 75th percentile cost (9.1p and 17.7p). Together, the three figures in each cell provide a broad estimate of the range of likely costs for the scenario.

40. The following sections of the Revised Financial Memorandum break down these total costs on the Scottish Administration by different public sector bodies. Note, however, that the costs of the Bill on local authorities, managers of grant-aided schools and the governing bodies of further and higher education institutions are included in the aforementioned costs on the Scottish Administration, but are detailed below for completeness.

Costs of The Bill on Local Authorities

Total Costs on Local Authorities of The Duties Under Sections 1 And 5

41. Costs of the Bill on local authorities will primarily arise from:

- the duty on local authorities to ensure period products are obtainable free of charge by all persons who need to use them (section 1);
- the duty on education providers to ensure period products are obtainable free of charge to pupils in local authority schools (section 5).

42. Note that ongoing costs on local authorities may arise from sections 6B, 6C and 7. These are expected to be covered within the cost estimates presented in this section of the Revised Financial Memorandum.

43. Combined product and administrative costs on local authorities arising from their duties under sections 1 and 5 are estimated to be £7.6

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million in 2022/23 at the mid-uptake rate (with a range of £5.1 million to £13.4 depending on uptake and product costs).

44. As shown in Table 6, if year-on-year increases in uptake occur over the first five years following commencement of the duties on local authorities, the total cost on local authorities could rise to £15.0 million in 2026/27 at the mid-uptake rate (with a range of £7.2 million to £35.9 million).

Table 6: Total potential annual costs, reflecting product and administrative costs, on local authorities arising from the Bill

Year	Lower uptake	Mid uptake	Higher uptake
	£m, rounded to nearest £0.1m		
2022/23	5.1 – 9.1 (6.1)	6.3 – 11.2 (7.6)	7.5 – 13.4 (9.1)
2023/24	5.5 – 9.9 (6.7)	7.5 – 13.3 (9.0)	9.6 – 17.1 (11.6)
2024/25	6.0 – 10.8 (7.3)	8.8 – 15.8 (10.7)	12.3 – 21.9 (14.8)
2025/26	6.6 – 11.8 (8.0)	10.5 – 18.7 (12.6)	15.7 – 28.0 (19.0)
2026/27	7.2 – 12.9 (8.7)	12.4 – 22.2 (15.0)	20.1 – 35.9 (24.3)

N.B. Figures in parentheses represent costings based on the median product unit cost of 11.4p

The other figures show the interquartile range based on the 25th and 75th percentile cost (9.1p and 17.7p). Together, the three figures in each cell provide a broad estimate of the range of likely costs for the scenario.

45. The remainder of this section provides a breakdown of costs on local authorities arising from the duty on local authorities under section 1 and the duty on education providers under section 5.

Costs on Local Authorities of The Duty Under Section 1

46. Combined product and administrative costs on local authorities of the duty under section 1 are estimated to be £6.3 million in 2022/23²⁵ at the mid-uptake rate (with a range of £4.2 million to £11.3 million depending on uptake and product costs). As shown in Table 7, if year-on-year increases

²⁵ Comprises an estimated annual product cost of £5.5 million (ranging between £4.4 million at lower uptake to £6.6 million at higher uptake) and an illustrative annual administrative cost of £0.79 million (ranging between £0.64 million at lower uptake to £0.95 million at the higher uptake).

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in uptake occur, costs could potentially rise to £13.1 million in 2026/27²⁶ at the mid-uptake rate (with a range of £6.1 million to £32.1 million).

Table 7: Total annual costs, reflecting product and administrative costs, on local authorities for meeting the duty under section 1

Year	Lower uptake	Mid uptake	Higher uptake
	£m, rounded to nearest £0.1m		
2022/23	4.2 – 7.5 (5.1)	5.2 – 9.4 (6.3)	6.3 – 11.3 (7.6)
2023/24	4.6 – 8.3 (5.6)	6.3 – 11.3 (7.6)	8.2 – 14.6 (9.9)
2024/25	5.1 – 9.1 (6.1)	7.5 – 13.5 (9.1)	10.6 – 19.0 (12.8)
2025/26	5.6 – 10.0 (6.7)	9.0 – 16.2 (10.9)	13.8 – 24.7 (16.7)
2026/27	6.1 – 11.0 (7.4)	10.9 – 19.5 (13.1)	17.9 – 32.1 (21.7)

N.B. Figures in parentheses represent costings based on the median product unit cost of 11.4p

The other figures show the interquartile range based on the 25th and 75th percentile cost (9.1p and 17.7p). Together, the three figures in each cell provide a broad estimate of the range of likely costs for the scenario.

Cost on Local Authorities of The Duty on Education Providers Under Section 5

47. Combined product and administrative costs on local authorities of the duty under section 5 are estimated to be £1.27 million in 2023/24²⁷ at the mid-uptake rate (with a range of £0.89 million to £2.17 million depending on uptake and product costs). As shown in Table 8, if year-on-year increases in uptake occur, costs could potentially rise to £1.87 million in 2026/27²⁸ at the mid-uptake rate (with a range of £1.08 to £3.80 million).

²⁶ Comprises an estimated annual product cost of £11.5 million (ranging between £6.5 million at lower uptake to £19.0 million at the higher uptake rate) and an illustrative annual administrative cost of £1.65 million (ranging between £0.93 million at lower uptake to £2.72 million at higher uptake).

²⁷ Comprises an estimated annual product cost of £1.06 million (ranging between £0.89 million at lower uptake to £1.24 million at higher uptake) and an illustrative annual administrative cost of £0.21 million (ranging between £0.17 million at lower uptake to £0.24 million at higher uptake).

²⁸ Comprises an estimated annual product cost of £1.56 million (ranging between £1.08 million at lower uptake to £2.17 million at the higher uptake) and an illustrative annual administrative cost of £0.31 million (ranging between £0.21 million at the lower uptake to £0.43 million at the higher uptake).

Table 8: Total annual costs, reflecting product and administrative costs, arising from the duty on education providers to local authorities

Year	Lower uptake	Mid uptake	Higher uptake
	£m, rounded to nearest £0.01m		
2022/23	0.89 – 1.55 (1.06)	1.06 – 1.86 (1.27)	1.24 – 2.17 (1.49)
2023/24	0.93 – 1.63 (1.11)	1.17 – 2.05 (1.40)	1.43 – 2.50 (1.71)
2024/25	0.98 – 1.71 (1.17)	1.29 – 2.25 (1.54)	1.64 – 2.87 (1.97)
2025/26	1.03 – 1.79 (1.23)	1.41 – 2.48 (1.70)	1.89 – 3.30 (2.26)
2026/27	1.08 – 1.88 (1.29)	1.56 – 2.72 (1.87)	2.17 – 3.80 (2.60)

N.B. Figures in parentheses represent costings based on the median product unit cost of 11.4p

The other figures show the interquartile range based on the 25th and 75th percentile cost (9.1p and 17.7p). Together, the three figures in each cell provide a broad estimate of the range of likely costs for the scenario.

Costs on Other Bodies, Individuals and Businesses

Costs on Managers of Grant-Aided Schools

48. Costs of the Bill on managers of grant-aided schools will arise from the duty on education providers under section 5.

49. Given the small number of menstruating pupils at grant-aided schools, the costs associated to managers of grant-aided schools are expected to be low. The annual total cost, including product and administrative costs, is estimated to be £2,400 in 2022/23 at the mid-uptake rate (with a range of £1,600 to £4,000 depending on uptake and product costs). If year-on-year increases in uptake occur, total annual costs could to rise to £3,400 in 2026/27 at the mid-uptake rate (with a range of £2,000 to £7,000).

Costs on Governing Bodies of Higher or Further Education Institutions

50. Costs of the Bill on governing bodies of higher or further education institutions will arise from the duty on education providers under section 5.

51. Combined product and administrative costs on governing bodies of further and higher education institutions are estimated to be £1.07 million in

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2022-23 at the mid uptake rate²⁹ (with a range of £0.74 million to £1.80 million).

52. As shown in Table 9, if year-on-year increases in uptake occur, costs could potentially rise to £1.56 million³⁰ in 2026/27 at the mid uptake rate (with a range of £0.90 million to £3.15 million).

Table 9: Total annual costs, reflecting product and administrative costs, arising from the duty on education providers to governing bodies of further or higher education institutions

Year	Lower uptake	Mid uptake	Higher uptake
	£m, rounded to nearest £0.01m		
2022/23	0.74 – 1.28 (0.88)	0.89 – 1.55 (1.07)	1.04 – 1.80 (1.24)
2023/24	0.78 – 1.34 (0.93)	0.98 – 1.70 (1.17)	1.20 – 2.07 (1.43)
2024/25	0.82 – 1.41 (0.97)	1.08 – 1.87 (1.29)	1.38 – 2.38 (1.65)
2025/26	0.86 – 1.48 (1.02)	1.19 – 2.06 (1.42)	1.59 – 2.74 (1.89)
2026/27	0.90 – 1.55 (1.07)	1.31 – 2.26 (1.56)	1.82 – 3.15 (2.18)

N.B. Figures in parentheses represent costings based on the median product unit cost of 11.4p

The other figures show the interquartile range based on the 25th and 75th percentile cost (9.1p and 17.7p). Together, the three figures in each cell provide a broad estimate of the range of likely costs for the scenario.

Costs on Proprietors of Independent Schools

53. The duty on education providers under section 5 covers independent schools, resulting in costs to proprietors of independent schools.

54. Combined product and administrative costs on proprietors of independent schools are estimated to be £61,000 in 2022-/23³¹ at the mid-uptake rate (with a range of £42,000 to £104,000). As summarised in Table

²⁹ Comprises an estimated annual product cost of £0.87 million (ranging between £0.72 million at lower uptake to £1.02 million at higher uptake) and an illustrative annual administrative cost of £0.20 million (ranging between £0.16 million at lower uptake to £0.23 million at higher uptake).

³⁰ Comprises an estimated annual product cost of £1.27 million (ranging between £0.87 million at lower uptake to £1.78 million at higher uptake) and an illustrative annual administrative cost of £0.29 million (ranging between £0.20 million at lower uptake to £0.40 million at higher uptake).

³¹ Comprises an estimated annual product cost of £51,000 (ranging between £42,000 at lower uptake to £59,000 at higher uptake) and an illustrative annual administrative cost of £10,000 (ranging between £8,000 at lower uptake to £12,000 at higher uptake).

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10, if year-on-year increases in uptake occur, costs could potentially rise to £89,000 in 2026/27³² at the mid-uptake rate (with a range of £51,000 to £181,000).

Table 10: Total estimated annual costs arising from the duty on proprietors of independent schools

Year	Lower uptake	Mid uptake	Higher uptake
	£000 (rounded to nearest £1,000)		
2022/23	42 – 74 (51)	51 – 89 (61)	59 – 104 (71)
2023/24	44 – 78 (53)	56 – 98 (67)	68 – 119 (82)
2024/25	47 – 82 (56)	61 – 108 (74)	78 – 137 (94)
2025/26	49 – 86 (59)	68 – 118 (81)	90 – 158 (108)
2026/27	51 – 90 (62)	74 – 130 (89)	104 – 181 (124)

N.B. Figures in parentheses represent costings based on the median product unit cost of 11.4p

The other figures show the interquartile range based on the 25th and 75th percentile cost (9.1p and 17.7p). Together, the three figures in each cell provide a broad estimate of the range of likely costs for the scenario.

Costs on Specified Public Service Bodies

55. Section 6 of the Bill enables the Scottish Ministers to extend, by regulations, the duty to provide free period products to other public service bodies. This would have cost implications for specified bodies.

56. Scottish Ministers currently have no plans to specify bodies under section 6 so it is not possible to accurately predict costs relating to this duty. Actual costs incurred will vary widely according to the size and circumstances of the organisations affected, and on what provision they are already making (in the absence of a statutory duty). In any case, as the use of this power is optional, any costs that are incurred by a specific organisation would be better regarded as costs of the regulations applying the duty to that organisation, and not as part of the cost of this Bill.

57. Paras 65-72 of the original Financial Memorandum (SP Bill 45-FM) provides an illustrative example of potential cost on the basis of the provision of free period products by the Scottish Parliamentary Corporate

³² Comprises an estimated annual product cost of £75,000 (ranging between £52,000 at lower uptake to £104,000 at higher uptake) and an illustrative annual administrative cost of £15,000 (ranging between £10,000 at lower uptake to £20,000 at higher uptake).

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Body (SPCB) in the Scottish Parliament. This example is copied below for ease of reference.

58. In May 2018 the Scottish Parliamentary Corporate Body (SPCB) agreed to provide free period products within the Scottish Parliament. Following this decision, period products were made available in 42 toilets across the parliamentary campus, including in public areas.

59. At that time, the Scottish Parliament directly employed 512 staff, 53% of whom were women (274). Other building users who could also benefit from this scheme included 46 female MSPs, and 280 female MSP staff. There were also a further 1,672 passholders who regularly accessed the building. This number encompassed Scottish Government staff, Police Scotland, members of the media, contractors and regular visitors. A breakdown of these individuals by gender was not available, however, it was reasonable to assume that around half (836) of these were female. The total number of people who could potentially benefit from the provision of free period products was therefore around 1,436³³.

60. In addition to the staff who worked in the building, free period products were provided in the toilets in the Main Hall which could be accessed by members of the public. It was assumed, however, that female visitors would only take products on an occasional basis and that this would not contribute significantly to overall demand.

61. Projected costs for the first year of delivery in the Scottish Parliament are presented in Table 1.

Table 11: Projected costs to provide free period products at the Scottish Parliament

Expense type	Cost
Set-up costs	£152
Cost of products (@ £198/month)	£2,376
Total projected costs (first year)	£2,500

62. Cost projections assumed that each of the 42 collection points would need to be completely restocked once a month. This equated to 1,600 period products, at a unit cost of around £0.12 per product, resulting in a monthly cost of around £200. Taking the initial set up costs (the purchase

³³ Number of female MSP, MSP Staff, female SPCB staff added to 50% of the other passholders (who are not tracked by gender).

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of boxes for the provision of products, signage etc.) into account, projected costs for the full year were expected to be around £2,500³⁴.

63. After the policy was launched, the monthly costs of replenishing stock remained generally consistent, with each box needing to be completely re-stocked around once a month. This indicated that approximately 1,600 products were being used each month and that initial cost projections were accurate.

Costs on Others

64. It should be noted that some retailers may experience a drop in sales of period products in Scotland as a result of the Bill, reflecting the anticipated increase in the number of people accessing free period products. While the Scottish Government has already introduced non-statutory provision in education settings and in public places, the duties on local authorities and education providers are anticipated to result in further increases in uptake from current levels and so further reduce the number of products purchased from retailers.

Margins of Uncertainty

65. There are a number of factors that introduce significant uncertainty into the estimates presented in this Revised Financial Memorandum. These factors are summarised in this section.

Estimated Uptake

66. It is difficult to predict with accuracy the levels of demand for free period products in the menstruating population, and how this might change over time. Scotland is believed to be world leading in this policy area which means there is no relevant data from international comparators to draw upon. Non-statutory provision has been in place for a relatively short period of time, since August 2018 in education settings and since January 2019 in community settings, so there has been insufficient time to observe how uptake changes once provision becomes bedded in and access to free period products becomes normalised.

67. Costings in this Revised Financial Memorandum assume a range of potential uptake rates, rising from the baseline estimated uptake rates of current non-statutory provision, followed by year-on-year increases in

³⁴ Initial set up costs of £152 + (monthly refill costs of £198 x 12) = £2,528.

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uptake thereafter. It is expected that range of uptakes costed will cover the actual uptake rates of statutory provision.

Cost of Period Products

68. Uncertainty is introduced due to the range of possible prices per period product (unit price), reflecting the array of available brands and product types. A range of unit prices have been used for costings in this Revised Financial Memorandum. It is, however, possible that unit prices could exceed that used as the upper range in this Revised Financial Memorandum, increasing the total costs of the Bill.

69. There may, however, be some economies of scale arising through the expansion of delivery and increased uptake expected as a result of the Bill, which could reduce the average unit price of disposable period products used in this Revised Financial Memorandum. For example, if local authorities and education providers were able to provide disposable period products at a unit cost of 9.1p, the total costs on the Scottish Administration would reduce to £7.2 million in 2022/23 at the mid-uptake rate, rising to £13.7 million by 2026/27 at the mid-uptake rate if year-on-year increases in uptake are observed.

70. It is possible that the provision of reusable period products, such as menstrual cups or reusable pads, may result in a reduction in the costs presented in this Revised Financial Memorandum, depending on the unit price and number of reusable products provided. Based on (unpublished) monitoring data from local authorities and higher education institutions on non-statutory provision in educational settings, the unit price of menstrual cups ranged from £3.59 to £20.52 and the unit price of reusable pads ranged from £2.15 to £12.26. While the unit prices of reusable products are higher than those of disposable products, the number of reusable products required to meet a menstruating person's annual requirement is expected to be substantially fewer than disposable products, and reusable products have a life span of a number of years.

Transition and Administrative Costs

71. The initial costs of transition from non-statutory to statutory provision and ongoing administrative costs related to the Bill's duties under sections 1, 5 and 6 and the additional duties under sections 6B, 6C and 7 will depend on the approaches taken by bodies, on existing infrastructure arrangements, and the frequency with which they undertake these functions. Therefore, there is the potential for substantial variability in costs and it is not possible to predict these with any accuracy.

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72. For the purposes of this Revised Financial Memorandum, administrative costs have been calculated on the basis of the current approach to funding non-statutory provision, which is likely to be sufficient to cover administrative costs arising from statutory provision, but discussions on ongoing administrative costs and the most appropriate way to allocate this element of the budget will be undertaken

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Revised Financial Memorandum

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