



**Environment and Rural Development Committee**

**14th Meeting, 2005**

**Wednesday 18 May 2005**

The Committee will meet at 10.00 am in Committee Room 4

1. **Environmental Assessment (Scotland) Bill (in private):** The Committee will consider the evidence received to date at Stage 1.

*Not before 10.30 am*

2. **Subordinate legislation:** Mr Brian Monteith MSP to move motion S2M-2781— That the Environment and Rural Development Committee recommends that nothing further be done under the Horse Passports (Scotland) Regulations 2005 (SSI 2005/223).

3. **Subordinate legislation:** The Committee will consider the following negative instrument—

the Land Management Contracts (Menu Scheme) (Scotland) Regulations 2005 (SSI 2005/225).

*Not before 11.30 am*

4. **Subordinate legislation:** Ross Finnie MSP (Minister for Environment and Rural Development) to move motion S2M-2747— That the Environment and Rural Development Committee recommends that the Farm Business Development (Scotland) Variation Scheme 2005 (SSI 2005/219) be approved.

5. **Environmental Assessment (Scotland) Bill:** The Committee will take evidence at Stage 1 from—

Ross Finnie MSP, Minister for Environment and Rural Development; and

Malcolm Chisholm MSP, Minister for Communities.

**Mark Brough**  
Clerk to the Committee  
Direct Tel: 0131-348-5240

The following papers are attached:

|  |                 |
|--|-----------------|
| <u>Agenda Item 1</u>   |                 |
| Paper from the clerk ( <i>for members only</i> )   | ERD/S2/05/14/1a |
| <u>Agenda Item 2</u>   |                 |
| <a href="#">The Horse Passports (Scotland) Regulations 2005 (SSI 2005/223)</a>                         | ERD/S2/05/14/2a |
| Extract from the Subordinate Legislation Committee 19th Report   | ERD/S2/05/14/2b |
| <u>Agenda Item 3</u>   |                 |
| <a href="#">The Land Management Contracts (Menu Scheme) (Scotland) Regulations 2005 (SSI 2005/225)</a> | ERD/S2/05/14/3a |
| Extract from the Subordinate Legislation Committee 19th Report   | ERD/S2/05/14/3b |
| Letter from the Minister for Environment and Rural Development   | ERD/S2/05/14/3c |
| <u>Agenda Item 4</u>   |                 |
| The Farm Business Development (Scotland) Variation Scheme 2005 (SSI 2005/219)                          | ERD/S2/05/14/4a |
| <u>Agenda Item 5</u>   |                 |
| Briefing paper ( <i>for members only</i> )   | ERD/S2/05/14/5a |
| Finance Committee report on the Financial Memorandum of the Environmental Assessment (Scotland) Bill   | ERD/S2/05/14/5b |

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|--|--|--|---|--|--|--|--|
| <b>SSI Title and No:</b>                                 | The Horse Passports (Scotland) Regulations 2005 SSI/2005/223   |  |   |  |  |  |  |
| <b>Laid Date:</b>  | 22/04/2005   | <b>Responsible Minister:</b>             | Ross Finnie   |  |  |  |  |
| <b>SE Contact:</b>                                       | Mary Bradley, SEERAD, 46177  |  |   |  |  |  |  |
| <b>Standing Order:</b>                                   | 10.4, Subject to negative procedure within 40 days.  |  |   |  |  |  |  |
| <b>RECOMMENDATION</b>                                    |  |  |   |  |  |  |  |
| <b>Lead Committee:</b>                                   | Environment and Rural Development  |  | <b>Other Committees:</b>                                  |  |  |  |  |
| <b>Clerk Contact Room &amp; No:</b>                      | Mark Brough, 85240   |  | <b>Clerk Contact No:</b>                                  |  |  |  |  |
| <b>Reason:</b>   | The Regulations specify which organisations are authorised to issue passports and give them powers and duties, make provision for applications for and issue of passports, specify the languages of passports and make provision for horses entering Scotland. |  |   |  |  |  |  |
| <b>Time Limit for Parliament to Deal with Instrument</b> | 31/05/2005   |  | <b>1st SLC Meeting</b>                                    | 03/05/2005   |  |  |  |
|  |  |  | <b>SLC reporting deadline</b>                             | 12/05/2005   |  |  |  |
| <b>Lead Committee To Report By:</b>                      | 23/05/2005   |  | <b>*Other Committees To Report to the Lead Committee:</b> |  |  |  |  |
| <b>SSI Attached</b>                                      | X  | <b>Draft Motion Attached if Required</b> |   | <b>Date Motion and Designation Form E-Mailed to the Bureau</b> |  | <b>Laying Clerk Advised of Designated Lead Committee</b> |  |

\* 10 days before the lead committee reporting date. "Other" committees may wish to negotiate timing of their report with the lead committee.

## Subordinate Legislation Committee

### Extract from the 19<sup>th</sup> Report, 2005 (Session 2)

The Committee reports to the Parliament as follows—

#### **The Horse Passports (Scotland) Regulations 2005, (SSI 2005/223)**

The Committee raised three points with the Executive in relation to this instrument. Firstly, the Committee sought explanation as to why the enabling power at section 2(2) of the European Communities Act 1972 was used in preference to powers contained in the Animal Health Act 1981.

The Executive explained that section 2(2) was used as the instrument makes provision for human, rather than animal, health and that it would therefore have been inappropriate to use the powers in the 1981 Act. The Executive is also of the view that section 2(2) offers more flexibility in relation to offences.

The Executive was asked for an explanation of the difference in terms of the definition of “horse” between Directive 90/426/EEC and the Regulations. The Executive has explained that, while the Directive also applies to wild horses, there is no need for the Scottish Regulations to make provision for this as there are no wild horses in Scotland.

The last point raised by the Committee was to seek clarification as to why the Directive has only now been implemented, given that Article 4 requires Member States to ensure compliance “as from July 2000 at the latest”. The Executive explains that reasons for the delay in implementation were the extensive consultation process and the diversion of resources to deal with the foot and mouth crisis.

**The Committee noted its concern at the time taken to consult but accepted the explanations provided by the Executive and draws the above to the attention of the lead Committee and Parliament for information only.**

## APPENDIX

### **The Horse Passports (Scotland) Regulations 2005, (SSI 2005/223)**

On 3<sup>rd</sup> May 2005 the Subordinate Legislation Committee considered the above instrument and sought explanations of the following matters:-

**The Committee asked the Executive for clarification as to why the enabling power at section 2(2) of the European Communities Act 1972 was used in preference to the powers in the Animal Health Act 1981, under which the Horse Passports Order 1997 was made.**

The Executive is grateful to the Committee for raising this point and allowing it to clarify this matter. It was considered appropriate in this case to use the powers under section 2(2) of the European Communities Act 1972, rather than powers under the Animal Health Act 1981, as the measures in question do not relate to animal health. Also, by using powers under section 2(2) of the 1972 Act the Executive is able to ensure that breaches of the Regulations are capable of being tried both summarily and on indictment and punishable by both fines and imprisonment. The powers under the Animal Health Act 1981 would only have allowed prosecution summarily and punishment with a maximum penalty of a fine of level 5 on the standard scale or imprisonment of 1 month for a second or subsequent offence.

**The Committee asked the Executive for an explanation of the difference in terms in the definition of “horse” between Directive 90/426/EEC and the Regulations.**

The Executive is, again, grateful to the Committee for noting this difference and allowing the Executive to clarify. During the consultation of the Regulations it came to the Executive’s attention that there are no wild horses in Scotland. Accordingly, the Executive do not consider it necessary to include “wild horses” in the definition “horse” for the purposes of the Regulations.

**The Committee asked for clarification as to why Commission Decision 2000/68/EC is only now being implemented when Article 4 of the Decision requires Member States to ensure compliance “as from 1 July 2000 at the latest”.**

The Executive acknowledges and regrets the delay in implementation in this particular case. This is partly as a result of the extensive consultation which took place. Further, proposals for work on implementation of the Decision were also delayed by the ensuing foot and mouth crisis and the efforts required to deal with that.

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|--|---|--|---|--|--|--|--|
| <b>SSI Title and No:</b>                                 | The Land Management Contracts (Menu Scheme) (Scotland) Regulations 2005 SSI/2005/225  |  |   |  |  |  |  |
| <b>Laid Date:</b>  | 22/04/2005  | <b>Responsible Minister:</b>             | Ross Finnie   |  |  |  |  |
| <b>SE Contact:</b>                                       | Christine Davidson, SEERAD, 46618   |  |   |  |  |  |  |
| <b>Standing Order:</b>                                   | 10.4, Subject to negative procedure within 40 days.   |  |   |  |  |  |  |
| <b>RECOMMENDATION</b>                                    |   |  |   |  |  |  |  |
| <b>Lead Committee:</b>                                   | Environment and Rural Development   |  | <b>Other Committees:</b>                                  |  |  |  |  |
| <b>Clerk Contact Room &amp; No:</b>                      | Mark Brough, 85240  |  | <b>Clerk Contact No:</b>                                  |  |  |  |  |
| <b>Reason:</b>   | These regulations introduce the Land Management Contracts (Menu Scheme) in Scotland under the Common Agricultural Policy (CAP) Pillar 2, for farmers with land in Scotland. This instrument also amends the Agricultural Subsidies (Appeals) (Scotland) Regulations 2004 to extend coverage to the Land Management Contracts Menu Scheme. |  |   |  |  |  |  |
| <b>Time Limit for Parliament to Deal with Instrument</b> | 31/05/2005  |  | <b>1st SLC Meeting</b>                                    | 03/05/2005   |  |  |  |
|  |   |  | <b>SLC reporting deadline</b>                             | 12/05/2005   |  |  |  |
| <b>Lead Committee To Report By:</b>                      | 23/05/2005  |  | <b>*Other Committees To Report to the Lead Committee:</b> |  |  |  |  |
| <b>SSI Attached</b>                                      | X   | <b>Draft Motion Attached if Required</b> |   | <b>Date Motion and Designation Form E-Mailed to the Bureau</b> |  | <b>Laying Clerk Advised of Designated Lead Committee</b> |  |

\* 10 days before the lead committee reporting date. "Other" committees may wish to negotiate timing of their report with the lead committee.

## Subordinate Legislation Committee

### Extract from the 19<sup>th</sup> Report, 2005 (Session 2)

The Committee reports to the Parliament as follows—

#### **The Land Management Contracts (Menu Scheme) (Scotland) Regulations 2005, (SSI 2005/225)**

The Committee noted that regulation 3(1) is “subject to paragraph (4)”. As there is no paragraph (4) in regulation 3, the Committee asked the Executive for an explanation. The Executive has confirmed that this is an error and should have read “subject to paragraph (2)”. The Executive has undertaken to remedy the error at the next convenient legislative opportunity.

**The Committee notes the Executive’s undertaking and draws the Regulations to the attention of the lead Committee and Parliament on the grounds of defective drafting, as acknowledged by the Executive.**

The Committee also asked the Executive for clarification as to whether regulation 21(3) means that criminal proceedings may not be commenced later than six months after an offence is committed. The Executive has confirmed that this is the case. **The Committee reports the Regulations on the grounds that that the drafting could be clearer in the above regard.**

The Committee asked the Executive why a regulatory impact assessment (RIA) was not provided in respect of these Regulations.

The Executive response explains that the Land Management Contracts Menu Scheme is an optional scheme which uses funds modulated from the Single Farm Payment Scheme and that there is therefore no negative impact arising from these Regulations. The Committee is not in a position to confirm, as a matter of fact, that this statement is correct.

The Committee considered that information in relation to RIAs that have been prepared for other Regulations in the CAP reform package would have been useful and noted that no reference is made to any such RIA in the current Regulations.

**The Committee draws this issue to the attention of the lead Committee and Parliament for information.**

## **APPENDIX**

### **The Land Management Contracts (Menu Scheme) (Scotland) Regulations 2005, (SSI 2005/225)**

On 3<sup>rd</sup> May the Committee asked the Executive for an explanation of the following matters-

“The Committee notes that regulation 3(1) is “subject to paragraph (4)”. As there is no paragraph (4) in regulation 3, the Executive is asked for an explanation.

The Committee asks for clarification as to whether regulation 21(3) means that proceedings may not be commenced later than 6 months after an offence is committed.

The Explanatory Note to the instrument notes that no Regulatory Impact Assessment has been prepared in respect of these Regulations. Given their obvious impact on farming business, the Committee asks why a RIA was not prepared.”

The Scottish Executive responds as follows:

#### **First question**

This is an error. Regulation 3(1) should have read “subject to paragraph (2)”. This error will be remedied at the next convenient legislative opportunity. It is submitted that, notwithstanding this error, there is no real difficulty in discerning the meaning of regulation 3. Under paragraph (1) an application for aid must be made and, under paragraph (2), if the Scottish Ministers suspend the scheme “no application under paragraph (1) may be submitted to them.” It remains clear that applications for aid need not be submitted at times when the operation of the scheme itself has been suspended.

#### **Second question**

Yes, regulation 21(3) means that proceedings may not be commenced later than 6 months after an offence is committed.

#### **Third question**

A Regulatory Impact Assessment was not prepared in respect of these Regulations because the Land Management Contracts Menu Scheme is an optional scheme which uses funds modulated from the Single Farm Payment Scheme (S.S.I 2003/143, in particular regulation 10). Therefore there is no negative impact on businesses arising from these Regulations.

**Agenda Item 3**

**Environment and Rural  
Development Committee**

18 May 2005  
ERD/S2/05/14/3c

Minister for Environment & Rural Development  
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May 2005

Thank you for your letter of 11 May 2005 about the Land Management Contracts (Menu Scheme) (Scotland) Regulations 2005 (SSI 2005/225). You indicated that the Environment & Rural Development Committee is generally supportive of the instrument but that members are seeking clarification on a number of points to which I now respond in the order referred to in your letter.

1. The Instrument is not intended to apply only for 2005 (indeed a number of the options included are for 5 years). However, we will review progress on implementation of the scheme with a view to refining the Menu Scheme for future years, if necessary, by means of an amendment to this Instrument. Tier 3 schemes, which are being developed now, would require new legislation in the form of a further Instrument. We are currently starting the process of undertaking a policy evaluation of the Menu Scheme. The objective of that policy evaluation is to assess the extent to which the Menu Scheme has achieved its purpose of providing a simple, flexible and attractive delivery vehicle to distribute support to land managers for economic, social and environmental goods. The research should also identify potential improvements to the measures and the scheme design. The contract is out to tender at present, and we would expect consultants to start work in July 2005 with a final report being submitted on 1 December 2005.

2. Much work is taking place to develop LMCs and particularly Tier 3 for implementation in 2007, which is the start of the next Scottish Rural Development Plan (SRDP) programming period. This development will need to take account of the outcome of negotiations on the new Rural Development Regulation.

3. There is a real interaction between LMCs and organics. Our support for organics through the Scottish Organic Action Plan is based on the belief that organic farming has an important

contribution to make to the protection and enhancement of our rural environment, the enhancement of animal welfare, to the provision of good food that the consumer wants and plays an important part in providing rural employment. This corresponds with the aims of Land Management Contracts; to contribute to a sustainable, prosperous agriculture sector which plays a key role in rural development and to achieving high standards of land stewardship.

This synergy of purpose means that consideration is now being given by my officials to the fit between the Organic Aid Scheme, other potential vehicles for organic support and LMC's. We will work closely with stakeholders to ensure that the various measures work well together and provide appropriate levels of support for organic farming in Scotland, in accordance with the aims of the Organic Action Plan.

In relation to the Menu Scheme, the measure for quality and organic assurance schemes will provide a payment to organic farmers who are members of an organic assurance scheme although those farmers who receive public support through the Organic Aid Scheme are ineligible due to double funding.

4. The LMC Stakeholder Working Group includes representatives from a range of interest groups including agriculture, environment and rural development. This group met regularly to provide input to the content and design of the LMC Menu Scheme. They will continue to be closely involved in the further development of LMCs. It is also expected that there will be public consultation on the plans for further development, possibly linked with the consultation on the SRDP for the next programming period.

I hope you find this information helpful but please let me know if you require any further clarification.

ROSS FINNIE

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|--|--|---|---|--|--|--|--|
| <b>SSI Title and No:</b>                                 | The Farm Business Development (Scotland) Variation Scheme, (SSI 2005/219)  |   |   |  |  |  |  |
| <b>Laid Date:</b>  | 20 <sup>th</sup> April 2005  | <b>Responsible Minister:</b>                              | Ross Finnie, Minister for Environment and Rural Development |  |  |  |  |
| <b>SE Contact:</b>                                       | Ann-Marie McGinty, ext. 45232  |   |   |  |  |  |  |
| <b>Standing Order:</b>                                   | 10.6.1(b) subject to approval before coming into force   |   |   |  |  |  |  |
| <b>RECOMMENDATION</b>                                    |  |   |   |  |  |  |  |
| <b>Lead Committee:</b>                                   | Environment and Rural Development  | <b>Other Committees:</b>                                  |   |  |  |  |  |
| <b>Clerk Contact Room &amp; No:</b>                      | Mark Brough<br>85240   | <b>Clerk Contact No:</b>                                  |   |  |  |  |  |
| <b>Reason:</b>   | This instrument amends the Farm Business Development (Scotland) Scheme 2001 to expand the measures eligible for financial support to allow for items which will allow the agricultural business to restructure or re-orientate production. |   |   |  |  |  |  |
| <b>Time Limit for Parliament to Deal with Instrument</b> | 29 <sup>th</sup> May 2005  | <b>1st SLC Meeting</b>                                    | 26 <sup>th</sup> April 2005                                 |  |  |  |  |
|  |  | <b>SLC reporting deadline</b>                             | 10 <sup>th</sup> May 2005                                   |  |  |  |  |
| <b>Lead Committee To Report By:</b>                      | 23 <sup>rd</sup> May 2005  | <b>*Other Committees To Report to the Lead Committee:</b> |   |  |  |  |  |
| <b>SSI Attached</b>                                      | <b>X</b>   | <b>Draft Motion Attached if Required</b>                  |   | <b>Date Motion and Designation Form E-Mailed to the Bureau</b> |  | <b>Laying Clerk Advised of Designated Lead Committee</b> |  |

\* 10 days before the lead committee reporting date. "Other" committees may wish to negotiate timing of their report with the lead committee.



## **Finance Committee**

### **Report on the Financial Memorandum of the Environmental Assessment (Scotland) Bill**

The Committee reports to the Environment and Rural Development Committee as follows—

#### **Introduction**

1. Under Standing Orders, Rule 9.6, the lead committee in relation to a Bill must consider and report on the Bill's Financial Memorandum at Stage 1. In doing so, it is obliged to take account of any views submitted to it by the Finance Committee.
2. This report sets out the views of the Finance Committee on the Financial Memorandum of the Environmental Assessment (Scotland) Bill, for which the Environment and Rural Development Committee has been designated by the Parliamentary Bureau as the lead committee at Stage 1.
3. At its meeting on 19 April, the Committee took evidence from Scottish Executive officials. Oral evidence for this meeting can be viewed by clicking [here](#). In addition, the committee received written submissions from COSLA, Historic Scotland, the Scottish Environmental Protection Agency (SEPA) and Scottish Natural Heritage (SNH). These submissions are attached as an appendix to this report.
4. The Committee would like to express its thanks to all those who submitted their views.

#### **Objectives and the Financial Memorandum**

5. The Bill implements a commitment made in the Partnership Agreement 'to legislate to introduce Strategic Environmental Assessment (SEA) across the range of all new strategies, plans and programmes developed by the public sector in Scotland'. The legislation builds on existing provision to implement European Directive 2001/42/EC and the Policy Memorandum of the Bill states that this legislation will enable Scotland to become 'a leader in this field.'
6. The Bill requires all public bodies (the "Responsible Authorities") to carry out an environmental assessment on all 'qualifying' strategies, plans or programmes. The Bill establishes a set of criteria to determine which strategies, plans or

programmes should be subject to an environmental assessment and provides for Consultation Authorities (Scottish Ministers (through Historic Scotland), SEPA and SNH to have statutory roles in the assessment process (*Part 1*). It sets out the requirements for 'scoping' assessments, to ensure proportionality (*Part 2*), and establishes arrangements for announcing strategies, plans or programmes which have been subject to an assessment (*Part 2*). The Bill also sets out monitoring arrangements for implementation, as well as forward monitoring and remedial action for unforeseen effects (*Part 3*). Finally, the Bill revokes the current legislation (The Environmental Assessment of Plans and Programmes (Scotland) Regulations 2004 (SSI 2004/258)) which implements Directive 2001/42/EC (*Part 4*).

7. The Financial Memorandum sets out the estimated additional costs of the Bill. There are already costs being incurred as a result of the secondary legislation enacted to implement the Directive. The bulk of the additional costs will arise from the provisions in Section 5, which set out the types of plan and programme which will qualify.

8. The summary Table 3 (following paragraph 102 of the Financial Memorandum) sets out the costs of the Bill. The Environmental Assessment regime is already in operation under regulations; the Financial Memorandum has identified some areas where Bill costs will be additional. Those areas where uncertainties remain relate to the costs on 'Consultation Authorities', which are Scottish Ministers (Historic Scotland), SEPA and SNH. The Financial Memorandum states that current regulation costs were taken into account in spending plans for SEPA and SNH as published in "Building a Better Scotland". Additional Bill costs are not separately identified, although total costs for Consultation Authorities are estimated at £1,650,000 per annum, with a margin of error of +/- 25% (ie in the range £1,237,500 to £2,062,000).

## **Summary of Evidence**

### *Consultation Authorities*

9. In its submission, SEPA questioned the estimate of £1.65m which represents the total annual cost for Consultation Authorities. It stated that £675,000 of this amount would be attributable to SEPA and that this was "rather less than SEPA's own £0.9m estimate of total cost".<sup>1</sup> In addition, SEPA expressed concern that it would be expected to provide wider support than merely carrying out its statutory duties and that this was not reflected in the estimated costs.

10. Executive officials responded that they believed SEPA was in agreement with the figure of £1.35m quoted for both SEPA and SNH and any disagreement may arise from SEPA feeling its funding allocation was lower than it expected. On the issue of additional duties, the Executive responded that work regarding the provision and explanation of data was already undertaken and that additional work arising from giving advice about the process was part of the existing relationship SEPA has with stakeholders.<sup>2</sup>

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<sup>1</sup> Submission from SEPA

<sup>2</sup> Rathjen, Official Report, 19 April 2005, Col 2486

### *Responsible Authorities*

11. The Financial Memorandum states that the Scottish Executive and Local Authorities will be the Responsible Authorities who will have the largest number of Strategic Environmental Assessments to deal with. In its submission to the Committee, COSLA stated that “it does not believe that the assumptions made accurately reflect the cost to responsible authorities, specifically local authorities.” COSLA goes on to say that “it is demonstrably difficult for local authorities to anticipate the likely costs involved.....however, given the scope of the legislation and our suggestion as to the scale of the resources likely to be required, we believe that the financial assumptions are unrealistic.”<sup>3</sup>

12. When questioned about this, the Executive responded that they have tried to show the maximum, gross costs in the Financial Memorandum and that the maximum figure of around £14m is at the top end. Therefore, the Executive stated that “we do not share COSLA’s concerns that we are underestimating costs.”<sup>4</sup>

13. Whilst the Committee recognised that COSLA has not produced alternative figures, it was concerned that the bill appears to create a right for assessments to be carried out and therefore, creates an expectation that may be difficult to meet. The Partnership Agreement made a commitment to introduce SEAs for all policies, plans and programmes however, the Executive believes that Responsible Authorities will be able to determine that only cases where there is a reasonable argument that there will be significant environmental effects will be taken forward. However, the Executive also says this will involve “significant work for local authorities”.<sup>5</sup>

14. COSLA also suggested that the Executive should not rush into extending SEA beyond the regulations and that a more measured approach would be more beneficial for Responsible Authorities. Additionally, COSLA stated that they had offered to trial SEA across council service in two or three local authorities but that such a pilot exercise had not started. The Executive confirmed that they have met with COSLA to discuss suitable cases and have put together a project plan.<sup>6</sup>

15. The Committee was also concerned that further financial burden could be placed on councils where SEAs are developed across local authority areas or parts of local authority areas. One example given was that of Scottish Water which might produce a plan for its water infrastructure investment and such a plan would impact on a number of local authorities. In addition, private developers could have an interest in such a plan but the onus is on local authorities.

16. The Executive responded that in such situations it can be difficult to identify a specific individual private sector developer who would create a development under a particular project. Further, the Bill is specific in that there must be one identified responsible authority for each plan. The Executive did say that it hoped people would work in collaboration to develop SEAs, but the Committee remains concerned that the financial burden will have to be picked up by local authorities.

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<sup>3</sup> Submission from COSLA

<sup>4</sup> Cameron, Official Report, 19 April 2005, Col 2487

<sup>5</sup> Cameron, Official Report, 19 April 2005, Col 2488

<sup>6</sup> Rathjen, Official Report, 19 April 2005, Col 2491

**17. The Committee recommends that the lead Committee pursue this matter with the Minister. In addition, the Committee recommends that the lead Committee seek further information from the Minister as to whether disagreements between COSLA and the Executive over the total costs have been resolved in discussion between the two bodies, outlined in evidence.**

*Relationship with the proposed Planning Bill*

18. The Committee noted that a planning Bill is likely to be introduced later in the year and the likelihood is that the Bill could have a significant impact on the planning process. However, this Bill will make changes which will impact on the planning system and which will be implemented before the introduction of the planning Bill. It was put to the Executive that “the planning process is likely to be disturbed significantly when the legal elements of the application of SEA come through.”<sup>7</sup>

19. The concern is that this will present further burdens for local authorities and that there is an urgent need for work on this Bill and on planning reform to be co-ordinated in terms of assessing the overall implications for local authorities. The Executive officials confirmed that there had been close working between this Bill team and planning officials in the Executive and that “there is no doubt that the full consequences of SEA will be taken into account in the planning bill.”<sup>8</sup>

20. The Committee recognises that this Bill’s impact is wider than planning but it believes this is why it is essential that there is co-ordination between various departments, both in the Executive and local authorities and notes that there is no specific requirement for such co-ordination contained in the Bill.

**21. The Committee suggests that the lead Committee seeks further clarification on this issue from the Minister.**

**Conclusions**

22. The Committee recognises that the Executive has sought to quantify all costs associated with SEA and understands why the research, upon which the figures in the Financial Memorandum are based, included a +/-25% margin for error.

23. However, it is very concerned that local authorities, upon whom major costs will fall in their role as Responsible Authorities, appear to have deep reservations about the costs outlined in the Financial Memorandum and about future burdens that may be placed on them. The Committee is also concerned that the situation could be further exacerbated by a gap between the implementation of this Bill and the introduction of a planning Bill.

**24. The Committee therefore recommends that the lead Committee pursues these issues with Ministers and urges the Executive to reach agreement with COSLA on the financial implications of the Bill.**

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<sup>7</sup> McNulty, Official Report, 19 April 2004, Col 2489

<sup>8</sup> Rathjen, Official Report, 19 April 2004, Col 2489