Post-Legislative Scrutiny of the Financial Memorandum Accompanying the Flood Risk Management (Scotland) Bill

Introduction

The Finance Committee has agreed to undertake a post-legislative review in relation to the Flood Risk Management (Scotland) Bill. The purpose of this review is to assess the actual implementation costs of the legislation in comparison to the estimates set out in its accompanying Financial Memorandum (FM).

The Committee would welcome your response to the questions in the attached questionnaire.

The Bill

The Flood Risk Management (Scotland) Bill was passed on 5 December 2012. The Committee scrutinised its accompanying FM (page 40 of the Explanatory Notes) before publishing its report to the Rural Affairs and Environment Committee on 11 December 2008. A briefing paper was also produced by the Parliament’s information centre in order to facilitate the parliamentary consideration of the Bill.

All material relevant to the passage of the Bill can be found in Scottish Parliament Bill Bound Volume 131.

The Bill sought to introduce a number of provisions relating to the European Directive on the Assessment and Management of Flood Risks (the Directive) which entered into force in November 2007, and was required to be implemented by Member States by November 2009. The Directive required member states to—

- Produce preliminary flood risk assessments by December 2011: These create a national picture of flood risks, which includes consideration of climate change. They provide the information required for a strategic approach to flood risk management that targets those areas at greatest risk from floods;

- Produce flood hazard and risk maps by December 2013: These maps must be produced for those areas identified as being at significant flood risk. They are used to increase public awareness, inform investment decisions, and support the production of flood risk management plans;

- Produce flood risk management plans by December 2015: These will coordinate flood management objectives and measures across large catchments, or groups of catchments, and set the framework within which measures are delivered or planned for at a local level. The plans are expected to address all phases of the flood risk management cycle, in particular, flood prevention, protection and preparation; and to
• Review and update the assessments, maps and plans every six years.

During scrutiny of the Bill, the Government provided two “implementation scenarios” at upper and lower cost ranges to “reflect the uncertainties” around estimated costs as follows—

• **Scenario 1** - Assumes that the overall proportion of areas known to be at flood risk will be similar to current understanding of flood risk - around 3.6% of properties estimated to have a 0.5% or greater chance of flooding each year. (SEPA Indicative Flood Map 2007 Summary results). Under this scenario, improved information on pluvial and sewerage flooding, and the impacts of climate change, will identify new areas as having a 0.5% or greater chance of flooding. However, a better understanding of the different types of flood risk may also result in some areas being shown as having a lower flood risk than the current maps indicate. On balance this would result in a similar proportion of properties in Scotland being at risk of flooding from all sources.

• **Scenario 2** - Assumes that improved information on flood risk, particularly on pluvial and sewerage flooding and the impacts of climate change, will identify enough new potentially vulnerable areas to increase the overall number of properties considered to have a 0.5% or greater chance of flooding, Furthermore, the improved information will require the development of new types of flood maps (e.g. pluvial flood maps) and flood risk management plans that tackle complex flooding problems.

**Summary of refined total cost estimates for implementing the Directive***

<table>
<thead>
<tr>
<th>Organisation</th>
<th>Costs in financial memorandum (£million)</th>
<th>Revised lower range cost (£million)</th>
<th>Revised upper range cost (£million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scottish Government</td>
<td>4.26</td>
<td>3.76</td>
<td>4.76</td>
</tr>
<tr>
<td>Local authorities</td>
<td>36.48</td>
<td>36.48</td>
<td>44.9</td>
</tr>
<tr>
<td>SEPA</td>
<td>22.23</td>
<td>16</td>
<td>22.23</td>
</tr>
<tr>
<td>Scottish water</td>
<td>12.7</td>
<td>6</td>
<td>10</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>75.67</strong></td>
<td><strong>62.24</strong></td>
<td><strong>81.89</strong></td>
</tr>
</tbody>
</table>

* Costs are for the period 2011-2015, and exclude costs prior to the 2011-2012 financial year.

**How to submit evidence**

The Committee invites you to respond to the attached questions by Friday 28 August 2015. You do not need to respond to every question – please only respond to those which you consider relevant to your organisation.

In addition to the questions below, please add any other comments you may have which would assist the Committee’s consideration of this matter.
All responses should be sent electronically finance.committee@scottish.parliament.uk. Written responses will be handled in accordance with the Parliament’s policy for handling written evidence received in response to calls for evidence.

What happens next?

The Committee is expected to hold oral evidence sessions later in the year and you may be invited to attend to discuss the issues raised in your submission.

Contact

Should you have any queries in relation to this, please do not hesitate to contact the Committee clerking team on Tel: 0131 348 5451.
FINANCE COMMITTEE QUESTIONNAIRE

The Committee would welcome your response to any of the questions below. You do not need to respond to every question – please only respond to those which you consider relevant.

It would be helpful if a breakdown of any costs and savings could be provided along with any further evidence which might assist the Committee's consideration.

Please provide all information broken down by financial year.

1. What were the total costs for your organisation of producing the preliminary flood risk assessments by December 2011? How did these compare to the estimates set out in the FM (and in the supplementary high and low ranges provided by the Government) and to any estimates submitted by your organisation?

2. What were the total costs for your organisation of producing flood hazard and risk maps by December 2013? How did these compare to the estimates set out in the FM (and in the supplementary high and low ranges provided by the Government) and to any estimates submitted by your organisation?

3. What are the current estimated costs for your organisation of producing the flood risk management plans by December 2015? How did these compare to the estimates set out in the FM (and in the supplementary high and low ranges provided by the Government) and to any estimates submitted by your organisation?

4. What are the total costs for your organisation of implementing the Directive for the first planning cycle (up to December 2015)? How do these compare to the estimates set out in the FM (and in the supplementary high and low ranges provided by the Government) and to any estimates submitted by your organisation?

5. What are the current total estimated costs for your organisation of reviewing and updating the assessments, maps and plans every six years post-2015? How do these compare to the estimates set out in the FM (and in the supplementary high and low ranges provided by the Government) and to any estimates submitted by your organisation?

6. Do you have any other comments in relation to the FM and the supplementary higher and lower ranges provided by the Government that might assist the Committee in its post-legislative scrutiny of the FM?