Dear Aileen,

Post-legislative scrutiny of the Financial Memorandum accompanying the Flood Risk Management (Scotland) Bill

As you know, the Finance Committee issued a call for evidence in relation to its post-legislative scrutiny of the Financial Memorandum accompanying the Flood Risk Management (Scotland) Bill in June. A total of 24 responses were received and these are available via the Committee’s website. Thank you for your letter dated 26 August in response to the call for evidence.

The Financial Scrutiny Unit in SPICe has produced a short summary of the evidence received and this is attached. Overall, local authorities did not raise any major concerns over the level of costs incurred relative to the estimated costs or the funding received. Whilst there was variation in costs from one local authority to the next, the FM had highlighted that its estimates were average figures across all local authorities in Scotland so this is unsurprising. From the Committee’s perspective, it has proven to be a useful exercise which suggests that, taken as a whole, the FM represented a reasonable assessment of overall costs arising from the Bill.

The Committee would welcome any comments you may have on the evidence received along with the summary. Specifically, it would be helpful if you could respond to the following points and recommendations—

- The Committee considers that it would be helpful for future FMs to provide a clearer indication of likely levels of variation between local authority areas in order to inform post-legislative scrutiny.
The Committee notes that the majority of local authorities which responded reported that costs for the first flood risk management planning cycle and estimated costs for the six-year cycle post-2015 were broadly in line with the FM’s estimates. However, the majority of respondents reported that their costs for the preliminary assessments to 2011 had exceeded the estimates set out in the FM. The Committee would welcome your views on the reasons for this.

The Committee asks why the annual implementation reports associated with the Act and presented to the Rural Affairs and Climate Change Committee did not contain detailed information on implementation costs. This would have assisted post-legislative scrutiny and would also have helped ensure that estimates of actual costs were presented on a comparable basis.

In its response, Angus Council noted that it would be helpful for greater clarity to be provided on the coverage of FM estimates in order to facilitate subsequent scrutiny. The Committee agrees that a clear definition of the coverage of FM estimates is essential to informing monitoring of costs and subsequent scrutiny.

I look forward to your response.

Kenneth Gibson MSP,
Convener