Consultation

1. Did you take part in any consultation exercise preceding the Bill and, if so, did you comment on the financial assumptions made?

Orkney Islands Council considered a draft response to the Scottish Government’s public consultation on the provisions to be included in a future Islands Bill at its SPECIAL POLICY AND RESOURCES COMMITTEE of 16 December, 2015. Its response was informed by the following:

- Orkney Islands Council publicised the Consultation with a press release and placed it on the Council website with a link to the survey.
- The consultation launch was also covered by Radio Orkney and the Orcadian.
- A stakeholder engagement event took place on 4 December, 2015, which was attended by business organisations, the voluntary sector, community councils and others.
- The Orkney Partnership Board was encouraged to respond to the consultation.
- The Council’s Constitutional Review Working Group (CRWG) met on 2 December, 2015 to consider the Council’s response.
- Discussion at the SPECIAL POLICY AND RESOURCES COMMITTEE of 16 December, 2015.

Specific comments on financial issues at the Islands Bill Consultation Event on 4th December 2015 were:

a) In regard to additional powers, there was a general comment that additional devolved responsibility may bring with it additional costs along with the requirement for additional expertise.

Orkney islands council’s consultative response:

It is suggested that, rather than producing a prescriptive list of additional powers at the moment, the Islands Bill should provide a mechanism whereby any such powers can be granted by secondary legislation where island councils, and councils with island responsibilities, can demonstrate, working with their communities, that such additional powers would enable them to protect the island communities they serve better. Such a mechanism should also allow for legislation to be retrospectively varied where it can be demonstrated that it has had an adverse or disproportionate impact on island areas. This is seen as being inextricably linked to island proofing and the powers required are considered likely to be identified in the process of island proofing.
b) In regard to the National Islands Plan:

The Plan needs to have an identified budget with key deliverables attached

Orkney islands council’s consultative response:

The Plan needs to have an identified budget with key deliverables attached.

2. If applicable, do you believe your comments on the financial assumptions have been accurately reflected in the FM?

No. While recognising the duty is on Scottish ministers to produce the Plan, the Financial memorandum would not appear to take cognisance of the work our Council and other local authorities would have in inputting into the Plan and holding government to account through the monitoring and review process.

3. Did you have sufficient time to contribute to the consultation exercise?

Yes

Costs

4. If the Bill has any financial implications for your organisation, do you believe that they have been accurately reflected in the FM? If not, please provide details.

National Islands Plan

As indicated in the Financial Memorandum, the duty in relation to the National Islands Plan will apply solely to the Scottish Ministers. This duty is therefore likely to have minimal additional impact in respect of costs to the Council. As stated there will be some costs associated with monitoring and reviewing the Plan.

Duties in relation to island communities

As indicated in the council’s consultative response, OIC already takes the impact of their policies and functions on island communities into account within their strategic planning process. This duty is therefore likely to have minimal additional impact in respect of costs. This duty should operate within our existing systems and frameworks.

Representation of island communities

As indicated in the Financial Memorandum, The Bill does not place any new duties on local authorities.
Should Orkney Islands Council wish to respond to the review by the Local Government Boundary Commission for Scotland on the electoral arrangements in its area, then there could be additional costs.

The Financial Memorandum states the range of additional costs for the review of wards could total a maximum of £30,000 for each local authority. It is considered that the additional cost of such a review for Orkney Islands Council would more likely be the low to medium of the range.

**Development in the Scottish island marine area.**

The Bill gives the Scottish Ministers a delegated power to create a works licensing scheme in respect of marine development in island areas.

Orkney Islands Council’s consultative response stated:

“The Zetland County Council Act 1974 is wider in its terms than our local Act with Shetland’s territorial jurisdiction being 12nmiles surrounding all coastline. **We believe that the only amendment necessary to our own local Act would be an extension of territorial jurisdiction similar to that of Shetland.** In particular, such an extension of jurisdiction would allow us to respond to opportunities in relation to energy – including, but not limited to, renewable energy provision and infrastructure. We believe that such an extension of jurisdiction would also enable a greater local control of inshore fisheries with the potential, like Shetland, of having a local management order.”

If Orkney Islands Council applied to Scottish government for an extension of jurisdiction under a revised works licensing scheme, then there would likely be costs associated with devising and implementing such a scheme.

The Financial Memorandum indicates a maximum of £75,000 for an authority setting up a scheme from scratch, but with costs varying between different authorities. This seems a fairly accurate assessment. The additional costs can however be offset through fee income.

In regards to Islands Development Licences, the Planning Service currently administers the Works License consenting process under the Orkney County Council Act, covering the Harbours Area. In total the Council has dealt with approximately 8 Works License applications in the last 12 months. If the Council’s licensing area is extended to the 12 nautical mile limit, it is estimated that the Council would be dealing with an additional Works License application per month. This is based on license applications that have been made to Marine Scotland in the last 12 months for construction works in Orkney waters outwith the Harbours Area. As the Memorandum indicates, the degree of work required to be undertaken in determining the license will be depend on the nature of the application.

The Development Management team which deals with applications is presently at full capacity. It is so not expected that Orkney Islands Council would absorb the workload without adding some additional staffing resource.
to the team. This is not expected to be more than 0.5 FTE with an estimated cost of £25K. In addition, there would likely be some additional training costs as Planning staff may not have the full knowledge to undertake assessment of marine applications.

The additional costs can however be offset through fee income. Orkney Islands Council currently charges a standard fee - £468 for a new license; £346 for an amendment/extension; and £118 for a renewal. The Financial Memorandum cites the Marine Scotland fee regime as the best example of fees that may be levied. It is interesting that the Marine Scotland fee is calculated based on the costs of the works. If the Council’s fee regime was similar, it should be able to raise more income than as at present, and ideally cover most, if not all, of the administrative/processing costs associated with the additional workload.

5. Do you consider that the estimated costs and savings set out in the FM are reasonable and accurate?

The costs and savings set out in the FM seem reasonable.

6. If applicable, are you content that your organisation can meet any financial costs that it might incur as a result of the Bill? If not, how do you think these costs should be met?

Yes.

7. Does the FM accurately reflect the margins of uncertainty associated with the Bill’s estimated costs and with the timescales over which they would be expected to arise?

Yes.

Wider Issues

8. Do you believe that the FM reasonably captures any costs associated with the Bill? If not, which other costs might be incurred and by whom?

Yes.

9. Do you believe that there may be future costs associated with the Bill, for example through subordinate legislation? If so, is it possible to quantify these costs?

Yes, there could be future costs associated with the bill through subordinate legislation. It is not possible to quantify such costs without knowing the detail of any subordinate legislation. Future costs, for example, could be accrued through lobbying for future amendments etc in the Scottish Parliament.