

Liam McArthur Convener Conveners' Group Rural Affairs and Islands Committee c/o Clerk to the Committee The Scottish Parliament Edinburgh EH99 1SP

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By email 2 April 2024

Dear Liam,

Framework bills

As you will be aware, the Rural Affairs and Islands Committee published its <u>stage 1</u> report on the Agriculture and Rural Communities (Scotland) Bill on Monday 18 March.

The Committee agreed with the Scottish Government's approach to introduce this legislation as a framework bill, but we also agreed that framework bills can have implications for parliamentary scrutiny of both the primary and secondary legislation.

We felt that the lack of detail around how the powers in the Bill would be used, and the associated costs, can make it challenging for the Parliament to take a view on whether delegating these powers to the Scottish Ministers is appropriate. We also felt that committees often have limited time and resources to scrutinise the secondary legislation implementing a framework bill when they are laid. Both the Delegated Powers and Law Reform Committee's report on the delegated powers memorandum and the Finance and Public Administration Committee's letter on the financial memorandum expressed similar concerns.

Recognising the importance of parliamentary scrutiny of secondary legislation made under framework legislation, the Committee agreed to ask the Conveners' Group to consider how the Parliament and Government can work together to ensure the Parliament has sufficient time and information to allow effective scrutiny of subordinate legislation brought forward under some framework bills.

The relevant recommendations from our report relating to framework bills is set out in the annexe to this letter.

I am happy to speak to this letter at a forthcoming Conveners' Group meeting, if that would help progress this conversation.

I am copying in the conveners of the Delegated Powers and Law Reform Committee and the Finance and Public Administration Committee, for their information.

Yours sincerely,

Finlay Carson MSPConvener
Rural Affairs and Islands Committee

A framework bill

- 52. The Committee's stage 1 inquiry considered whether the use of a framework bill to provide for future support schemes was appropriate. The Committee agrees with the Scottish Government's approach that a framework bill is appropriate to establish a long-term basis for future support schemes. A framework bill would provide for, in primary legislation, the powers the Scottish Ministers need in order to give support whilst also providing the flexibility to adapt this support via secondary legislation.
- 53. The Committee's evidence gathering explored concerns about the implications of a framework bill for parliamentary scrutiny, especially about the lack of detail around how the powers in the Bill would be used and the associated costs. It was felt that this can make it challenging for the Parliament to take a view on whether delegating these powers to the Scottish Ministers is appropriate. In addition, committees often have limited time and resources to scrutinise the secondary legislation implementing a framework bill when they are laid. The Committee notes the comments by both the Delegated Powers and Law Reform Committee (DPLRC) and Finance and Public Administration Committee (FPAC) in relation to the scrutiny of framework bills.
- 54. The Committee heard concerns from across the sector about the lack of information about the direction of, and the time being taken to introduce, future agricultural support. The Cabinet Secretary referred the Committee to the wider information she has made available, including the agricultural reform route map. Some stakeholders also expressed concern about the length of time it has taken the Scottish Government to introduce the Bill. The Committee shares the sector's concerns around the impact of the delays on farmers, crofters and land managers. The challenges with ongoing uncertainty were also highlighted during the Committee's consultative event with land managers and rural development practitioners.
- 55. The Committee notes the lack of certainty about the future agricultural and rural support funding from the UK Government and that this is, as stated in the financial memorandum, "the subject of ongoing dialogue" between the two administrations. The Committee also notes that funding for support schemes is received ring-fenced and from the UK Government, with the Scottish Government able to allocate additional monies towards agricultural and rural support. The Committee calls on the Scottish Government to ensure there is a multi-year, ring-fenced budget for support schemes and calls on the UK Government to provide clarity regarding future funding in order to make this possible. This approach would give stakeholders a level of certainty in order to plan ahead. The Committee also calls for the Barnett formula not to be applied to future agricultural and rural support funding provided by the UK Government but, instead, a formula to be used which reflects Scotland's agricultural landscape such as less favoured areas.

- 56. The Committee shares the views expressed by the sector and stakeholders that any future agricultural and rural support must be developed in full consultation with them. The Cabinet Secretary emphasised the Scottish Government's intention to co-design the agricultural support schemes with the sector and this is welcomed by the Committee. The Committee notes, however, that the Bill does not always provide for statutory consultation and recommends the Scottish Government consider whether amendments at Stage 2 would help give additional reassurances to the sector and stakeholders.
- 57. In terms of parliamentary scrutiny of the Bill and the delegated power provisions, the Committee will make specific recommendations in the relevant sections of this report. In relation to the future scrutiny of the secondary legislation proposed in the Bill, the Committee is keen to ensure that the Parliament will have the opportunity to scrutinise this effectively, noting that a high number of large or detailed instruments may be laid within a short period of time. The Committee, therefore, calls on the Scottish Government to keep it updated on the number of instruments, policy detail and timetable for the secondary legislation over the course of 2024 and 2025. The Committee would also welcome further information about whether the Scottish Government anticipates laying the secondary legislation as a suite of instruments rather than on an individual basis. The Committee indicates here that it may wish to take evidence from the Scottish Government at any point in anticipation of its scrutiny of the proposed secondary legislation.
- 58. Recognising the importance of parliamentary scrutiny of secondary legislation made under framework legislation, the Committee asks the Conveners' Group to consider how the Parliament and Government can work together to ensure the Parliament has sufficient time and information to allow effective scrutiny of subordinate legislation brought forward under some framework bills.

Costs associated with the Bill

- 291. As stated earlier in this report, the Committee agrees with the Scottish Government that a framework bill is appropriate to establish a flexible basis for future support schemes. Nevertheless, the Committee also agrees with the FPAC that the use of framework bills has implications for the scrutiny of the costs of implementing that legislation. The Committee expects that, in response to this, the administrative costs and costs to bodies, individuals and businesses will be reflected in the policy notes accompanying any secondary legislation to allow parliamentary scrutiny at that point.
- 292. The Committee notes the proposed funding allocations indicated in the financial memorandum and the Scottish Government's further announcement on its funding decisions, outwith Parliament, on 9 February 2024. The Committee considers it would have been useful for this

information to be communicated directly to the Committee considering its relevance of the stage 1 inquiry.

- 293. The Committee acknowledges the variety of stakeholder views on how budgets should be distributed between future support tiers and that full discussion of funding decisions has not been possible during Stage 1 scrutiny of the bill given its framework nature. The Committee also recognises that future funding for agriculture from the UK Government remains uncertain. The Committee, however, believes that the Parliament should be given an opportunity to scrutinise these significant decisions on funding priorities through the forthcoming rural support plan, and during scrutiny of secondary legislation. The Committee expects to see evidence and justification for funding decisions in the rural support plan and (as set out above) in policy notes accompanying any secondary legislation.
- 294. The Committee did not have time to consider this issue in greater detail but is mindful that the FPAC highlighted stakeholders' views regarding the assumption in the financial memorandum that additional funding would not be required for administrative costs, including staffing and IT costs. The Committee asks the Scottish Government to provide more information about its thinking underpinning this assumption in its response to this stage 1 report.