

TRANSPORT AND THE ENVIRONMENT COMMITTEE

Wednesday 25 September 2002
(Morning)

Session 1

£5.00

© Parliamentary copyright. Scottish Parliamentary Corporate Body 2002.

Applications for reproduction should be made in writing to the Copyright Unit,
Her Majesty's Stationery Office, St Clements House, 2-16 Colegate, Norwich NR3 1BQ
Fax 01603 723000, which is administering the copyright on behalf of the Scottish Parliamentary Corporate
Body.

Produced and published in Scotland on behalf of the Scottish Parliamentary Corporate Body by The
Stationery Office Ltd.

Her Majesty's Stationery Office is independent of and separate from the company now
trading as The Stationery Office Ltd, which is responsible for printing and publishing
Scottish Parliamentary Corporate Body publications.

CONTENTS

Wednesday 25 September 2002

Col.

WATER ENVIRONMENT AND WATER SERVICES (SCOTLAND) BILL: STAGE 1	3487
SUBORDINATE LEGISLATION.....	3538
Road Traffic (Permitted Parking Area and Special Parking Area) (Perth and Kinross Council) Designation Order 2002 (SSI 2002/398)	3538
Parking Attendants (Wearing of Uniforms) (Perth and Kinross Council Parking Area) Regulations 2002 (SSI 2002/399)	3539
Road Traffic (Parking Adjudicators) (Perth and Kinross Council) Regulations 2002 (SSI 2002/400)	3539

TRANSPORT AND THE ENVIRONMENT COMMITTEE

26th Meeting 2002, Session 1

CONVENER

*Bristow Muldoon (Livingston) (Lab)

DEPUTY CONVENER

Nora Radcliffe (Gordon) (LD)

COMMITTEE MEMBERS

*Robin Harper (Lothians) (Green)
Mr Adam Ingram (South of Scotland) (SNP)
*Angus MacKay (Edinburgh South) (Lab)
*Fiona McLeod (West of Scotland) (SNP)
*Maureen Macmillan (Highlands and Islands) (Lab)
*Des McNulty (Clydebank and Milngavie) (Lab)
*John Scott (Ayr) (Con)

COMMITTEE SUBSTITUTES

Bruce Crawford (Mid Scotland and Fife) (SNP)
David Mundell (South of Scotland) (Con)
Iain Smith (North-East Fife) (LD)

*attended

WITNESSES

Ross Finnie (Minister for Environment and Rural Development)
Willie Halcrow (Scottish Environment Protection Agency)
Michael Kellet (Scottish Executive Environment and Rural Affairs Department)
Martin Marsden (Scottish Environment Protection Agency)

CLERK TO THE COMMITTEE

Callum Thomson

ACTING SENIOR ASSISTANT CLERK

Alastair Macfie

ACTING ASSISTANT CLERK

Rosalind Wheeler

LOCATION

Committee Room 2

Scottish Parliament

Transport and the Environment Committee

Wednesday 25 September 2002

(Morning)

[THE CONVENER opened the meeting in private at 09:20]

09:34

Meeting continued in public.

Water Environment and Water Services (Scotland) Bill: Stage 1

The Convener (Bristow Muldoon): I welcome members and our first panel of witnesses to this meeting of the Transport and the Environment Committee. Willie Halcrow and Martin Marsden are from the Scottish Environment Protection Agency and are here to give evidence on the Water Environment and Water Services (Scotland) Bill, which the committee is considering at stage 1. We will give the panellists the opportunity to make an opening statement. Members will then follow different lines of questioning. I believe that Willie Halcrow will make the opening statement on behalf of SEPA.

Willie Halcrow (Scottish Environment Protection Agency): Thank you for the opportunity to give evidence to the committee. Our opening statement will be short. We have said much on the subject before.

SEPA believes that the bill will deliver major improvements in the environment in Scotland. It will also provide both social and economic benefit for Scotland. The bill proposes a new planning system, which will bring together the efforts of public authorities to protect and improve the water environment. River basin management planning will be open and participatory; it will not succeed if it is not. The bill should ensure a wide understanding of environmental, social and economic issues.

We are pleased that the bill proposes that SEPA will have a central role in sustainable water resource management in Scotland. Over the next four years, SEPA hopes to develop with others the participatory planning framework that is essential for that. We recognise that time is short. The timetable set by the water framework directive is marching steadily forward. We have begun to

consider how to complete the internal structures and recruit the staff that we think will be necessary to ensure a proper assessment of environmental, social and economic factors. That is important, as the requirement is new. We are working on that now.

We believe that the new controls will for the first time enable management of the whole aquatic environment in Scotland. SEPA will no longer focus on pollution control as the only means of effecting improvement. In future, we will be able to consider the most cost-effective means of bringing about improvement. In other words, there will perhaps be a balance between river engineering and pollution control and hopefully there will be close integration with the planning system, which has such a huge effect on water quality and quantity.

Perhaps most important, the bill proposes a proportional system. It allows for the development of differing levels of control depending on the scale of environmental risk of any activity. If that system is fully developed, SEPA could focus its activities on significant risks and would not divert scarce resources into attempting to over-control small activities that pose no risk. Nevertheless, we consider the new controls to be vital. They fill areas that we believe have been neglected in Scotland. We have prepared a few case studies, which we have given to the committee clerk. Those illustrate the types of impacts associated with abstractions, river engineering, impoundments and diffuse pollution. We hope that the committee finds those case studies helpful.

SEPA is committed to a participatory approach in the implementation of the water framework directive and the bill. We have already held numerous sectoral workshops on some of the key areas of the bill. We are consulting widely on the technical aspects, which we have been asked to look after. We believe that the benefits of a participatory approach are already evident. We believe that many of the concerns of some of the key industrial sectors in Scotland, which were nervous about the directive, have been met. We are now working with those sectors to see what the best solutions may be. That is positive. We are moving forward.

SEPA is determined that its contribution to the implementation of the water framework directive is focused on ensuring that all the directive's objectives can be developed while minimising the burden on water users. We believe that time is important, as phased implementation would help Scotland a great deal. On the other hand, we believe that it is vital that the regulatory regimes be brought into force as soon as possible. As I said, Scotland has never before had any significant controls on river engineering or water

abstraction; this is a new thing for Scotland. With SEPA and the other responsible authorities working together, early implementation of the controls will allow the identification of future implications at an early stage and enable business and the public sector to make their capital investment plans early, to fulfil them and to minimise the burden over the years.

We believe that early implementation of controls and carefully planned phased implementation will meet the environmental objectives by 2012. We believe that the bill offers a major contribution to sustainable development in Scotland and we look forward to developing it in partnership with Government, local authorities and all other interested parties.

The Convener: Thank you for that opening statement. The first question is from John Scott.

John Scott (Ayr) (Con): Are you happy that the bill integrates with other Scottish Executive strategies on agriculture and forestry and with the development of an aquaculture strategy? Are the links with the developing European marine, soil and integrated coastal zone management strategies clear?

Willie Halcrow: The bill requires that ministers and all public authorities take account of the requirements of river basin district planning. We believe that that will allow full integration with all other policy areas. It is perhaps a higher level of policy, which is not for SEPA but for the Executive, but we believe that, with careful implementation, the provision will succeed in achieving integration.

John Scott: Are you happy with the way in which the bill treats agriculture and forestry?

Martin Marsden (Scottish Environment Protection Agency): Another important point is that the basin planning process that the bill introduces will provide a forum to allow integration to happen. It is difficult for legislation to prescribe how policies should interact, but the bill provides us with a national forum to discuss how national priorities should be incorporated into setting environmental objectives for the water environment.

John Scott: How does the bill interact with the emerging European regimes for coastal zone management and soil?

Martin Marsden: We think that the process that is starting off in Scotland is entirely compatible with the process of river basin management planning; we think that they will support each other. We see coastal zone management as a process that will manage a component of the water environment, for which the basin planning process will be generally responsible. Coastal zone management can identify many of the

important issues associated with coasts and can feed that information into the basin planning process. That is a valuable link.

I am less clear about how soil protection strategies will work, because that process is in its early stages. One of the key issues that basin planning will have to address is diffuse pollution, in respect of both rural land use and urban issues. I see a synergy between what soil protection strategies may mean and what the basin planning process will have to deliver.

Robin Harper (Lothians) (Green): Mr Halcrow used the word “hopefully” in relation to integration with planning. Does he agree that, if the bill does not provide for integration between all land-use policies and all water-use policies, there is a strong danger that different branches of the Executive will end up working against each other?

The Convener: Does Maureen Macmillan want to come in on a similar point?

09:45

Maureen Macmillan (Highlands and Islands) (Lab): I have a similar point about, in particular, agriculture and aquaculture. There are perhaps two problems in agriculture: diffuse pollution and the maintenance or restoration of marshes and flood plains. As far as I can see, unless we quickly do something about our agriculture policy—the common agricultural policy reforms are in the offing—we will not achieve an integrated approach to river basin management. I am also keen that we regulate aquaculture as quickly as possible. That means that we must transfer planning powers in relation to the Crown Estate to the local authority. That is not in the bill. Is there a lack of power in that respect?

Willie Halcrow: I will first deal with Robin Harper’s point about my use of the word “hopefully”. I said “hopefully” only in so far as the bill is not yet an act—we hope that it will become an act. We believe that proper integration will require a great deal of thought and work by us all. It is very early to say how everything will work. As we said, integration at national level is perhaps a matter for the Executive. We hope that production of river basin district plans—or a single plan—will bring things together in such a way that water takes its proper place among all the other priorities. It is essential that that should happen. We will have to wait until we see the plan to confirm whether it has, but we believe that the foundations of the necessary mechanisms are there to allow it to.

As Mr Marsden said, successful integration of agriculture and aquaculture into planning is vital for success. We must consider a river basin district plan not as a single water issue but as a

plan that will, of itself, bring the various elements together. We welcome the integration of aquaculture into local authority planning, which is something for which we have hoped. It is our understanding that that is on its way, although not necessarily through the bill.

Martin Marsden: On integration with aquaculture, the basin planning process will provide the objectives and those objectives will drive the regulatory regimes. We believe that that interaction will work quite well. The normal regulatory process for controlling aquacultural activity is linked to basin planning. That link seems relatively straightforward.

If we do not integrate agricultural policy into the operation of basin planning, there is no question but that the process will be a failure. Agricultural policy is one of the tools that allow river basin planning to work. Therefore, basin planning must consider how agricultural policy delivers environmental improvement and agricultural policy must consider how basin planning can help to deliver its objectives. The two naturally come together. I am not sure how that can be delivered legislatively, other than by putting them together and making them work.

John Scott: All the evidence that we have taken suggests that SEPA should be the lead organisation in implementing the bill. Are you confident that you can deliver?

Willie Halcrow: We have every confidence that we can deliver the bill. It is difficult to see the way ahead beyond 2006, as we have much to learn before then. We believe that, by that time, SEPA will have all the resources, skills and external relationships to implement the bill successfully. We have some 40 people working on the technical aspects of the bill and we are progressing into more critical matters, such as how SEPA will relate to all the other parties to make the bill successful. We have no doubts.

Fiona McLeod (West of Scotland) (SNP): My question follows on nicely. I had planned to ask about the time scales for your new staff. Did you say that you are working towards 2006?

Willie Halcrow: Yes. The reason for choosing 2006 is that the water framework directive binds the United Kingdom, and therefore Scotland, to produce a pressures and impact report by 2004. By 2006, the monitoring regime must be in place to establish the basic facts that underlie any action. Those two immediate milestones drive us. As I said, they are well in hand. We have some 40 people working on those matters.

We took account of the forward needs in our submission to the Government for the spending review, whose outcome I believe is announced today—I do not know. If we assume that that

outcome is what we expect, we will be properly resourced.

Fiona McLeod: That is interesting. By the end of today, we will know the answer to my next question. Do you have the necessary resources? You say that you have made the case for the resources that you need.

Willie Halcrow: That is correct. We made the case and we hope that we will receive those resources. Any public sector body has general resource issues, but the bill is so vital that we have already diverted resources towards it. We have no doubts about the matter.

Fiona McLeod: I was interested that you said that 40 people are working on technical aspects. One concern that has been expressed to us is about whether SEPA, as an environmental regulator, will cope with considering the social and economic impacts of the water framework directive. Do you think that it will?

Willie Halcrow: Yes. We are a regulator and a main plank of our work is assessing environmental quality. We already work closely with local communities and local authorities. We took the opportunity of our restructuring last year to create units that we dispersed throughout Scotland. Their primary tasks are to face and interrelate with local authorities and to address overlapping issues, such as air quality, contaminated land and land-use planning.

Last year, we planted a seed, which we believe will start to grow for us. We are building our expertise. The national waste strategy is a case in point. It is highly consultative and has involved a huge amount of work, but it moves us in a different direction, towards a more consultative approach. The issue is a main consideration. We are already reinforcing our ability to deal with economic aspects, which will be a major thrust of our next step.

Martin Marsden: On our skills base for assessing economic issues, we should point out that by 2004 we will have to have produced a report on the economic issues that are associated with the water environment, as well as the environmental issues. Scotland has to produce those two major reports. That will be important in ensuring that we develop our skills base for dealing with economic and social issues. It will be the first stepping-stone leading towards basin planning. In bringing together those views of the economic and social issues and of the environmental issues, we will allow the basin planning process to proceed.

Fiona McLeod: I will pursue the financial aspect. We have been concerned about whether there is a conflict in the fact that SEPA will act as both a regulator and a policy setter. What is your

view on that? SEPA is funded according to the principle of cost recovery and the Executive has said that it would like SEPA increasingly to move in that direction. I wonder whether the cost recovery principle fits in with the policy advisory role that SEPA will have to take on.

Willie Halcrow: The policy and practice issue occurs in all the regimes that we regulate already. Our division between the two elements is simple. Policy is a matter for the Executive and we provide technical support. We also make suggestions to the Executive when we think that new measures are required. It is for Government to set policy.

Fiona McLeod: I was thinking about the issue in relation to the development of river basin management planning, in which your role is not merely regulatory. Your function is to consider what the big idea is and to set the objectives.

Willie Halcrow: Good ecological status is one of the many things that the directive requires of us. The objectives are set with that in mind. There is considerable scope within the objectives for consideration of such issues as how waters are classified. Decisions on those issues will produce the objectives that drive expenditure. That is a planning process. It will not be SEPA's role to say, "Here are our objectives." We expect that the objectives will emerge through the process. Any plan requires ministerial approval—there are checks and balances.

We operate on a system of environmental quality objectives within our existing powers. In my experience, we have not discovered any conflict between setting desired—or, in some cases, slightly aspirational—objectives and the day-to-day activity of allowing people to continue their business, having regard to social and economic factors. That sounds very grand, but it means that the needs of communities and businesses will be taken into account at the same time as environmental improvement is effected. We believe that we are already successful in that regard. In my opinion, there is no barrier to such success in the future.

Des McNulty (Clydebank and Milngavie) (Lab): No one doubts the good intentions of SEPA or of the bill. We are faced with an enabling bill, which will be followed up with various pieces of secondary legislation that will give effect to some aspects of the bill. I am interested in whether SEPA has carried out any kind of practical assessment of how it will operate the charging regime that it will have to implement, for example. Do you have a model for how that will work? Have you identified areas of difficulty? I presume that you will advise the Executive on the practical issues as well as on the policy issues. Have you carried out such work?

10:00

Willie Halcrow: I did not quite complete my answer to Ms McLeod's question, which dealt with how the funds are raised. At the moment, in any licensing or control regime, SEPA is required by statute to recover its costs—only those costs that are directly relevant—through a charging scheme that is approved by the minister.

We are at an early stage of our work on the water framework directive. We are considering what the charging schemes might look like and what is required under the directive. We are considering what the licensing regimes would look like for the new areas that are coming under our control. That work will enable us to form an opinion of costs and therefore what the charges to licence holders should be.

The opportunity that the bill presents, as a result of the directive, is for not every activity to require a weighty licence. Some activities could be dealt with by registration, purely so that the aggregate effects can be monitored, whereas others would require a full licence. As part of our review, we are looking at how a single, self-sufficient licence could be produced. However, as I said, we are at the early stages of that work. We are some way from charging schemes, but we will be advising the Executive.

The Convener: I want to come in with a supplementary question. I will allow Des McNulty and Fiona McLeod to come back in after that.

The Parliament's Finance Committee raised concerns with the Transport and the Environment Committee about the clarity of the costs that are associated with the bill. It did so with particular reference to the Executive and SEPA. The committee noted that SEPA would have "significant up front costs". I assume that those are the costs that you believe will be reflected in the spending announcements. What is the level of those up-front costs? What sort of bid do you make to the Executive for support in that respect?

I also want to return to the question that Des McNulty asked about recovery of long-term costs through charges. I appreciate that the detailed level of those charges has to await secondary legislation, but one of your major customers, Scottish Water, expressed concern about the lack of clarity of those costs. Do you have working assumptions about the recovery of long-term costs through charges? What level of resources does SEPA need to meet its up-front costs?

Willie Halcrow: I think that Mr Marsden can answer that question better, because he will have the detail that is required. The up-front costs that are referred to are those that we hope will be dealt with through the current spending review. We are very certain of our needs until 2006, but once the

new process begins, we will all have much to learn. At that point, we could be less certain. We are bound to ensure that our own costs are minimal. We also fully intend to minimise the costs to any water user.

Martin Marsden: By the end of the current spending round, we think that we will need an additional £2.5 million to allow us to deliver what is required. I return to the point that Willie Halcrow made, which is to emphasise the fact that this is the second spending review in which we have made a bid under the water framework directive. As I remember it, the previous bid that we made reached the maximum of £1.7 million. Our forward projection on that bid was entirely accurate. We were able to do what we had proposed to do with the money. We anticipate that the projection for the current spending round will be equally successful in respect of delivering what is necessary under the water framework directive.

Up to 2006, the spending requirements on SEPA and other public bodies are clear. SEPA has clear reports and clear preparations to undertake—there is relatively little uncertainty up to 2006. Other public bodies should have a good idea of what it is necessary to do in relation to the current spending round.

Post 2006, the situation will be different. By and large, industry welcomes the bill because although the costs cannot be defined with certainty, the process that the bill will set in train will allow industry additional input to the planning process. In future, industry will have input to setting planning objectives, which it has not had in the past. That means that costs and the process by which costs are generated will become more transparent. That is why industry largely welcomes the bill and looks forward to the implementation of the regulations. Industry does not want the implementation to be pushed further into the future; rather, it wants the regulations to be implemented as soon as is practicable. That will allow industry to understand the costs of the process.

Des McNulty: The issue is fairly concrete. We are talking about participation and the involvement of business and other interests. Have you had practical discussions with business about charging regimes and how they will operate? Is business participating in the process? I assume that that would be appropriate.

Martin Marsden: As Willie Halcrow said, we have begun to think about the charging scheme. By December, we should have a provisional view of the options and issues. By the beginning of next year, we intend to start a dialogue on the creation of the charging scheme. We have not talked to industry specifically about the details of the scheme, but we intend to do so. At present, rather

than identifying the options, we are identifying the issues that we must consider in designing a charging scheme. I think that industry will be satisfied with the process.

We have had two workshops with industry to deal with specific issues arising from the water framework directive. We discussed technical issues in relation to ecological objectives and regulatory regimes. We are now moving to a similar approach for charging schemes. From the feedback that we have received, industry feels that it has been involved in the process.

John Scott: You say that you have not talked to industry, but that industry will welcome the additional cost burden simply because it is transparent. That is somewhat naive.

Martin Marsden: Industry recognises that changes in the environmental regime in Scotland are necessary. For example, it is clear that abstraction controls must be introduced. We cannot continue without such controls because we are under pressure from Europe over our failure to control abstractions in certain sectors. Given that additional costs are inevitable, industry welcomes the process, which ensures industry's involvement in setting the objectives.

John Scott: That is different from welcoming the costs.

Martin Marsden: Yes. I did not mean that industry looks forward to spending money, although it recognises that that is inevitable. Industry welcomes the fact that the bill will involve it in setting objectives. Until now, setting of objectives on the water environment has been internal to SEPA and industry has not seen objectives until they have been issued. In future, that will be different.

John Scott: You said that setting the objectives is a policy matter for the Executive.

Martin Marsden: No. That is not quite what we meant. We meant that Government will set the general policy context. By objectives, we meant standards for particular rivers. Those standards will not be determined by Government, but by the basin planning process. Setting the standards for particular rivers will become an objective process and will no longer happen behind closed doors. Industry will have input to those discussions.

The Convener: I will let Fiona McLeod come in, because I realise that several of us have been hogging the supplementaries.

Fiona McLeod: My question follows on from previous questions. Martin Marsden said that public authorities should be clear of the costs of the WFD until after 2006, but he also said that SEPA does not yet have a charging regime. How can organisations such as Scottish Water know

how much the WFD will cost them if they do not know how much they will be charged?

Martin Marsden: The current projection is that the regulatory regimes will not be introduced until some time in 2005. It is possible that additional costs may come in at the end of 2005, but it is more likely that they will come in much later than that. The regulatory regimes will start in 2005, when we will progressively license activities. Most of that licensing will be to identify work that is required by 2012. Therefore, the actual capital costs will not come in until much later, but the cost recovery of regulatory costs will build up during the latter half of 2005 and into 2006.

The impacts on Scottish Water will not happen until the end of 2005 and into 2006. There will be no charging scheme in the period until then. We do not need a charging scheme until the regulatory regime starts and we have not even got the secondary legislation to allow that. Assuming that the Executive can keep to the timetable that is proposed in the policy memorandum, a charging scheme will not be necessary until 2005.

Fiona McLeod: Finally, is cost recovery still the most appropriate way to fund the new regime in the new landscape of which SEPA will be part?

Willie Halcrow: There are always arguments about cost recovery for what is seen as a public service, but the principle that the polluter pays—that those who make use of the environment, whether by discharge or by extraction, should pay for the administrative costs of their regulation—is well established. The principle sits reasonably well, so it seems sensible to use it in future, not so much because we are used to it but because it works and is well understood.

As Martin Marsden said, how those costs are arrived at and what they actually represent will become much clearer because of the planning process. We have found that business users and industry are less concerned about the level of charges—the level is low—than they are about the quality and efficiency with which regulation is delivered. They also want to know what regulation is about.

Recently, I had the opportunity to sit in on one of the policy and financial management review—or PFMR—workshops that the Executive is conducting. It was interesting to hear what I have just told the committee. The charges themselves are not necessarily vital. What is important to people is what the charges mean and the quality of service.

Des McNulty: Most of us would endorse the principle that the polluter pays, but that principle is obviously much easier to apply in tackling point-source pollution than in dealing with pollution from diverse sources. How can that circle be squared?

Willie Halcrow: That is a very difficult question. Obviously, every one of us contributes to diffuse pollution.

Speaking personally, I think that diffuse pollution might not submit to a charging scheme. One could take the view that because all sectors contribute to such pollution, the cost should be met from the generality of public expenditure. Things are clearer in some sectors such as agriculture, where diffuse pollution can be attributed. In such cases, there may be ways in which a charge could be levied, if for no other purpose than to ensure equity in charging schemes. If one believes in the principle that the polluter pays, costs should be attributed in so far as they are identifiable, so that equity with other sectors is maintained. There is no easy answer to the question. I wonder whether Martin Marsden has given any thought to the matter.

10:15

Martin Marsden: I cannot add much to what Willie Halcrow said. A small working group is considering charging schemes and we are trying to think through options for diffuse pollution, but we will not have a large list at the end of the year. I think that we will sit down with the industrial sectors and say that things are clear in respect of point-source pollution, abstraction, impoundment and engineering, but that they are much more difficult in respect of diffuse pollution. For diffuse pollution, cost recovery mechanisms will have to wait until we see the regulatory tools that are developed. Once they are developed, it will be much easier to understand what cost recovery means in respect of diffuse pollution.

Des McNulty: Given the costs that have been projected, it is clear that there must be a mechanism for dealing with costs that arise from diffuse pollution. From what you have said, I am not clear how that will be done.

Willie Halcrow: It would be wrong to say that we are clear about the matter. There are two cost elements. With diffuse pollution, remediation costs are difficult to see. As Martin Marsden said, we must see how regulation develops and examine the regulatory mechanisms that will exist, which may give a guide as to how costs could be recovered.

Perhaps it is inappropriate to go into too much detail, but I can say that there are examples throughout the world of effective local control of diffuse pollution. For example, we could examine models that are used in parts of the United States. We are working on such issues, but must see how things are done. There might be a novel approach.

Perhaps it is easiest to consider agriculture. In a small catchment with a given number of farmers, one could conceive of quantifying impacts on the

watercourse and setting objectives. If such quantifying is kept local, people can identify with it and good solutions can be found. If one operates on that scale, perhaps one will understand cost recovery.

However, that is simply speculation. We can assure the committee only that we are intensely aware of the need to progress the matter in a public and participative way, particularly with the agricultural sector.

The Convener: I want to move on; we are far behind with our questions. Robin Harper has the next question.

Robin Harper: I have some questions about river basin management planning. SEPA's written evidence states:

"In the future the RBM Planning process will allow the most appropriate and cost effective course of action to be taken."

Does that mean that SEPA will use regulatory impact assessments in order to make decisions that are not based solely on environmental concerns?

Willie Halcrow: I think that the bill and the directive behind it demand that we do so. It is important that we are close to the land-use development planning process, that things interact effectively and that the three key principal factors—social, economic and environmental—are brought together so that we are successful.

Martin Marsden: The policy memorandum gives us indications of what the regulatory regimes will be like. We will have new tools that will allow us to take proportionate action and that will ensure cost effectiveness. We will not have to license everything. Things that do not have an environmental impact will just be registered. General binding rules will be used as an intermediate tool between licensing. That is one mechanism that will deliver cost effectiveness.

Willie Halcrow spoke earlier about the other mechanism. If a river has a pollution problem or fails an environment quality standard, it will be possible to deal with the problem in several different ways, whereas now there is only one way. Point-source pollution control, for instance, involves optimising flow and increasing dilution by using a dam upstream, if there is one. It might also be possible to deal with an abstraction upstream. The question in that scenario would be which of the options was the most cost effective. That decision process will be important and will give us far more flexibility than we currently have.

Robin Harper: You want between three and nine smaller regional components under the national plan. Are you suggesting a three-tier system with a national river basin district or three

to nine regional bodies and sub-basin plans at a lower level? Should SEPA be required to implement sub-basin plans rather than just having the power to do so?

Willie Halcrow: SEPA's original proposal was that there be three river basin districts for Scotland not simply because that mirrored the way in which SEPA administered itself—which has, in any case, changed—but because we felt that those would be small enough to allow for the vital feeling of local identity and would give people units that they can recognise and want to participate in. Such units would also be large enough to operate as effective planning units. However, all our consultees said that they would prefer to have only one river basin district—we respect that. In acknowledging that it is likely that there will be only one, we believe that it will be necessary to have between three and nine sub-basin plans if we are to create that feeling of local identity. Those sub-basin plans would feed up into a national river basin district plan. That arrangement has some advantages.

Robin Harper: Should you be required to implement the sub-basin plans or just have the power to do so?

Willie Halcrow: The logic of the situation will emerge. Rather than having prescriptive legislation that says that the future will take one form and everyone must stick to it, the permissive power—combined with consultation, advice and direction that SEPA will receive—will give the optimum solution. It is worth bearing it in mind, however, that nothing is necessarily forever. We will learn a great deal during the process: the structure that we have a few years from now is not necessarily what we will have 20 years from now.

Robin Harper: The Royal Commission on Environmental Pollution said that the confusion and fatigue that is engendered by the large number of plans that are produced by various bodies at different times might make the environmental planning system less effective than it could otherwise be. How can there be synergy between various plans and strategies if they have differing review types?

Willie Halcrow: As it so often does, the royal commission has made a good point. Over-consultation and lack of participation are big issues. It is sometimes difficult to engage with the public and with other bodies. Such factors might be among the determinants in a number of sub-basin plans. The process must not be burdensome and bureaucratic. We must ensure that we engage the population before we ask them to participate. I am not saying that we should market the benefits, but we should ensure that the population knows what they might be and how they might affect them.

Robin Harper: In the light of your answer, do you think that it would be better for SEPA to be required to implement the sub-basin plans rather than simply to have the power to do so?

Willie Halcrow: Martin Marsden is ready to answer, but I will answer first. We believe that Scottish legislation is generally permissive and that there is a more evolutionary process. We also believe that, prior to compelling, it is sometimes better to allow evolution and growth. We would prefer the provision simply to be permissive, rather than compel us.

Martin Marsden: We acknowledge the danger of consultation fatigue. One of the ways in which we hope to deal with that is to work with local authorities. We consider that to be important, because local authorities have a lot of experience in consultation. As far as possible, we will try to ensure that our consultation processes link in with theirs.

John Scott: In your submission, you say that you consider advisory groups to be central to river basin plans. Will they have any teeth? Why should interested stakeholders seek ownership of an organisation in which they feel they will have no power?

Martin Marsden: Basin planning will build up a process that will require involvement. As we envisage the process, sub-basin planning—in which the advisory groups will be involved—will end up making the decisions that will inform the ultimate basin plan.

Although I accept that the bill does not say that the advisory groups have particular powers, in practice, the advisory groups' views will inevitably be taken into account. The purpose of getting people round the table is to help us to make a better plan. SEPA feels strongly that it will end up with better objectives if it sits down and talks to people than it currently gets by setting plans by itself.

That is the only real answer that we can give. Given the way that the bill talks about advisory groups, the process will inevitably lead to industry and other interested groups having far more influence.

John Scott: I question that view. The advisory groups cannot make the decisions and I question whether they will feel compelled or hugely motivated to give advice when, as you said, the policy, objectives and Europe will call the tune.

Martin Marsden: That will be the case only at high policy level, but not on what will happen with the river in which an advisory group is interested.

John Scott: Are you saying that the users of a river basin will be able to make up their own laws?

Martin Marsden: No. The ultimate decision will rest with SEPA and ministers—in that order: SEPA will be responsible for producing the plan and ministers will decide whether the plan is appropriate. However, the participatory process that leads to that decision will be valuable.

The committee must ask itself what the alternative is. Do we really believe that we can set up committees throughout Scotland that will have the power and responsibility to make the decisions or do we believe that it is best to have an advisory process in which the competent, responsible authority makes the ultimate decisions, with democratic feedback via ministers?

10:30

Willie Halcrow: Mr Scott asked, I think, why an advisory group would own an organisation when they had no power to influence it. I would like to think that advisory groups will be able to feel that they own the plan because it relates to them and that they own the objectives because they have been arrived at by consensus. Such a consensus may be driven from the top down—the fact that all of Scotland should have good-quality waters, for example—but there is a great deal of scope for determining at local level how and how quickly objectives are achieved.

At the moment, SEPA sets water quality objectives, such as the aim to improve 5 per cent of polluted waters per year, but the process of achieving those objectives is driven from the bottom up. The environment and its effects on people are local issues. The quality, quantity and general amenity of water are local matters. If people's views are respected and they are given the authority to set a local plan that is consistent with national, top-down objectives, they will come to own those. I am sorry to provide a long answer, but the question is very difficult. We must ensure that objectives are owned locally.

John Scott: Yesterday, the Finance Committee said that the bill should not go beyond stage 1, because its costings are not thought through.

The Convener: I must correct the member. The Finance Committee did not say that the bill should not proceed beyond stage 1; it said that the Transport and the Environment Committee should consider its concerns before deciding whether to recommend that the general principles of the bill be approved.

John Scott: I thank the convener for that correction.

The Finance Committee said that the costs of the bill were not thought through or evident. It appears to me, too, that the policy is not thought through or evident. How do you feel about my comments and those of the Finance Committee?

Willie Halcrow: As we have said, the costings up to and including 2006 are essentially administrative and are well known. They relate to data formation, reporting and data gathering. Beyond 2006, the downstream costs—the most vital costs, which impact on water users—can emerge only as the plan emerges. There are cost projections, which Martin Marsden can explain in greater detail. Those costs cover a wide envelope and are less well known. We made the point that early implementation of the controls will allow business and the public sector to prepare for the directive carefully and over time, so that overall downstream costs are minimised. Those costs could be phased over a number of years to minimise their immediate cash impact.

It is important that the bill should proceed. We must accept that there is a degree of uncertainty about future downstream costs. No one in Europe knows enough to predict those accurately. We can only work to ensure that any burden is minimised. There should be proper plans and scrutiny to ensure that our current projections are realised and that everything goes well.

This is an enabling bill. What can be known now is known. This is a journey into something that none of us has done before. We can hope only to guide and control the process, and to achieve success through what we learn over the coming years. How we deal with questions as they arise is more important than considering now costs that we cannot predict with great accuracy, no matter how good our methods are. I know that Martin Marsden has done a great deal of work on future costs.

John Scott: Do you accept that that statement will not exactly fill with confidence a potential investor who is considering bringing an industry to Scotland?

Willie Halcrow: I will perhaps leave that to Martin Marsden.

Martin Marsden: I will make two brief points. First, it is clear that the benefits for Scotland will outweigh the costs. Secondly, I believe that the policy implications of the water framework directive have been well thought out. Throughout Europe, all the European Union states and the accession states are going through the same process. Scotland has a good reputation for the progress it has made in thinking through the implications of the directive.

The Commission has said publicly that Scotland and the Netherlands represent the two best case studies for preparations for the directive, so I would claim that a great deal of thought has been put into the policy implications of the directive and that, in fact, we are significantly advanced compared with the position of many other member

states. If someone were considering an investment choice based on the implications of the directive, I strongly suggest that they would find either Scotland or the Netherlands very attractive.

Des McNulty: Are you happy with the bill's definitions of pollution and substances? Are they as clear as they could be? If not, do you have issues to raise with us?

Willie Halcrow: I am perfectly content with the bill's definitions, but Martin Marsden might have more detailed comments to make.

Martin Marsden: The issue that is typically raised in this context is whether sea lice should be included in the definition of pollution. We feel strongly that they should not. We want to ensure that our responsibility to protect the environment in the context of the bill should be separate from fish health and fish disease issues, which are more properly dealt with by the Executive and the marine laboratories.

Des McNulty: In your written submission you commented in relation to sustainable urban drainage systems—SUDS:

"SUDS are now required for all new developments, but their implementation is being severely hampered by lack of clarity in the Sewerage (Scotland) Act 1968 over responsibility for the maintenance of SUDS. The Water Environment and Water Services (Scotland) Bill would provide an opportunity to remedy this."

It seems to me that the bill does not address that issue. Do you have any comment on that?

Martin Marsden: That is an important issue for us. We have made considerable progress in dealing with pollution from urban areas. The pollution of more than a third of our most polluted water is caused by urban drainage. It is vital that the maintenance of SUDS is dealt with soon. The progress that the SUDS working party has made over the past few years will be compromised if the issue is not dealt with. Whenever developments are proposed, there will be continual arguments among the various authorities that may end up with responsibility for the issue, so we would prefer an early legislative solution.

Des McNulty: The number of SUDS is increasing; I understand that there could be 1,600 by 2006. For their long-term management, should a co-ordinating framework be incorporated in Scotland's river basin management planning process? SEPA's involvement in that would be crucial.

Martin Marsden: The responsibilities should be clearly defined legally. There is no longer any real question about who should hold that responsibility. All parties involved in the discussions, including Scottish Water, consider that Scottish Water should take over responsibility for SUDS. All the

key partners have a common view of how to progress the matter and it is just a matter of finding the legal mechanism.

Des McNulty: The time scale for the bill's passage, including subordinate legislation, means that there will be a gap between the passing of the bill and the implementation of the regulatory schemes. Scottish Natural Heritage and Scottish Environment LINK have raised concerns that deterioration will occur between the bill being passed and the introduction of the full schemes. How can such deterioration be prevented?

Martin Marsden: The prevention of deterioration has always been one of our key responsibilities, and we feel that we have been successful in delivering that. Once the new powers come in, we will be able to do a better job, particularly in areas for which we are not currently responsible, but as far as our current duties and powers allow, we will ensure that deterioration does not occur.

Willie Halcrow: Although we do not have powers in certain areas, our colleagues in the local authorities do. We have prepared specific advice, which our officers can give when they are consulted. We have taken all the reasonable steps that we can to ensure that deterioration does not occur.

Des McNulty: I think that my other two questions can be dealt with in correspondence, convener.

The Convener: Okay. Our final set of questions focuses on flooding and natural systems.

John Scott: There are clear links between the regime proposed in the bill and the management of flooding in Scotland. Do you support the view that local authorities should retain responsibility for flood management? Would not it be better for the body that is resourced to protect the environment to be given the lead role? Furthermore, should the bill contain specific reference to the use of wetlands as a flood defence and pollution filter?

Willie Halcrow: If you are asking whether SEPA should be a flood prevention authority and undertake river works such as restoring a natural environment or walling off potential flood waters, our answer is that that would give the agency a particular conflict of interest. In the future that the bill envisages, SEPA will be the regulator of engineering works. It would be inappropriate if it were also the constructor of such works.

We feel that responsibility for flood prevention works of whatever nature should not lie with SEPA and could just as easily remain with local authorities. There seems to be no other natural home for such an important responsibility. However, we are a great source of knowledge on

flooding and, as we increase our flood risk assessment and flood warning services, we will increasingly become so. As a result, it might be appropriate for SEPA to have a further duty to support local authorities with technical and hydraulic advice, particularly on how to remediate where natural processes are affected.

That said, on the whole, we would be content for intervention to remain at the proposed level. SEPA could give further advice; however, formulating advice of a quality that is vital to a local community or landholder requires a huge amount of detailed work. If Scotland wants such advice to be available everywhere, that raises a genuine and important resource issue.

I am not certain whether I have answered all Mr Scott's questions.

John Scott: That is fine. You are essentially saying that you do not want to take the lead role in flood prevention management.

Willie Halcrow: That is right.

Robin Harper: Flood control will have a different impact on the budgets of different authorities. For example, money to use wetlands and different forestry management systems to control river basins upstream will come not from local authorities but from the CAP or forestry grants, but the cost of constructing a flood defence in a town will come out of the local authority's budget. When the river floods, that flood defence will impact both upstream and downstream. How can responses to such situations be co-ordinated if the matter is left in the hands of the local authorities and the river basin management plans? Someone should be in overall control, from the source of the river to the estuary.

Willie Halcrow: I hope that the river basin management plan will be the vehicle for flood control and that it will be integrated across the local authorities and private landholders who are responsible for flood control outside urban areas. The plan will point the way to the better solutions that Mr Harper mentioned, such as the management of land to minimise the risk of flooding and not canalising short sections of a river, which could have severe upstream and downstream consequences. I hope that the planning process, supported by advice from SEPA, will solve those problems.

10:45

Fiona McLeod: You say that you hope that the river basin management plans will address the problem. Would giving SEPA explicit responsibility for flood management ensure that that happened?

Willie Halcrow: It is much more than a hope. I do not see how an effective river basin

management plan can avoid the issue of flood control. It must address that issue, although how it does so depends, to an extent, on the reality of the risk and on the locale. I am not sure that it is necessary to give SEPA a specific duty in relation to flood management. Personally, I lean much more towards permissive, developmental regimes than I do towards compelling, prescriptive regimes. Perhaps Martin Marsden has a different view.

Martin Marsden: We want to be clear that the idea of giving SEPA responsibility for engineering works is a non-starter. There is a range of alternative approaches that may be more appropriate.

The Convener: John Scott and Maureen Macmillan both want to come back into the discussion. I ask them to make their points together, as we are overrunning a little and I want to finish on this point.

John Scott: Given that much of the scope of river basin management plans will fall on rural and agricultural areas, do you agree that a good agri-environment scheme needs to be in place to help people to carry out the necessary works?

Maureen Macmillan: In England, the Environment Agency takes charge of flood control. Why do you have a different view of SEPA's role?

Willie Halcrow: There are two parts to our answer—perhaps the convener will allow us both to have a go.

Mr Scott's question was about a good agri-environment scheme. It seems likely that any agricultural support scheme will include elements that allow radical interventions, if required. I am sorry if that sounds a little circuitous. I think that such work would have to be supported, at least in the first instance.

On Ms Macmillan's question, I accept that the Environment Agency has direct flood management responsibilities. That is for historical reasons that arose at the time of the old river authorities, which were created in about 1947. My experience of the conflict of interest comes directly from working in one of those bodies. It is not necessary to amalgamate environmental protection with direct intervention in flood control, although, in some areas in England where the flooding risk is far higher and more general than in Scotland, there may be a greater need for that. I do not intend to sound critical, but I do not think that we should follow that model—we should evolve our own models.

The Convener: That brings us to the end of our questions. We did not manage to get round to one or two questions because we overran on others. We will probably follow those up in writing and we

look forward to your written responses. I thank Willie Halcrow and Martin Marsden for their evidence this morning.

Willie Halcrow: Thank you, convener.

The Convener: We will suspend the meeting for about two minutes while the minister and his officials take their places.

10:49

Meeting suspended.

10:52

On resuming—

The Convener: I ask members to take their seats and prepare for the second round of questioning. I welcome to the committee the Minister for Environment and Rural Development, Ross Finnie. I also extend a welcome to the three officials from the Scottish Executive, William Fleming, Elspeth MacDonald and Michael Kellet.

We are here to continue taking evidence on stage 1 of the Water Environment and Water Services (Scotland) Bill. The minister is the last of our stage 1 witnesses. I invite him to make an opening statement.

The Minister for Environment and Rural Development (Ross Finnie): Thank you. I am relieved by the theological underpinning of the last being first and the first being last. I am not sure that that will get me terribly far with your erudite committee.

I am grateful for the opportunity to give evidence on the bill. I have followed that given in previous sessions with considerable interest. Although some serious issues have been and are being tested by the committee, it is fair to say that there has been near-unanimous support for the aims of the bill. It is those aims that I want to focus on.

The president of one of the biggest brewing companies in the United States got it right when he said:

"The world we all share is given to us in trust. Every choice we make regarding the earth, air, and water around us should be made with the objective of preserving it for all generations to come."

That seems to me to be at the heart of the philosophy behind the bill.

Part 1 is about ensuring that future generations of Scots can continue to enjoy the benefits of our rivers, lochs and coastal waters, which possess a vitality of which most of the rest of the world is jealous. It is about ensuring the sustainable use of water. It is about maintaining the natural advantages that our clean, cold lochs and fast-flowing rivers give to our indigenous industries—

whisky and tourism, to name but two. It is also about preserving the high quality of life for the many communities that live beside watercourses. Life in those communities would be immeasurably worse if those waters were to become degraded.

The importance of water as a resource was highlighted at the recent world summit on sustainable development in Johannesburg. One of the key agreements was to halve by 2015 the number of people across the world without access to clean water and proper sanitation. We face problems on a different scale, but that should not prevent us from seeing the bill in its global context. The bill embraces a model of the holistic management of the water environment. That model will combat need and promote sustainability the world over.

I must stress that this piece of environmental legislation is not regulation for the sake of it. The purpose of the bill is to ensure the sustainable use of water resources for future generations. The bill considers water use in the round, balancing environmental aims against economic and social needs. That balancing act is important, because people rely on water in a number of ways: we use it for drinking and for recreation; businesses use it either as a constituent part of their products or as a part of the industrial or manufacturing process; and the ecosystems around us depend on it. We have moved on from the situation 100 years ago, when many of Scotland's rivers were industrial running sewers. We now see salmon returning to urban rivers. We do not face the desperate problems of some developing countries, but we cannot be complacent. There are still problems to address.

Huge steps have been taken to improve the quality of bathing waters. We have invested millions of pounds to improve sewage treatment works. We have worked with a range of stakeholders. Despite that, in some areas we still cannot guarantee that the water is suitable for bathing. This bill will give us the power to tackle more effectively all forms of pollution. That will help us to guarantee a certain standard of bathing water quality.

There have been concerns about the environmental impact of fish farming. This bill will give us more levers to help us to investigate such claims and to tackle them in a more holistic way. I believe that the results of that will be sustainable fish farming and more control over the environmental impact.

The bill will also give us the power to tackle environmental problems that have largely been hidden until now. Badly planned engineering works in rivers, such as dredging or straightening, can have devastating effects. The loss of habitats that are important for otters and other animal life,

fish kills and the disturbance of polluting sediments do not need to happen. The bill will give us the power to prevent such things. Where necessary, we will also be able to control over-abstraction from particular bodies of water.

The question, then, is this: how do we give effect to these new powers? At the heart of the bill is a new planning system, which involves everyone with an interest in the water environment. SEPA, from whom the committee has just taken evidence, will take the lead in pulling everyone together, consulting, taking people's views into account and so drawing together a plan for the water environment. That plan will set realistic goals that are established on the principle of sustainable development, balancing environmental aspirations against social and economic needs.

That sounds ambitious, and it is ambitious. The Parliament is right to have high ambitions for the sustainable use of Scotland's water. River basin planning is the best way of achieving that. Unfortunately, however, ambitions of that nature take time to put in place and it will take time for the bill to take effect. The bill will give us the powers to start the process of river basin planning. From that, we will be able to build up to more detailed arrangements so that we can ensure that the system meets expectations. For example, the new control regimes for abstracting water will take time to develop and implement. We want to give businesses and others time to take whatever action is necessary to meet the development goals.

I know that considerable concern has been expressed at the financial ramifications of the bill. Some have even gone so far as to suggest that it is a blank cheque. I do not share that view—that is untrue. However, I acknowledge that the legislation is highly unusual in that it will take at least nine years to begin to come into proper effect.

Against that background, we asked some of the leading experts in environmental cost benefit analysis to work on the bill and their report is available. At this stage, we cannot say with certainty who will have to pay for what, but we are confident that the forecasts and assumptions that have been made over 20 or 30 years are as robust as they can be. Before introducing secondary legislation, we will have to consult—as you would expect—and ensure that regulations are subject to a thorough regulatory impact assessment. Crucially, we have designed the river basin planning system to ensure that all parties have their rightful say in setting the environmental goals. We also provide for ministerial approval of the finalised plans.

11:00

I turn briefly to part 2. The bill confers powers to make regulations that will determine the way in which Scottish Water contributes towards the cost of providing new water and sewerage infrastructure. At present, water and sewerage legislation requires Scottish Water to provide connection to mains when it is practical to do so at a reasonable cost. However, it does not provide a definition of reasonable cost. That has led to an ad hoc sharing of connection costs between Scottish Water and developers. The provisions in the bill will replace that unsatisfactory approach with regulations that will ensure that costs are shared objectively and transparently. That is a small, but sensible, change to current practice.

The main provisions are in part 1. Part 2 provides us with the platform that we need to promote the sustainable use of water. I commend the bill to the committee and will be happy to take members' questions.

The Convener: Thank you for your opening remarks. You have identified the issues that the committee has been studying in evidence sessions. I am sure that members will want to probe you on some of those issues.

John Scott: The bill claims to take a holistic approach to water and river basin management. How does it integrate with the Executive's strategies on forestry and agriculture, the UK biodiversity action plan and the development of an aquaculture strategy?

Ross Finnie: We have tried hard not to develop the strategies entirely on their own, and without those strategies, we would not have been in such a good position to know what water strategy to pursue. However, the strategies are detailed and deal with specific problems in, for example, agriculture, aquaculture and forestry. The bill provides the opportunity to take the higher-level strategic objectives from those strategies and meld them into the kind of thinking that is required in an ambitious piece of legislation. We have not quite managed to do that yet, although we have tried hard not to think in silos. We could draw on all the strategies at the strategic level, and they could play a fundamental part in ensuring that the delivery of the Water Environment and Water Services (Scotland) Bill meets our final objectives.

John Scott: The EU water framework directive is closely related to other actions that are being taken at the European level, such as integrated coastal zone management and marine and soil strategies. Have you had regard to those developments in drafting the bill?

Ross Finnie: We are well aware of those developments. The difficulty is that three or four years' work will be required before we will be able

to implement the bill. Conceptually, it is very different from any bill that the Parliament has had to handle before. We must not ignore those issues, but meld them into the process. Michael Kellet may wish to add something.

Michael Kellet (Scottish Executive Environment and Rural Affairs Department):

The marine and soil strategies are still being developed at the European level. We are confident that those strategies will, ultimately, aim in the same direction as the EU water framework directive and the bill. There should be no problem in ensuring the proper integration of the bill, for which we are aiming, when those strategies are agreed.

The Convener: Maureen Macmillan has a specific question on agriculture.

Maureen Macmillan: It is good that the minister is responsible for agriculture as well as water, because it means that one department can have an overview of how integration might happen. I have been told that there is a lot of rhetoric around agri-environment schemes, but that the subsidy to encourage farmers to get involved in the restoration or preservation of wetlands is going in the wrong direction. It has been suggested that that work will have to be done before the CAP reforms come in, otherwise we will find ourselves with agri-environment schemes that do not integrate well. It has also been suggested that land management contracts should be the vehicle for the schemes, provided that they do not contain only less-favoured-area funds, but all agricultural support, including that for the environment.

Ross Finnie: Gosh. I return hotfoot from the agriculture and fisheries council in Brussels. My speech would have gone down better if I had made those points in it—it might have stopped everyone in their tracks. You make an extremely good point and I know that Robin Harper has made it too.

First, we must understand that the current regulation provides that for people to be eligible for support under the CAP, they must have direct involvement in agriculture. A lot of people would want that criterion widened, so that a broader range of people who are engaged in land management might also be eligible for support. That is difficult, because there is no move in Europe at the moment to increase the amount that is spent on agricultural support—indeed moves are probably being made in the opposite direction. That limits the opportunity to extend the range of persons who might be eligible for support.

It is clear that we need a wider range of instruments within the rural development regulation that sets the parameters for the rural stewardship scheme. We certainly need a wider

range of prescriptions that would allow us to address a wider range of agri-environment schemes, rather than the narrow range to which we are currently directed. My view, or the Scottish Executive's view, on the mid-term review is that the rural development regulation is one of the key elements that we want reformed.

I am the arch-proponent of land management contracts. They offer us huge opportunities, but we will have to fight very hard for changes to the rural development regulation. The only suggestion for the mid-term review that would make available money for other purposes is the decoupling of certain subsidies in pillar one. One of the difficulties that we have is that the member state does not have the right to impose conditions in addition to the conditions that are set in Europe. I do not find that hugely helpful. I do not want to make the process burdensome, but everyone who took part in the strategy for agriculture debate realised that as well as giving support to farmers and people in rural areas, we need to have a sense of what is expected with respect to the further development of those areas.

We are wrestling with all those issues. The answer is not simple, because the CAP is not simple. I stress that we are looking to broaden the rural development regulation. We are looking for ways in which we can drive more resources into rounded support for the socio-economic and environmental aspects of land management. We remain committed to trying to deliver that through land management contracts.

The Convener: Maureen Macmillan surprised me by asking an unexpected supplementary. I will pursue the supplementary that I expected her to ask, on aquaculture and planning powers. The minister will be aware that the committee previously expressed the view that the bill is a good vehicle for transferring the planning powers for the aquaculture industry from the Crown Estate to local authorities. The Executive is of that view and has consulted on the matter for several years. There seems to be broad agreement on the issue among all parties. I realise that planning is not within your portfolio, but on behalf of the Executive can you indicate why it was deemed not practical to use the bill to advance the matter? Is it possible to introduce provision for that at stage 2?

Ross Finnie: It is always tempting, once we have a bill in front of us, to try to include everything in it—particularly if we perceive a connection, no matter how tenuous, between certain activities. The Executive's view remains that there is a need to transfer planning powers from local authorities. However, we believe that a planning bill would be the most appropriate legislative vehicle for that. If we change the scope of the bill and introduce a range of other planning provisions, it will become rather messy. The

convener's question is quite specific, but to proceed as suggested would be to open the door to a different regime.

John Scott: I want to take you back to Maureen Macmillan's question. You spoke eloquently about the need for an enhanced agri-environment scheme, but you spoke little about how such a scheme might be funded or what the costs might be. Have you calculated the costs of an enhanced scheme? Where would you expect to get the funding, given that the current scheme is underfunded?

Ross Finnie: As John Scott is aware, we are talking about the movement of resources within the common agricultural policy between pillar one and pillar two. We are talking about trying to use, differently and better, elements of the £450 million in support that comes to the rural community under the common agricultural policy. There are key issues that every stakeholder must appreciate. This is part of creating a Europe-wide level playing field. However, there is increasing recognition both from the industry and from politicians across Europe that there must be a clear return on agri-environment schemes. It is not enough for Europe just to provide support.

John Scott: Are you saying that you will not seek new money from Europe, but will seek to redistribute existing funding?

Ross Finnie: That is the reality. Discussions are currently under way on the mid-term review. The Commission and the overwhelming majority of member states are not minded to interfere with the Berlin agreement, which set the current ceiling for the common agricultural policy.

John Scott: What do you suspect the cost of introducing an enhanced agri-environment scheme may be? From which sector of the CAP budget that is currently allocated to Scotland would you take the money?

Ross Finnie: At the moment there is a slight disparity in the way in which modulation operates. Money is taken from a broad area—especially the cereals sector—and redistributed more narrowly. That is why I want broader prescriptions. I do not know what method we will use to move resources from pillar one to pillar two. However, once we have moved resources to pillar two we must have both a range of measures to address the issues that Maureen Macmillan raises and equitable redistribution of money. A broader range of people involved in agriculture should be able to apply for that money and to participate in agri-environment schemes. I cannot be precise. If I knew the answer to the member's question, I would know the outcome of the mid-term review.

John Scott: Scotland struggles to comply with existing European water directives. Why should

this one be any different? How will it join up existing water regulations, many of which have different time scales?

11:15

Ross Finnie: One of the advantages in this case is that we are moving at the right time. One of the great criticisms of ourselves over the years is that we have tended to wait until European directives had to be implemented tomorrow, by which stage we had neither done the preliminary work nor properly addressed the issues. We often struggle to implement European directives and therefore often struggle to comply. In this case the long time scale is an important consideration. We will have had four or five years of preparation before we reach the point at which the measures bite. That gives us a far better chance of being able to comply with the requirements of the directive. I say in direct answer to your question that, although the situation creates a rather unusual bill—it is very much an enabling bill—it will be one of the few occasions when we have genuinely had the time to prepare for the proper implementation of a European directive.

Des McNulty: My point follows John Scott's question. Article 7.3 of the water framework directive explicitly requires that

"Member States shall ensure the necessary protection for the bodies of water identified with the aim of avoiding deterioration in their quality in order to reduce the level of purification treatment required in the production of drinking water."

How does the minister see that element being transposed into Scottish law, since the bill as it stands, in section 6, refers only to the identification of

"Bodies of water used for the abstraction of drinking water".

As well as putting that provision into law, how will you give it practical effect?

Ross Finnie: I ask Michael Kellet to deal with the detail. I understand that we have the powers under section 9 to make regulations where that is not catered for in the outline of the bill.

Michael Kellet: I think that that is the case. Section 9 of the bill gives ministers the power to make regulations about the content of the environmental objectives. We understand the provisions of article 7.3 of the water framework directive to be an environmental objective under the bill, so regulations made under section 9 would make provision for that objective in respect of sources of drinking water.

Des McNulty: What kinds of catchment management processes do you envisage and what regulatory framework do you see those processes being constructed within?

Ross Finnie: The importance of the design of the catchment programmes is why the next four years are so critical. Those programmes will be designed to ensure that in individual areas we have a far better assessment of the potential causes of degradation to the environment. In some cases, the potential causes of degradation might be obvious; in other cases the situation might be disappointing, as we are not fully aware of them. What is important is that we have that mapping process. When we come to sub-basin management plans, we will be able to say that we know what the potential sources of degradation to the water are. The plan must be designed to mitigate those effects and to deal directly with the requirement under article 7.3 of the water framework directive.

I am sorry to be vague about that. I see where Des McNulty is coming from, but to be fair, that is the process that must be gone through across Scotland. It will be a very important process for Scotland and for improving and reducing the level of degradation.

Des McNulty: That process might also influence investment decisions that you might make in due course about the amount of water purification that is required, so if you go down that road it will be a successful saving process.

Ross Finnie: Yes, indeed.

Robin Harper: The minister will be aware that there is considerable concern about whether the bill is robust enough in respect of integration and overview on policy, river basin management planning and flooding. I have three questions on river basin management planning. According to the Royal Commission on Environmental Pollution:

"A basic weakness in present procedures is the lack of strong connections between town and country planning and the work of the specialist agencies dealing with pollution and conservation."

How will the river basin management plans, the development planning process and community planning join up? Will one type of plan take precedence? Does not it make sense for the review times of those different types of planning to be tied together?

Ross Finnie: I have followed with interest Robin Harper's consistent line of questioning on the integrated process, and I have read the royal commission's report on the matter.

The important point is that for the first time we will have the new plan. It is difficult to legislate on which plan takes priority. As a matter of fact, the planning process will, in building up the river basin management plans, embrace a much wider spectrum. That should provide the opportunity both for central Government and, just as important, for local authorities—which retain

essential powers in the matter—to see the basis on which we could integrate the divide between town and country planning that Robin Harper mentioned. The river basin management plans will overlap that divide. It seems to me that we will get a framework that we have never had before. Instead of people just saying, “This is my bit and that’s for someone else”, the overarching plans will force people to look at the whole issue.

It is difficult to put that into legislation, but the creation of the river basin management plans that are proposed in the bill provides us with an opportunity to use such plans as the primary means by which we set environmental objectives. In a sense, the river basin management plans will override those other plans on that score.

Robin Harper: Given the fact that the Executive has consulted twice on the matter, why does not the bill specify the number of river basin districts that Scotland will have? In addition, why is a duty placed on SEPA to develop sub-basin management plans? Will the Executive be required to consult on draft orders for river basin management plans? What parliamentary procedure will be used in the creation of such plans?

Ross Finnie: We will certainly consult. I can say that without even looking at my notes, but Michael Kellet will deal with that matter.

Robin Harper asked why, having consulted twice on the issue, we have not set out the number of river basin management plans. The answer is that no single conclusion came from the evidence. There was divergence between those who envisaged a single river basin management plan and those who wanted more than one. Michael Kellet knows more about that section.

Michael Kellet: The bill states explicitly that ministers have the duty to designate the river basin districts in Scotland. Ministers will need to do that by 2003 to comply with the requirements of the European directive. We felt that it was not appropriate to specify the boundaries of the river basin district on the face of the bill because the boundaries would have to be specified in great detail, which is difficult to provide for in primary legislation.

It is also difficult to make provision for the cross-border river basins. We will need to agree arrangements with the UK Government about how to manage the basins of the Solway and the Tweed. It is difficult to be prescriptive at this stage. As the minister said, we will need to consult on the detail of the boundaries before the end of 2003 and before we introduce regulations to the Parliament to confirm those boundaries.

Robin Harper: So the boundaries will be specified in regulations?

Ross Finnie: Yes.

Robin Harper: Finally, concern has been raised that the bill is not specific enough in setting out the arrangements surrounding the lines of communication between river basin management plans and sub-basin plans, or between advisory groups and SEPA in the context of the total development. How will that happen?

Ross Finnie: SEPA’s role is an issue that Fiona McLeod has been pursuing, but it seems to me that SEPA does not have a big-p policy role. SEPA will have two functions: it will both co-ordinate and bring together the relevant parties because of its crucial role as the regulator. Much of the evidence that the committee has received shows that many people have confidence in SEPA as the body that has the knowledge and understanding of the workings of the bill. I agree that SEPA is the appropriate body to act in that role. However, much will depend on how many sub-basin arrangements are set up.

Michael Kellet: The committee has heard evidence about what SEPA thinks would be a sensible arrangement of sub-basins and how regional or major-catchment level basins could be put together to constitute the national plan.

The approach that we envisage in the second consultation paper on the bill is that the national plan should be supplemented by regional plans, for the want of a better name. We support the approach that SEPA talked about.

Fiona McLeod: It would be appropriate for me to ask one of my questions at this stage. What arrangements will there be for SEPA to oversee or to work with the other competent authorities that must be involved in the river basin planning process? Will there be a hierarchy, with SEPA at the top?

Ross Finnie: SEPA will have a crucial role in bringing together the several authorities that will be involved. If that is not done, there will be a vacuum. The overarching policy within which SEPA will operate will be set by primary or secondary legislation and will therefore, in essence, be governed by the Parliament. That is an important point. We all have confidence in SEPA, but no one wants it to invent policy. The Executive and the Parliament will set the strategic policy objectives. Given that SEPA will have the hugely important role of discharging the requirements of the bill, it is the appropriate authority to act as the co-ordinating body.

Fiona McLeod: You said how important it is that the Parliament is part of the process. What parliamentary procedure do you envisage for the secondary legislation?

Ross Finnie: Anything that affects another bill or that has the capacity to change policy will have

to be subject to a resolution by the Parliament. I think that one or two regulatory matters are covered in the bill.

Michael Kellet: That is right. The bill makes explicit provision about the various mechanisms for the regulatory regimes. It specifies regulations that should be subject to the affirmative procedure and those that should be subject to the negative procedure. If it would be useful to the committee, we can provide a brief written summary of those provisions.

Ross Finnie: We should do that, because the matter relates to other legislation and policy objectives. Clearly, parliamentary scrutiny should apply.

Fiona McLeod: I might return to the issue of SEPA later.

John Scott: Given that policy is to be set by the Parliament and that the bill centralises power to SEPA and Scottish ministers, what importance or relevance will the advisory groups have? How will you ensure the participation of local stakeholders?

Ross Finnie: As always in such matters, a balance must be struck. It is crucial that Scotland has a uniform objective and basis for tackling the degradation of our water, river basins and wetlands. It is entirely justifiable to have an overarching framework for river basin management. However, that is not to suggest that the detailed implementation and management in individual areas will not involve the range of stakeholders. In modern legislation, one must understand and expect that stakeholders will be crucially involved in the detailed implementation and one must make provision for that.

If we do not set overall aims and objectives, we run the risk of the measures being applied differently in different parts of Scotland and the risk of not meeting the requirements of the directive. As always with big-scale thinking, a balance must be struck. I hope that the bill's provision for consultation and advisory groups strikes the right balance, because that is important.

John Scott: If policy is to be uniformly implemented throughout Scotland, what value will the stakeholders have? If policy is pre-set, what will be achieved? How will you enthuse the stakeholders to attend? Will you have statutory powers to make them participate? Many stakeholders are already over-staked, in a manner of speaking—or staked out, even.

Ross Finnie: I cannot deal with over-staked and undercooked—we have a series of mixed metaphors in which we are in danger of drowning. A stakeholder that believes that they have simply been ignored has the opportunity of raising that in

the Parliament or elsewhere. Section 17 is clear that SEPA has to have regard to an advisory group's advice. People say that "have regard to" means that SEPA can always ignore that advice, but the fact that the provision is in the bill means that the person who is not listened to has grounds for grievance. SEPA cannot say to that person, "You made the point and we just ignored you." It has to listen to the advisory groups.

The committee might want to make that provision firmer, but the bill makes it clear that we envisage the advisory groups and their members making a serious contribution in the implementation of policy. Striking a balance is difficult. Experience tells us that, if the implementation of policy is devolved to ad hoc groups, it is not uniform.

11:30

John Scott: You cannot have it both ways.

Robin Harper: I am sorry to pursue this point, because it goes over ground that John Scott has covered. Does the minister agree that present stakeholders will have much more confidence in the development of the bill if they can see at the beginning that the advisory groups will have teeth?

Ross Finnie: The stakeholders must believe that they have a role to play. I am not sure what teeth we would give an individual group. We always have to strike a difficult balance. The advisory groups represent a general interest and might include people with a specific, special interest. They will be able to make their point through the advisory groups.

SEPA must have regard for the views that are expressed. If we elevate the powers of the advisory groups, we get into complex questions about how the groups are comprised, whom they represent, how they represent them and from where they derive their powers. It is a difficult balance. In creating district advisory groups, we have made it clear that they have a crucial role to play. That is what is expressed in the bill.

Des McNulty: There are different orders of regulatory requirement. The Loch Katrine management issues, which are particularly pertinent, are a classic example. How do you envisage that tight catchment management processes and frameworks will be introduced for a sensitive environment such as Loch Katrine? How does that contrast with the management for a much less sensitive area?

Ross Finnie: That is the difficulty of a bill that is as wide in its scope as the one that we are considering. An advisory group within the Loch Katrine catchment would not be discharging its duties if it did not acknowledge that, in the present

circumstances, it has an extremely sensitive and difficult problem. An advisory group would not be discharging its duties properly if it did not have regard to serious issues that affect it. We can take account of such issues when formulating the regulation for the control of the advisory groups. The bill allows us flexibility to give regulation that is appropriate and proportionate to the risk of degradation or the risks to the environment generally.

Des McNulty: Not every witness has indicated that they agree that the bill allows sufficient flexibility.

I am putting a limiting case—a complex and different issue. However, given the requirement on drinking water and the fact that proper management of the catchment can reduce the purification requirement, are you satisfied that the bill will allow you to move towards a more ecologically sensitive solution than one that simply depends on a heavy chemical-treatment process?

Ross Finnie: Yes, I am. You cited an extremely sensitive issue. However, we must be careful not to deal in absolutes. Even if the bill were to operate perfectly, it would be impossible to eliminate all risk of degradation. There must be regard for problems such as the one that you highlighted. However, across the piece, there are sufficient powers for us to tackle seriously the risk of degradation and so reduce the requirement for purification at a later stage. However, all risk will not be eliminated nor will all the matters that require to be properly processed in a water treatment plant.

The Convener: John Scott has a brief supplementary question.

John Scott: I will leave it for now.

The Convener: Does Fiona McLeod want to come back with any further issues on SEPA?

Fiona McLeod: May I pursue the issues from earlier about the financing of SEPA? SEPA's role is changing and it must take on additional and new kinds of staff. SEPA submitted a financing bid to the Executive to cover the effect on it of the WFD. Given the accuracy of its previous bid, SEPA thinks that the present bid will be accurate. Can you tell us whether SEPA's financing bid will be successful?

Ross Finnie: Neither Fiona McLeod nor I would want to break parliamentary protocol; I know that we share that view. My deputy minister has a parliamentary question to answer this afternoon on the SEPA bid. We will wait with anxious anticipation for that answer. All that I can say is that we are providing additional resources for SEPA and I am reasonably confident that SEPA will be satisfied.

We have continued to give resources to SEPA. I appreciate SEPA's crucial and increasing role in a range of service delivery and regulatory functions. In the previous review, we increased SEPA's resources by about £15 million. I think that the announcement this afternoon will be, and ought to be, satisfactory to SEPA. It will certainly indicate that we understand the point that Fiona McLeod and others have made in this regard.

Fiona McLeod: Given SEPA's extended role, is it still appropriate for the agency to be pushed to be a cost-recovery financing organisation?

Ross Finnie: There are issues about appropriate and inappropriate charging. However, we sometimes forget that you get nothing for nothing. People who incur a charge often appreciate what is being delivered for that charge. Charging sets standards for an organisation and encourages it to deliver an accountable service.

Maureen Macmillan: Witnesses from Scottish and Southern Energy plc stated in evidence to us that they were anxious about the financial implications for their organisation and that they did not envisage any benefits being incurred. They were worried about the impact on the hydroelectric schemes. They pointed out that Scottish and Southern Energy plc is an important part of the Executive's drive for renewable energy. However, they felt that the balance was wrong and that if the Executive wanted to pursue renewable energy, it should not hammer the hydroelectric schemes. I wonder whether you are having any discussions with Scottish and Southern Energy plc.

Ross Finnie: Yes, I met Scottish and Southern Energy plc some time ago at the advanced stage of preparing the bill. It is right to highlight that organisation's concerns. However, I must direct the committee's attention to the actual purpose of river basin management planning, which is to apply the water framework directive's generic environmental objectives to local circumstances. We must arrive at achievable measures.

The primary objective is to achieve good status. That target is high, but the directive and the bill provide the flexibility to take account of wider social, economic and environmental considerations. That means applying other objectives when achieving good status would be disproportionate. The most important derogation from that objective is available for waters that are designated as artificial or heavily modified. In particular, it includes stretches of water that have been substantially physically modified for the generation of hydroelectricity or for flood control.

It is right that all parties that use the natural water resource should be subject to the bill, but equally, the bill and the directive contain clear provisions that, on any sensible and objective

analysis, will allow sensible and properly managed hydroelectric works to continue. Many who operate hydroelectric works take great care over their environmental and abstraction levels. That will be a requirement on them. They will not find that requirement onerous, as long as they realise their crucial role. I see no conflict between renewables objectives and the bill.

John Scott: Every person or organisation that has given the committee evidence has spoken of the increased cost burden that they are likely to face; the minister spoke about that, too. However, no one—the minister included—can quantify that additional cost.

The Convener: We want to cover a couple of other issues before we talk about costs, so I ask John Scott to hold his fire. Before Des McNulty speaks, do you want to pursue any agri-environment issues? You asked about them earlier.

John Scott: I have asked about those issues, but I will go with the question on the briefing paper, if that is what the convener prefers.

Ministers will have powers over policy that will affect water framework directive targets, such as those on funding agri-environment schemes. Will the Executive publish a strategy and targets outlining proposals that are relevant to the directive and are not in the bill?

Ross Finnie: For the reasons that I gave on widening the prescriptions in the rural development regulation, many agri-environment schemes—particularly those that are close to rivers, burns and lochs, where we are trying to restore field margins—are designed to stop the drift of livestock close to and into rivers, lochs and streams in the past 10 to 15 years.

It is a question not of having a separate regime, but of implementing—perhaps with more rigour—the requirement that the bill will place on us all to be clear that such practice is good for agriculture and for the environment. That relates to integration, to which many members have referred. That requirement must be instilled across the piece. I do not expect a raft of new measures. I expect a requirement to take a little more seriously the need for us to put in place such measures with a greater sense of urgency.

John Scott: Therefore, you will take more seriously the funding requirements for those agri-environment schemes.

Ross Finnie: That is the view that the Government must provide every penny for everything that is done. Agricultural support has been given £450 million. It is difficult to think that that sum should not produce a greater benefit than it does.

John Scott: So you will fund the requirements via increased modulation.

Ross Finnie: I have reasons not to be terribly happy about using modulation. Philosophically, it is difficult to say that although I say that I will give a subsidy to Des McNulty, I mean not to give it to him, but to modulate it and give it to you.

If that is what the majority of the European Union agrees to as part of the mid-term review, and that is how it moves money from pillar one to pillar two, I have to ensure that we get the extension of the rural development regulation. If we do not, we in Scotland will be disadvantaged in our ability to use that money sensibly on behalf of the agricultural and environmental communities.

11:45

Des McNulty: In your opening remarks, you made great play of how the bill is unique in the context of implementing the European water framework directive. The approach that you have adopted is to have an enabling framework shell that will be fleshed out by a series of secondary legislation. Do you accept that the fact that you are adopting that approach does not preclude the requirement for more detailed financial information, and perhaps some more indication of how the secondary legislation would operate, than you have been able to give in the policy memorandum or the financial memorandum?

Ross Finnie: The honest position is that we have tried to provide a policy memorandum and a financial memorandum that cover the bill.

I will incur the convener's wrath by drifting into discussing the financial memorandum too early. However, some of the figures that are provided in the financial memorandum extend over the first six years, or 10 years and some go beyond that. We have set out a framework bill that will not come into full operation for nine years. If we had told you what we thought the planning and design costs would be for stage 1, and that is all that we had told you, you would, quite rightly, have been critical.

There is possibly confusion because some of the numbers in the bill have lives of 10, 15, 20 or 40 years. That could have been expressed more clearly. The financial memorandum genuinely attempts to set out a framework that shows the costs that are likely to attach at the development stage, and the costs that are likely to attach to people during implementation. A lot of those costs will not be charges; they will come from the need for companies to change habits, to invest in capital equipment and to change the way in which they operate to mitigate the effects of degradation in the water supply.

We must show those costs across the time frame of the bill rather than having them in a single paragraph where they give the impression that people will incur huge costs tomorrow. Very little cost will be incurred in the first four or five years of the initial planning process at least.

Des McNulty: I do not want to get into the costing issue just yet. I wanted to highlight the fact that this method of approaching the legislative process has an impact on accountability.

There is an argument that a stepwise approach to secondary legislation is desirable in order that legislation can be drafted properly, based on the best information available. On the other hand, we have heard from witnesses who are keen that legislation is implemented as soon as possible so that it can be factored into their investment decisions. How do you see those two imperatives being balanced in the context of the approach that you have adopted?

Ross Finnie: The obvious difficulty was set out at the beginning of the discussion. The crucial phase is the first four years. When SEPA and other bodies give us a handle on the state of our river basin management and sub-basin management planning, we will have a better handle on the scale of the problem. There is a lot of work to do; it is just not in any co-ordinated statement.

In some cases, the problem might not be all that great. In other more sensitive areas, it might be quite substantial. When the plans are in place, we will be able to take a better view on how quickly or otherwise we can produce the secondary legislation. Clearly, if there is no impediment to doing so in certain areas then, in order to enable people to plan their businesses, we will be able to do so. Sitting here today, however, the problem is that we do not know in detail what that basic framework is.

Des McNulty: On natural systems and flooding, some stakeholders have told the committee that they think that wetlands have been overlooked. That is surprising, given that healthy natural systems underpin the water framework directive. Given that wetlands have a recognised beneficial impact on flood management, why was the decision taken not to include in the bill specific recognition of that?

Ross Finnie: There will be a register of protected areas that will reinforce the standards that are set out in European legislation. We recognise that wetlands play a protecting role in the ecology of the water environment and that the conditions of our wetlands in Scotland vary according to the aquatic ecosystems. We are not ignoring wetlands and we do not intend to exclude them from the scope of the bill; I acknowledge that

many people have highlighted their importance. The register of protected areas will enable us to include specific areas such as nitrate vulnerable zones or areas designated under the habitats or wild birds directives.

Des McNulty: The bill does not propose to change the institutional arrangements for dealing with flooding. Given that SEPA and others maintain that flooding can impact on the ecological quality of water, why is not the flooding regime specifically covered in the bill? What scope is there in the bill to extend the principle of planning gain, for example, to encourage a wetland upstream of a vulnerable urban area?

Ross Finnie: Again, I acknowledge that the integration of the river basin management plans and the sub-basin management plans, particularly in areas around towns, which used to be the areas where water was collected, is important. We have issued guidance to planning authorities that discourages them from granting development permissions where that would affect them.

We still believe that river basin planning will provide a useful forum in which we can get to grips with flood management issues. We also believe that, because of their other statutory duties, the responsibility for that should lie with local authorities. Of course, flooding problems are increasing and we are assessing the arrangements for them.

There are two categories of flooding. There is flooding where the problem relates to river basin management and there is flooding in the heart of urban areas that relates to excessive housing development. In such urban areas, the planning process has rather let us down in relation to the volume of water that has to be coped with when there is a lot of rain water.

A management framework for flooding is in place, but we are becoming concerned about the increasing level of flash flooding each year. If we get an evidence-based reason for changing our position, we will do so.

The Convener: We do not have a lot of time and we have yet to deal with the substantive issue of cost that was raised in the report of the Finance Committee. I ask Robin Harper, Fiona McLeod and Maureen Macmillan to ask their questions one after the other and allow the minister to respond to them together. I hope that they are all complementary.

Robin Harper: Do you consider that there is room in the bill for a commitment to integration with the common agricultural policy and other such policies?

Fiona McLeod: I am concerned about flooding. We have heard SEPA and the Executive say this

morning that they “hope” that river basin management plans will provide the integrated answer to flooding. If we “hope” that those plans will do it, can we legislate to ensure that it happens? We also hear that we should leave dealing with flooding to local authorities. However, local authorities said in evidence that they manage flooding by building concrete defences, but not by taking the long-term and evolutionary measure of mitigating flooding.

Maureen Macmillan: What is the minister's view on whether sites of special scientific interest should be included in the protected area list, as an example of policy integration? Should biodiversity commitments be included in the bill and, if so, how?

Ross Finnie: The questions were nearly complementary.

The Convener: Almost.

Ross Finnie: In answer to Robin Harper, I say that it is difficult to be prescriptive about integration. Whatever emerges from the CAP mid-term review needs first of all to have a pan-European application. One of the major issues that was not developed sufficiently in the 2000 review is that much more should be made of national envelopes. Member states should have greater ability to take the general CAP policy and apply it to their local circumstances. It is disappointing that the national envelope concept has not been developed more fully. We are pressing for that to happen—indeed, I wish that it would. If national governments had those powers, they would be able to merge policies in order better to meet their obligations.

To put integration on the face of the bill would introduce greater inflexibility rather than lead to ability to integrate. The CAP will have to move forward a long way before it is possible to integrate it into the bill. That is not to say that governments will not get their national policy objectives in tune with the bill, in respect of their agricultural, land management and rural development objectives. That said, it would be extremely difficult to align the CAP regime with the bill.

Fiona McLeod asked about flooding. She said that local authorities are not taking a long-term view, but are simply building flood defences. The wider perspective on that question addresses the powers of local authorities. One of the planning instruments that local authorities have not had access to is river basin planning. Certain local authorities could be asked what it is that they want to do and whether they are aware of the implications of flooding. They could be asked whether they are simply moving the problem from one place to another. In the past, local authorities

have been criticised for doing that and the criticism was well founded. The problem arose largely as the result of the absence of proper river basin management. That system can act as a driver for the problem of flooding to be considered as a whole. Under that system, flooding cannot be said to be a local problem.

The creation of national planning systems and the fact that local authorities will have access to a different nature and quality of information will lead them to come up with solutions that are far more likely to address the problem than do those that act as short-term palliatives. I regret to say that that criticism applies to some of the current measures.

Fiona McLeod: Do we not need to make it more explicit in the bill that that is what is to happen?

Ross Finnie: We come back to the point that the bill is an enabling bill. Fiona McLeod's question is whether we need to make certain requirements more explicit. I appreciate that point, but river basin management is an expressed requirement and objective of the bill. That requirement and the plans that will be produced to underpin the bill will mitigate the effects of floods and droughts—more likely floods than droughts in our case. I do not wish to be pejorative about droughts, but flooding seems more likely.

The third element was Maureen Macmillan's question about SSSIs. Although it is not a requirement to include areas that are protected solely by domestic legislation in the formal register, to which I referred earlier, that does not preclude the river basin management plans from identifying the areas that are specified in those plans.

12:00

The Convener: As Des McNulty has finished his questions, we will move on to costs. You have received a copy of the Finance Committee's report on the financial memorandum for the bill—you mentioned that in a response to a question by Des McNulty. I invite you to respond to some of the key comments that the Finance Committee made. The Finance Committee makes comments on the financial memorandums for all bills and, in my opinion, its report on the financial memorandum for the Water Environment and Water Services (Scotland) Bill is the most critical report that it has produced on a financial memorandum for a bill.

A key area is outlined in paragraph 19 of the Finance Committee's report, in which the committee recommends that, in light of its concerns, the Transport and the Environment Committee should give serious consideration to whether

“a recommendation should be made ... that the Bill should

not pass Stage 1 until more specification of costs is provided by the Executive."

Another key issue, which other members might wish to discuss, concerns a business impact assessment, which is covered in paragraph 22 of the report. I invite you to respond to the significant criticisms that the Finance Committee has made in its report.

Ross Finnie: Thank you for giving me the opportunity to respond. It was good to escape from Brussels yesterday afternoon, but not so good to be handed a copy of the report. I have read the report and it raises several important issues. We are disappointed with the report's conclusions—it would be wrong to say otherwise. In my evidence this morning, I will respond to some of the questions that are asked in it. We will also treat the issue seriously by producing more detailed responses.

I will make a few general points—some of which I have already made—that I would have made anyway. The first concerns the long time scale for implementation. The majority of the costs will not be incurred until 2007 or later. There were indications that some witnesses who gave evidence to the Finance Committee believed that charging would take place almost immediately. There is confusion on that issue.

Any implementation costs will be a consequence of having to achieve the environmental objectives that are established in the river basin management process. As we discussed earlier, all the stakeholders will have a say in what those objectives will be. Some confusion has arisen about the costs of meeting those objectives: they will be one-off costs and will not constitute a continuing cost obligation. The objectives must be achieved on the basis of sustainability. As well as environmental factors, social and economic factors will be taken into account.

In relation to some of the concerns about costs on industry, it is right for industries to flag up the potential cost to them. However, I must refer to industries that are operating in heavily modified circumstances, in so far as those circumstances would come within the criteria of the bill. The normal target for achieving environmental objectives is 2015, but that can be extended in the case of such industries. We must address such concerns specifically rather than generally. The difficulty with the financial memorandum is that it deals in generalities. The committee ought to realise that the financial memorandum relates simply to the potential total cost for implementation of the bill. During implementation, it is not possible to specify who might get a derogation. Any savings that arise from a derogation to those key industries are not included.

The report asked us specifically about additional costs to local authorities. In evidence, the Executive gave a commitment to providing funding to local authorities. We have also been asked to provide a detailed specification of costs, including best and worst scenarios, and we will try to do so. However, the financial memorandum, the WRc plc report and case studies on particular industries are available and if members have not seen them, we will certainly make them available.

The Finance Committee also asked us to provide estimates for the anticipated costs relating to secondary legislation. There may be some confusion in that respect. The costs in the financial memorandum anticipated those that would be incurred through full implementation of the bill and therefore included costs associated with secondary legislation. On reflection, perhaps we did not make that entirely clear, but we must do so for the Transport and the Environment Committee and the Finance Committee. If the latter thought that the stated costs related simply to implementing the bill, and that another raft of costs must be incurred as secondary legislation is introduced, there will have been confusion and we must urgently address that issue.

We have also been asked to provide a table that summarises and cross-refers costs. That might be helpful in explaining where we anticipate costs will come from and in explaining whether they will arise from primary legislation or secondary legislation. We will provide such details as a matter of urgency. There might still be some misunderstanding about the time scale in which some costs are to be incurred. It is important that we respond to the Finance Committee and to this committee, given that the Transport and the Environment Committee has overall responsibility for reporting on the matter. We will do that in writing.

The Convener: My question and the minister's answer probably trampled over the question that Maureen Macmillan intended to ask, but I will give her the opportunity to ask a supplementary question.

Maureen Macmillan: I intended to ask about savings rather than costs. Have potential savings that could arise from implementation of the bill been considered, for example in relation to flooding, insurance costs and improved land management practice?

Ross Finnie: Such questions are always difficult. We invited Professor Nick Hanley, who is a leader in the field, to assess benefits and he has produced results. Costs and benefits are a serious issue. There are references to value and to evaluation of benefits in the financial memorandum and the policy memorandum. Real concerns have been expressed and we will make

available to the committee the relevant details, which are—I am afraid—rather long. However, it is important for the committee to have access to such details so that it can address the issue.

In the policy memorandum, there are specific references to areas in which Professor Hanley believed that benefits could arise. However, he tends to use the language of the economist, which is more concerned with ascribing a value to benefits rather than dealing with savings in costs. Perhaps it is not the most helpful language. I am not sure that any of us are keen to argue about opportunity costs, if any member remembers them from days that they spent studying economics. It is not the easiest concept to understand. However, details and references are available. Issues are mentioned in the policy memorandum where we believe that substantial benefits will arise. Professor Hanley mentioned that about £1.5 billion will be available as a result of the implementation of the bill, so there will be a substantial economic benefit to us.

Maureen Macmillan: I appreciate that, because I spent my days studying medieval literature rather than economics.

Ross Finnie: I am sure that both are useful subjects.

The Convener: I assure the minister that I will remember opportunity costs.

Des McNulty: I welcome the minister's indication—if I understood him correctly—that more financial information will be made available to both the Transport and the Environment Committee and the Finance Committee. There was a good deal of concern about the evidence that we took and the information that was available to us at the time. Those points are flagged up in the robust report that the Finance Committee produced.

I seek clarification on two or three points. Is it possible to carry out business impact assessments of the bill's effect on businesses that might be more seriously affected? What dialogue can the Executive have with key agencies such as Scottish Water and SEPA? Those agencies do not seem to be entirely clear about how they will plan for the charging regime, or about the structures that the bill might require of them in carrying out their functions.

Can the minister assure me that he will be cautious about any gold plating of the way in which the process is carried out, while ensuring that the requirements of the directive are appropriately met? Can we have a little more information about derogations? We had little information on the areas on which derogations might be sought, but they might significantly influence the cost issues that arise. It would be of

great assistance to the committee if you were able to give us more information on those areas.

Ross Finnie: We must marshal the information that is available. When we introduced the bill, we made a genuine attempt to present an estimate of the total costs across the piece but, in doing so, we may have inadvertently given the impression that those costs were annual or biannual. That caused a lot of confusion, so we must be clear about the number of years over which we believe the costs under the individual headings will arise. We undertake to provide that clarification to both the Transport and the Environment Committee and the Finance Committee.

I do not want to dodge Des McNulty's question about business inputs and impact studies, but I would like first to consider carefully the WRc report, which included a number of case studies, although they may not meet our test. We assessed 13 business case studies, which covered the following industries: forestry, fisheries, power, water services, contaminated land, pulp paper, food, drink and arable land. We want to consider the work in the round. There might have been over-provision, and we need to be more specific.

Des McNulty: We have heard from representatives of a number of the industries that you mentioned, and none was clear about what the impact of the bill would be on their particular industry. There is an information gap.

Ross Finnie: I understand that. People who are involved in industry, quite properly, want to raise with the committee the prospect of horrendous cost burdens.

I also recall that the Scotch Whisky Association's immediate reaction to the publication of the bill was that it was the end of the world. I asked one of the association's officials whether I was correct in assuming that Scotch whisky sold itself on the purity of Scottish water. When I was informed that that was the case, I asked him whether he therefore welcomed a bill that would ensure that purity over the course of the next millennium. I am bound to say that he was rather inclined to agree with my point, and that the initial reaction had perhaps been a little overstated. Although one can see where the association is coming from, we have to take these things in the round.

12:15

As for charging, we have no intention of gold plating anything. The work that we have carried out on certain assumptions has highlighted that, although charging will not be unimportant in certain cases, it is not the major issue as far as the balance of the overall cost structure is concerned.

Instead, depending on the physical structure of their operation or their impact on river basin management, people will have to change their processes or invest in other things. As a result, the major issue is that the process will more likely involve one-off capital costs, rather than continuing charging regimes. Although we will address any concerns that Scottish Water or SEPA might express, there is no question of allowing either of those two organisations to gold plate.

It might be simpler to set out in our increasingly long letter to the committee the principles that we will apply in relation to the derogations that are referred to in the bill. We will perhaps be more specific about the current provisions that have been modified for other water users, about how we will take advantage of that situation and about the time scales for meeting the requirements that will apply to people who come into those categories.

The Convener: That would certainly be acceptable. I point out to members that we are overrunning and that the minister has said that he will provide in writing a comprehensive response to the Finance Committee's concerns. However, two other members have supplementaries on this matter. I ask them both to be brief.

John Scott: I am interested in the minister's comment that the bill will ensure water quality for a millennium. Nonetheless, does he accept that every contributor has expressed fears about the bill's cost? None of them has been able to quantify that cost; indeed, the minister himself cannot do so. Does he therefore accept that the burden will fall ultimately on the taxpayer and consumer? Will he make some attempt in his long letter to the committee to quantify the short, medium and long-term costs of the bill? That would at least put his bill for the millennium into some perspective.

Ross Finnie: There is a danger in suggesting that the only cost to be incurred will be an additional cost to a particular commercial operator. We face a very real cost if we do nothing. If we do not take river basin management seriously, we will face the real cost of living in a polluted Scotland. I am not talking about some one-sided equation. I was not being entirely frivolous when I referred to the basis on which the Scotch whisky industry enjoys a worldwide reputation. If someone were to discover 10 or 15 years from now that the quality of our natural water supply was, by international comparisons, far from being as high as we narrowly and parochially believe it to be, the Scotch whisky industry would face a huge cost.

I am very happy to provide our best estimate of a process that will not come into play for at least four years and will take nine years before it is fully implemented. We will also do our very best to provide the most robust information we have from

the experts that we have assembled for that task. However, the Parliament and the committee must have regard to the fact that our objective is to minimise the real cost of further environmental degradation to Scotland.

Angus MacKay (Edinburgh South) (Lab): I think that committee members have been reassured by what the minister has said so far about his willingness to come back to us with further information and to address head on the question of costs and savings. The concerns of many who have come to the committee have been not so much about a fear of huge bills but about a feeling of being in the dark and not knowing whether there will be huge bills or not.

Because of the time frame of the bill, I fully accept that it is difficult for you to quantify what the potential costs and savings will be. However, it would be useful if you could throw a little more light on those when you come back to the committee. Almost as important as that, if not more so, will be to deal separately and clearly with the process that has brought you to this point. How was the work on costs and savings done? What assumptions were made? What will the process be in future? Such information would reassure businesses and others who are concerned about how you are making your judgments.

Ross Finnie: Having read the Finance Committee's report last night, I think that we have to do two things. We have to separate the information out. We cannot have, in a single paragraph, costs that refer to a life of 10, 20 or 40 years and costs that refer to things that start tomorrow. It was not intended, but confusion has arisen. We have to separate out the information and consider who is affected and over what time.

Secondly, the impression may have been given that everything has been done and that, as we introduce secondary legislation over the next five, six, seven or eight years, we will happily carry on as if our original assumptions were right. That is not tenable. We will have to expand on the information in the crucial process of determining exactly what we know about river basin management and about the risk of degradation and how that impacts on individuals, communities, businesses, electricity suppliers and electricity users.

John Scott: Will such information be available before the end of stage 1?

Ross Finnie: We will first have to organise all the information that we have learned from reports, and make full reports available. In line with the requests of the Finance Committee and this committee, we will try to assemble the information on people affected, time scales and future progress.

The Convener: Finally, we will ask some questions on part 2 of the bill.

Maureen Macmillan: Last week, we heard that £41 million had been allocated to renewing connections in rural areas, but what is happening with social housing developments in remote rural areas? How will their infrastructure be funded?

Ross Finnie: The bill gives us powers to use a new regulatory regime, which is necessary because there are imbalances in the costs to developers of providing adequate supplies. Differences arise, although not always, between urban and rural projects. The ad hoc arrangement that has continued for many years—which means that Scottish Water makes a one-off contribution of £1,500 to the developer irrespective of where they are and irrespective of whether the money will make any difference to whether the supply is provided—does not seem to me to be sensible. We want to produce criteria that will take account of the differing circumstances in rural areas and town and city developments.

Maureen Macmillan: There are concerns about town and city developments and developers will require clarity as to whether money will be available to them to connect up new developments. Do you think that a reduction in public funding for new connections will discourage development?

Ross Finnie: I doubt it. I do not want to be facetious, but it would be interesting to try to sell a city dwelling in the middle of Edinburgh with no water supply. Some might find that tempting, but it would not happen. If the public purse is to make a contribution, we must be clear about what we are trying to do. This is not just about connection. In major developments there are numerous opportunities for cost saving that are not available in rural areas. The criteria for public support ought to reflect that.

Maureen Macmillan: Scottish Water seems not to be very happy. It has said that if there is an onus on it to fund water and sewerage for new developments—presumably that includes developments in rural areas—it will not be operating on a level playing field with competitors in England and Wales. Do you agree? *[Interruption.]*

Ross Finnie: I do not know—I think that John Scott is about to receive additional briefing over his mobile phone for his next question.

The purpose of moving in this direction is to head off at the pass the issue that Maureen Macmillan raises. A real distinction must be drawn in Scotland. Even before the demise of the three water authorities, a great deal of work was done on urban connections. One of our main problems concerns rural connections. We must have more

transparent criteria and it will be for Parliament to decide exactly what those should be. That may be one of the advantages of having a water company in public ownership.

The Convener: Scottish Water's point does not relate to the current problems. If in future there were an element of competition in domestic water supplies, Scottish Water might be subject to a burden to which its competitors were not subject.

Ross Finnie: That is a very hypothetical question. Eighteen months ago, competition was much higher up on the agenda. At that time people in the private sector saw all utilities in the same way. They saw water companies as a cash cow. Since then, the equation has changed dramatically. The pages of the financial press indicate that there are real concerns about profitability in the water industry.

We do not want to leave an unnecessary burden on Scottish Water. We want to have transparent criteria for what we decide are the appropriate mechanisms for funding connections—if we fund them at all.

Maureen Macmillan: Are you saying that you have not yet decided whether new rural connections will be paid for by Scottish Water or by the Executive?

Ross Finnie: I have not reached a final conclusion on that issue. We will get powers that will allow us to draft the new regulation, on which we will have to consult. We have estimates of the number of places that will require connection. At the moment there is an unnecessary burden on Scottish Water in some cases, and we must address that problem. However, we must also deal with concerns about connections in rural areas, which Maureen Macmillan was right to raise.

Des McNulty: There are disputes about connection. There is a particular dispute between Glasgow City Council and Scottish Water about new developments. More generally, there are disputes involving local authorities, developers and Scottish Water about the cost of maintaining sustainable urban drainage systems. That issue has been raised repeatedly in the evidence that we have taken. There is concern that the bill does not address the issue of maintenance, even though flooding is recognised as a source of water pollution. What does the Scottish Executive propose to do to rectify the problem?

12:30

Ross Finnie: One interesting fact about SUDS is that in many respects we are ahead of other parts of the UK. We take the issue seriously. I have read the evidence carefully and I concede that the maintenance of SUDS gives rise to the biggest problem. I want to address that problem,

which relates to roads, homes and business premises. We are working with SEPA, Scottish Water and the development industry to determine the best approach. The matter has been raised frequently in the evidence to the committee and we will have to return to it. When we set out, it was not intended to ensure the use of SUDS in new developments, but it is now clear that the arrangements are not satisfactory. I concede that we will have to address the matter.

Des McNulty: You might want to consider section 28, which refers to the

"Laying of water mains by persons other than Scottish Water".

I understand that the laying of mains by persons other than the relevant water authority is common practice in England and Wales and elsewhere. In some areas, privately built storm water detention basins and other drainage work are also transferred to the relevant water authority and subsequently maintained by that authority. Are you open to extending the ambit of section 28 to include the transfer to Scottish Water of drainage works that are constructed by developers?

Ross Finnie: As I said, given the volume and weight of evidence that the committee has received on SUDS, we must keep an open mind about the most appropriate solution for ensuring that the maintenance costs are borne equitably. We will consider your proposition as one of those solutions.

The Convener: That brings us to the end of the questions. We have run considerably over time, which reflects the importance of many of the issues that we have been discussing. I welcome the minister's commitment to supply further information to the committee, which will be important to us in completing our consideration of the bill at stage 1. I am sure that the clerks will liaise with Executive officials on that. I thank the minister. That concludes our evidence taking at stage 1.

We are running a bit over time, but we still have some substantive issues with which to deal. To buy some time, I propose that we defer consideration of item 4, which is on Highlands and Islands ferry services, until next week's meeting.

Subordinate Legislation

The Convener: There are three negative instruments to consider.

Road Traffic (Permitted Parking Area and Special Parking Area) (Perth and Kinross Council) Designation Order 2002 (SSI 2002/398)

The Convener: No members have raised points on the order and no motions for annulment have been lodged. Do members agree that the committee has nothing to report on the order?

John Scott: I am extremely unhappy that two of the three instruments that we are considering today are defectively drafted, which is a continuing problem. Given that much of the Water Environment and Water Services (Scotland) Bill, which we have just been considering, will depend on Scottish statutory instruments for its implementation, we must up our game, in parliamentary terms. There is no nice way in which to put it. I am sure that people do not intend to draft bills defectively; nonetheless, there is a repeating pattern of defectively drafted SSIs being brought before us. That should not be the case.

The Convener: I served for a while on the Subordinate Legislation Committee. It is important to recognise that, although some instances of defective drafting that are identified are not so serious, others are very serious and usually result in the Executive redrafting the legislation quickly. I am not trying to play down the problem, as there is a need to improve the drafting of instruments. However, the fact that the Subordinate Legislation Committee has stated that there is defective drafting does not necessarily mean that there will be a legal problem with the implementation of an instrument. I mention that to put the matter in context.

John Scott: However, this order appears to raise devolution issues that should have been foreseen.

The Convener: There can often be disagreement about whether an instrument raises a devolution issue. When disagreement exists, the matter will ultimately be resolved in the courts. The Subordinate Legislation Committee and the Scottish Executive have legal advisers, and sometimes they do not agree. Ultimately, any such disagreement will be resolved in court, if it comes to that. I note your dissatisfaction at the defective drafting, but the only action that a member can take if they wish to annul an order is to submit a motion of annulment. No motion of annulment has been moved, so we can only note that we are concerned about the continuing issue of defective drafting and state that we have nothing more to

report with regard to the instrument. Is that agreed?

Members *indicated agreement.*

**Parking Attendants (Wearing of Uniforms)
(Perth and Kinross Council Parking Area)
Regulations 2002 (SSI 2002/399)**

**Road Traffic (Parking Adjudicators) (Perth
and Kinross Council) Regulations 2002
(SSI 2002/400)**

The Convener: No members have raised points on the regulations and no motion of annulment has been lodged. Do we agree that we have nothing to report?

Members *indicated agreement.*

The Convener: That brings to a conclusion the public part of the meeting. Before we go into private session, I note that we have received apologies from Adam Ingram and Nora Radcliffe. I omitted to mention that at the start of the meeting.

12:37

Meeting continued in private until 13:44.

Members who would like a printed copy of the *Official Report* to be forwarded to them should give notice at the Document Supply Centre.

No proofs of the *Official Report* can be supplied. Members who want to suggest corrections for the archive edition should mark them clearly in the daily edition, and send it to the Official Report, 375 High Street, Edinburgh EH99 1SP. Suggested corrections in any other form cannot be accepted.

The deadline for corrections to this edition is:

Monday 7 October 2002

Members who want reprints of their speeches (within one month of the date of publication) may obtain request forms and further details from the Central Distribution Office, the Document Supply Centre or the Official Report.

PRICES AND SUBSCRIPTION RATES

DAILY EDITIONS

Single copies: £5

Meetings of the Parliament annual subscriptions: £350.00

The archive edition of the *Official Report* of meetings of the Parliament, written answers and public meetings of committees will be published on CD-ROM.

WHAT'S HAPPENING IN THE SCOTTISH PARLIAMENT, compiled by the Scottish Parliament Information Centre, contains details of past and forthcoming business and of the work of committees and gives general information on legislation and other parliamentary activity.

Single copies: £3.75

Special issue price: £5

Annual subscriptions: £150.00

WRITTEN ANSWERS TO PARLIAMENTARY QUESTIONS weekly compilation

Single copies: £3.75

Annual subscriptions: £150.00

Standing orders will be accepted at the Document Supply Centre.

Published in Edinburgh by The Stationery Office Limited and available from:

The Stationery Office Bookshop
71 Lothian Road
Edinburgh EH3 9AZ
0131 228 4181 Fax 0131 622 7017

The Stationery Office Bookshops at:
123 Kingsway, London WC2B 6PQ
Tel 020 7242 6393 Fax 020 7242 6394
68-69 Bull Street, Birmingham B4 6AD
Tel 0121 236 9696 Fax 0121 236 9699
33 Wine Street, Bristol BS1 2BQ
Tel 01179 264306 Fax 01179 294515
9-21 Princess Street, Manchester M60 8AS
Tel 0161 834 7201 Fax 0161 833 0634
16 Arthur Street, Belfast BT1 4GD
Tel 028 9023 8451 Fax 028 9023 5401
The Stationery Office Oriel Bookshop,
18-19 High Street, Cardiff CF1 2BZ
Tel 029 2039 5548 Fax 029 2038 4347

The Stationery Office Scottish Parliament Documentation
Helpline may be able to assist with additional information
on publications of or about the Scottish Parliament,
their availability and cost:

Telephone orders and inquiries
0870 606 5566

Fax orders
0870 606 5588

The Scottish Parliament Shop
George IV Bridge
EH99 1SP
Telephone orders 0131 348 5412

sp.info@scottish.parliament.uk

www.scottish.parliament.uk

Accredited Agents
(see Yellow Pages)

and through good booksellers