The Committee will meet at 10.00 am in the Chamber, Assembly Hall, The Mound, Edinburgh to consider the following agenda items:

1. **Petition PE670:** The Committee will take evidence as part of its investigation into the Scottish Executive’s Relocation Policy from—

   Tavish Scott, MSP, Deputy Minister for Finance and Public Services

   Mike Garden, Head of Corporate Responsibility Unit; Paul Rhodes, Head of Facilities and Estates Services; Carol Chalmers; and Katy Speirs, Relocation Policy Unit, Scottish Executive

2. **Executive payments to business:** The Deputy Minister for Finance and Public Services will respond to questions on the payment of invoices by the Scottish Executive.

3. **Petition PE686:** The Committee will consider a petition from Rob Willox, on behalf of Bo’ness means Business, calling for the Scottish Parliament to urgently review the charges levied by Scottish Water on Scottish businesses.

4. **Budget (Scotland) Bill:** The Committee will consider a paper by the Clerk on the procedure for handling Stage 2 of the Budget (Scotland) Bill.

5. **Item in private:** The Committee will decide whether to consider the reporters’ draft report of the Committee’s investigation into Scottish Water in private at its next meeting.

Susan Duffy
Clerk to the Committee
The papers for this meeting are:

**Agenda Item 1**

Paper by the Clerk  
FI/S2/04/1/1

**Agenda Item 3**

Paper by the Clerk  
FI/S2/04/1/2

**Agenda Item 4**

Paper by the Clerk  
FI/S2/04/1/3
Finance Committee
Paper from the Reporters on the Scottish Executive’s Relocation Policy

Background
1. Members will find attached a paper on the Scottish Executive's relocation policy from the Committee's appointed reporters - Dr Elaine Murray and Fergus Ewing.

2. Further to this paper, members will also find enclosed copies of the written submissions received from a range of organisations, agencies and the Scottish Executive listed below:
   - Submission from the Scottish Natural Heritage
   - Submission from the Public and Commercial Services Union (re SNH)
   - Submission from the Scottish Public Pensions Agency
   - Submission from the Scottish Executive Corporate Services (re SEIRU)
   - Submission from the Public and Commercial Services Union (re SPPA and SEIRU)
   - Submission from Prospect (SEIRU)
   - Submission from the Common Services Agency
   - Submission from Unison Scotland (re CSA)
   - Submission from the Scottish Court Service (re Public Guardian's Office)
   - Submission from the Scottish Social Services Council
   - Submission from the Scottish Commission for the Regulation of Care
   - Submission from the Scottish Executive including:
     - CSA Property Strategy
     - SEIRU Stage One Report
     - SEIRU Stage Two Report
     - SPPA Policy Criteria*
     - Office of the Public Guardian – Costs*
     - SCRC/SSSC – accommodation*

3. A copy of the SNH commissioned DTZ Pieda Study can be found at the following website:
   http://www.snh.org.uk/pdfs/relocation/mr_FINAL.pdf

4. In addition to the submissions above, information on the Irish relocation policy was obtained and this is also enclosed:
   - Presentation on Decentralisation (1 October 2003)
   - Speech by Minister for Finance (14 May 2003)
   - Decentralisation Experiences – summary
   - Government Decentralisation Programme (1987 -)
   - Decentralisation – Report of the Comptroller and Auditor General, September 1993 *

5. These submissions have now been placed on the Finance Committee’s web page with the exception of those submissions marked with an asterisk which are available in paper copy only.
6. Also enclosed are copies of previously circulated correspondence received from the Scottish Executive and from Scottish Natural Heritage have been enclosed for members information:
   Scottish Executive letter - 25 August 2003
   Scottish Executive letter – 13 October 2003
   Scottish Natural Heritage letter – 10 November 2003

7. Members may also wish to note that a letter from the PCS Union responding to the SNH letter (above) dated 10 November 2003 has also been received and a copy is enclosed for members information:
   PCS letter – 22 December 2003

**Recommendation**

8. Members are invited to consider the report and submissions.
Finance Committee
Reporters’ Investigation into the Scottish Executive Relocation Policy

1. At its meeting on 28 October, the Committee appointed us as reporters to investigate issues surrounding the Executive’s relocation policy. At its meeting on 11 November, the Committee agreed the following remit:

“To investigate Scottish Executive’s consistency of application of the criteria, weightings and costs by comparing the following relocations: Scottish Public Pensions Agency (175 people from Edinburgh to Galashiels), Scottish Executive Inquiry Reporters Unit (26 people from Edinburgh to Falkirk), Common Services Agency (Phase 1- 50 people to Aberdeen, 80 to Glasgow), Scottish Natural Heritage (Inverness) and the following new agency locations: Public Guardian’s Office (40 people to Falkirk) and Scottish Social Services Council and Scottish Commission for the Regulation of Care (160 people to Dundee);

To also investigate (where applicable) whether following relocation the experiences of the above organisations confirmed the initial assumptions made prior to relocation;

To seek information from the Irish Government on its relocation policy and experience to date;

To then consider the written evidence gathered, identify areas for questioning the Minister on and provide a draft report to the Committee by 10 December 2003.”

2. As proposed in the paper agreed by the Committee on 11 November, we wrote to the following organisations in November:

Scottish Public Pensions Agency
Scottish Executive Inquiry Reporters Unit
Common Services Agency
Scottish Natural Heritage
Public Guardian’s Office
Scottish Social Services Council
Scottish Commission for the Regulation of Care
Scottish Executive
Irish Government

3. We would like to thank the above organisations for providing the information we requested at very short notice and which proved to be extremely helpful to our considerations. Detailed below are the key issues which have arisen from the correspondence we have received:
Consultation

4. We received a variety of evidence on the consultations which took place between the Scottish Executive, staff and the agencies/organisations in relation to relocating. As would be expected the most detailed information came from those 4 existing agencies which were being relocated – SPPA, SEIRU, SCSA and SNH.

1. In relation to consultation between the Scottish Executive and the agency/organisation affected, there appeared to be fairly consistent levels of consultation with organisations liaising with the relevant department from an early stage. However consultation appeared to be more variable when it occurred between organisations and the relevant union. In the case of SEIRU all the papers were shared with the unions at each stage of the process. This compared with SNH where the unions were initially involved in the steering group but had limited consultation following the publication of the Pieda relocation report.

2. Consultation appears to have been limited between the Scottish Executive and Unions. In most cases e.g. SNH and SPPA, the Unions views were sought towards the end of the process with the result that the Unions felt their views have not been fully considered by Ministers. In addition, the Unions consistently express concern that they were not consulted on the criteria for relocation.

3. Members may wish to consider whether a more formal consultation procedure should be established between unions and the Scottish Executive as well as between unions and agencies/organisations under review. Members may wish to seek information from the Minister on the stages at which it may be appropriate to seek the views of Unions directly.

4. In all cases there appeared to have been consultation of the staff affected, carried out by the employer – most commonly by use of questionnaires although more detailed methods have been used in some cases by the Executive e.g. when external consultation had been commissioned. In the case of SNH, staff workshops were carried out which sought the views of staff on a variety of consequences of relocation. A concern which did arise from the evidence we received was whether questionnaires gave sufficient emphasis to the indirect consequences of relocation such as impact on income, childcare, family ties and other work–life balance issues.

5. In addition, the evidence we received indicated that following such consultation, staff felt that it was unclear that the outcome of consultation had affected the final move. Members may wish to discuss with the Minister what areas of work life balance should be considered when seeking the views of staff and how Minister responds to staff on the outcomes of consultation.

Criteria and weightings

5. The Deputy Minister’s response of 13th October 2003 to a letter from the Convener of the Finance Committee advised that each proposed location for relocation is scored against four factors. These include the socio-economic
makeup of the areas, the effect on the business efficiency, sustainable transport links and the ability to provide suitable accommodation. These scores are then weighted by 50% for socio-economic factors, 15% for transport links, 20% for business efficiency and 15% for suitable available accommodation.

6. The Committee may wish to examine how these criteria have been applied in practice. Galashiels was recommended to Ministers as one of the strongest candidates for the Scottish Public Pensions Agency in terms of the business case, though staff were opposed to the move and Rosyth was allegedly the consultant’s first choice. Falkirk was the cheapest option for the relocation of the Scottish Executive Inquiry Reporters Unit and was the option favoured by the business community and staff. In the case of the Office of the Public Guardian, a detailed specification was provided to consultants who reduced the initial 38 sites to a short list of 3, with Falkirk being the preferred site with respect to location, customer base and competitive rent and running costs. The consultants DTZ ranked 85 locations for the relocation of SNH (Inverness was joint 24th), then selected 5 locations to compare with the status quo (Edinburgh, West Lothian, Stirling, Perth and Inverness) and applied a financial analysis which discounted Edinburgh and Inverness. DTZ recommended a short list of West Lothian, Stirling and Perth while the Board of SNH indicated a preference for a new location in Edinburgh and a second preference for Stirling or Perth.

7. The Committee may wish to pursue issues of transparency in the application of criteria (which criteria determine the short listing procedure, are different criteria used to short-list depending on the nature of the operation of the agency?). It may also wish to question the Executive on the circumstances under which Ministers may decide to ‘overturn’ recommendations, how these decisions are made, and whether the overall distribution of relocated jobs across Scotland is taken into account. The Committee may wish to invite Ministers to provide it with copies of the advice offered to them especially in relation to those relocations where the choice of location does not appear to accord with the conclusion which would be reached in the scoring system.

**Actual experience**

8. Of the 7 agencies and organisations that we wrote to, 4 have already completed their relocation— the Scottish Public Pensions Agency, Public Guardian’s Office, Scottish Commission for the Regulation of Care and the Scottish Social Services Council. Of these 4, only the SPPA was a relocation of an existing agency.

9. The feedback from these agencies/organisations has been that the experience of relocation was positive. Positives included: the ability to recruit excellent well qualified staff from the local community as well as the benefits of purpose built buildings for staff and visitors alike. In the case of the SPPA around 200 staff were recruited from the area supporting the social and economic justification of the relocation policy.

10. It was notable however, that in the cases of the SPPA and the predecessor body of the SSSC the majority of the staff chose not to relocate. In relation to the SPPA as only a small number of staff moved (34/201) a back up of staff were retained in Edinburgh for 18 months to maintain services during relocation. In
each of the above cases the staff that did not relocate were found posts within the Scottish Executive. Unions highlighted that this can lead to knock on personnel issues for the staff who may be recruited to cover the agency during its relocation.

11. The Committee may wish to examine further the Scottish Executive policy of relocating large agencies and organisations given this low level of personnel uptake, as well as the retention polices for staff who do not relocate. Further to this, members may wish to explore the Executive’s recruitment and retention policies for personnel within Non Departmental Public Bodies who are not entitled to be relocated within the Scottish Executive.

12. We also received evidence that in relation to new agency relocation there was the potential for additional costs to be incurred following relocation, where premises were secured before the personnel structure had been agreed. In the case of the SSSC the growing workforce has incurred £53.5 K additional expenditure in adapting the layout of the new premises. The SCRC also found that it will need to accommodate additional expenditure of £155,000 within its budget to adjust its premises to its staffing structure.

13. Members may wish to explore whether there are potential savings to be made by reviewing the timing of new building design with the agreement of new organisational staff structures in planning relocations. Members may also wish to explore whether this additional expenditure incurred by new agencies/organisations has had any impact on service delivery.

14. The Irish experience also highlighted some of these concerns noting the high turnover of staff in relocating organisations – with the consequence of loss of corporate experience and the resource implications of staff overlap during relocation whilst also acknowledging the opportunity relocation has offered in relation to new and improved work practices.

The Irish Experience

15. The evidence that we have received from the Government of Ireland is useful, and we commend it to committee members for consideration.

16. The Irish relocation policy is fundamentally different being entirely voluntary. Having started decentralising Government Offices in 1987, the Irish government significantly extended this programme in 1999. Since the announcement in 1999, their Department of Finance has received submissions, representations and enquiries on behalf of 130 urban centres throughout the country seeking to be included in the programme.

17. In agreeing the criteria for the new programme, consultations were held with the Minister for Finance and Officials, with other Government departments, and with staff unions to hear their concerns. Advice was sought on how implementation of the programme could enhance the efficiency and effectiveness of the public service as well as Department heads experience to date on relocation and from the staff unions on their views on the development of criteria for the programme.
18. The Government then considered all this information and identified what it saw as the significant criteria in relation to any choice of units for decentralisation including:

- avoiding disruption to business;
- providing ample career opportunities to staff;
- locations to be attractive to live and work in for staff and their families;
- locations being in line with the National Spatial Strategy.

19. The Government also acknowledges that there will be other considerations which the Government would take into account and these are also specified.

20. Central to the choice of locations is the National Spatial Review – a national planning framework which details the concept of balanced regional development. Other economic drivers which may identify an area include the possibility of later transfer of more functions following initial relocation as well its accessibility to Dublin.

21. The Government can then use these criteria to identify departments or functions which can be relocated. They seek volunteers who work in such departments in Dublin, and who are willing to move. If say, 40 jobs are involved in any given department and say 25 of the existing staff volunteer, and 15 do not, the Government then seek to fill the remaining 15 by inviting staff working in other parts of the public services to volunteer to fill the remaining vacancies. The remaining 15 who choose not to move can then seek other positions in the public service. If insufficient staff volunteer, the staff may be obtained as a result of civil service promotions competitions and occasionally by open recruitment. This can then ensure that sufficient staff of the appropriate grade are relocated to enable other issues such as career development and business continuity to be addressed.

22. Members may wish to seek the Minister views on the approach taken by the Irish Government and whether any lessons can be learned from its experiences. The Irish relocation model has the following potential benefits which certainly merit further consideration by the Committee and on which members may wish to seek the Minister’s views:

- whether a voluntary basis for relocation would deliver better benefits from relocation than compulsory transfer of staff e.g. avoiding redundancy payments;
- the benefits of identifying areas which may economically benefit from relocation as a driver to identifying suitable departments for relocation;
- more recognition within Executive policies of the consequences of relocation on staff and their families.

23. There must however be limitations and restrictions to the scope of a relocation policy which rests on volunteers, namely in particular, that it is difficult to see how it can work for a body such as for example SNH where there are employees with specialist knowledge in a particular field which cannot be found elsewhere.
Nonetheless, bodies of an administrative function must be suitable for a voluntary relocation policy.

24. Members may wish to explore with the Minister whether some agencies should be considered for relocation given the knowledge base required to undertake their core functions.

25. On 3 December 2003, the Minister for Finance provided the following additional information on the Irish Relocation policy in a budget statement to Parliament:

“A total of eight Departments (including Ministers and Senior Management) and the Office of Public Works will move their headquarters from Dublin to provincial locations, leaving seven Departments with their headquarters in Dublin. All Departments and Offices will be participating in the programme. Ministers with headquarters outside of Dublin will be provided with a centralised suite of offices, close to the Houses of the Oireachtas, for a small secretariat so they can conduct business while in Dublin and when the Dáil is in session.

The previous decentralisation programme involved the relocation of some 4,000 public service jobs. The programme I am announcing today is far more radical. In total, it will involve the relocation of 10,300 civil and public service jobs to 53 centres in 25 counties.”

26. As with previous announcements the programme will be entirely voluntary, with no redundancies or payment of removal or relocation expenses. The Minister announced that €20 million will be provided to meet any up front investment required and an Implementation Committee has been established to drive forward the programme (reporting to a Cabinet Sub-committee). The locations selected also are compatible with the National Spatial Strategy.

Other issues

Relocation and the UK Government

27. At Westminster, past Civil Service relocation reviews have included the Fleming Review – and, more recently, the Hardman Review which led to over 10,000 civil service jobs transferred out of London.

28. In April 2003, the Chancellor and Deputy First Minister announced that a new study led by Sir Michael Lyons would to examine departmental proposals for relocating civil service and public service staff from London and the South East to other parts of the country.

29. Departments submitted relocation proposals to the Lyons Review in September that identified approximately 20,000 jobs that could be relocated from London and the South East. The proposals are currently being assessed by the Review team with a view to producing a final report in March 2004, an extension of the original deadline of November 2003. It is hoped that this deadline extension will enable Sir Michael Lyons to undertake further exchanges with departments and achieve
a better understanding both of the opportunities and the constraints, to challenge where he believes it is productive, to develop a firm agenda for implementation of public sector relocation and to establish dispersal as part of mainstream public service planning.

Dr Elaine Murray MSP
Fergus Ewing MSP
Reporters to the Finance Committee
Finance Committee
Petition PE686

Introduction
1. At its meeting on 10 December 2003, the Public Petitions Committee (PPC) considered Petition PE686 and agreed to refer it to the Finance Committee. A copy of the petition is attached at Annexe A.

2. This paper sets out the procedure for the consideration of the petition, and seeks agreement by the Committee on how it wishes to proceed.

Petition PE 686
3. The petition has been lodged by Rob Willox on behalf of Bo’ness means Business, and calls for the Scottish Parliament to urgently review the charges levied by Scottish Water on Scottish Businesses. The petition seeks to highlight the alleged major burden water charges are currently placing on small businesses in Bo’ness.

PPC Recommendation
4. The PPC agreed to refer the petition to the Finance Committee, as the Committee is currently undertaking an investigation into Scottish Water. The Official Report of the PPC meeting may be found at: http://www.scottish.parliament.uk/petitions/or/pu03-0901.htm

Recommendation
5. Committees have three options available to them during the consideration of petitions:

   - to agree to accept the referral and carry out further consideration of the issues raised in the petition; or

   - to refer the petition back to the PPC for further consideration, on the basis that the issues raised merit further action, but the Finance Committee has insufficient capacity in its work programme to allow it to do the work itself. In this case, the view of the Finance Committee would be invited by the PPC and fully taken into account should an inquiry on the petition take place; or

   - to agree that the petition does not merit further consideration. In this case, the Committee should refer the petition back to the PPC, explaining the rationale behind its decision, in order to allow the PPC to provide the petitioner with a detailed explanation as to why no further action will be taken in relation to their petition. It will also enable the PPC to consider whether any alternative action might be appropriate, such as referring the petition to the Executive or any other public body.
6. The Committee may consider it appropriate to accept the petition and subsume consideration of the issues it raises within its reporters’ investigation into Scottish Water.

7. The Committee is invited to agree how to proceed with petition PE686.

Emma Berry
January 2004
Scottish Water Petition
Petition to the Scottish Parliament with regard to the current water charges levied by Scottish Water.

Bo’ness means Business, local business group, believe that the current level of water charges are detrimental to the longterm future of Bo’ness Town Centre and are placing an unfairly levied burden on businesses of all sizes and in particular small town centre retail outlets facing a historical long-term decline in local shopping patterns.

Declaration - Reason for Petition

Burden
Water charges as applied currently are placing a major burden on business of all sizes but particularly small business where the charges represent a significant cost often difficult to recover given location, type of activity or size of operation.

It is understood and accepted that necessary improvements are only achievable through considerable investment to bring Scotland’s water facilities and quality up to the required standards.

That is perfectly acceptable and not in dispute. It is the methodology used in arriving at the applied charges. It is the balance between standing and volumetric charges together with the time scale outlined for recovery of investment debt that is having a detrimental and debilitating affect on business and particularly small businesses that is the main issue.

Town Centres
This petition is being presented, in the main, on behalf of Bo’ness town centre businesses that provide a service to local residents within Bo’ness but the burden of current water charges equally applies to businesses of all sizes.

Responsibility

The burden of responsibility for lack of investment in water industry infrastructure has passed from local and central government on to the shoulders of both water consumers and business users.

Local/Central Government
Historically, central government was responsible prior to regionalisation and devolution and the ultimate purse holders of local government investment plans.

Local government through regionalised water authorities, prior to rationalisation of water industry, had overall responsibility for water supply, treatment and quality.

It is during this period and over many years that Scotland’s water boards/authorities were starved of investment, by successive administrations,
which has resulted in the present situation and condition of Scotland's water infrastructure.

**Scottish Executive**
The Scottish Executive are now responsible body for environmental and water issues since devolution, initially through the three regional authorities, and now since 1 April 2002, through a private/public partnership in the form of Scottish Water.

It is believed that it is only the Scottish Executive that can take cognisance of this growing concern affecting business and through legislation make the necessary changes to alleviate the growing and inevitable consequences.

**Business**

It is believed, and felt by not only this group but also many others, that Scottish businesses are being unfairly penalised for years of neglect during which either by lack of foresight, design or simply ignorance of the growing problems in the water industry, the necessary investment was not undertaken.

There is a growing feeling that business is being penalised for this lack of investment and in affect being charged again for renewal and maintenance which had been and should have been previously accommodated through the collection of water rates.

**Small Business**
It is an unfortunate reality that it is small business that are affected most with the level of charges representing a considerably higher percentage of their overall cost structure.

The above is particularly relevant in the case of small town centre retail outlets who are dependent on footfall and passing trade and have been under pressure for many years due to changing retail shopping patterns in the form of out-of-town shopping centres, often in the past promoted by government and enterprise bodies.

In this already difficult trading environment any additional and disproportionate increase in costs can often make the difference in the viability of a small business.

**Large Business/Corporates**
Large business is less affected with water charges representing a considerably smaller proportion of overall costs.

Although this is the case the increase in water charges still represents a major cost that has to be absorbed and will inevitably be passed on to customers.

Additionally, there is the opportunity under Water Industry (Scotland) Act 2002 section 31 (6) for very large users to enter into dialog with Scottish Water and reach a commercial agreement on charges.
Implications

This is not restricted to Bo’ness alone but is a problem for all small towns throughout Scotland who have experienced similar decline in local industry over the past 25/30 years. As indicated above the problem affects all business both large and small whether they depend on town centre footfall or not.

Much is made by government of the need to encourage the birthrate and expansion of small business in the UK with the consequent benefits to the economy (the vast majority of the working population is employed by this sector). Scotland suffers in this respect with both a below average level of new business growth and lower economic growth. These charges, particularly as they affect small business disproportionately, can only be detrimental and do nothing to improve either growth rate.

Regeneration

With the demise of local and traditional manufacturing industry tourism and the service sector are promoted by all levels of government as the solution to current low economic growth.

Scottish Executive

Scottish Executive published plans for tourism development together with local enterprise companies. Regeneration of town centres and related tourism initiatives trumpeted as means to provide towns with the facilities to attract and service visitors’ needs.

Local Plan

Falkirk Council’s Bo’ness Local Plan adopted 1997 stresses the value of a vibrant town centre in the development and overall regeneration of Bo’ness.

It highlights its history, location on the Forth and architectural heritage as major attractions in its long-term future. Indeed recent initiative in the form of THI (Townscape Heritage Initiative) part financed through Lottery Heritage funding and expected additional funding to provide the kick-start needed for this regeneration.

Additional Concerns

It is felt that given the problems and burden that water charges are placing on business recent announcements that Scottish Water executives have agreed a bonus payment to themselves is both inappropriate and flies in the face of perceived fairness & justice.

Scottish Water justifies there charging structure on the basis that they have been agreed with the WIC (Water Industry Commissioner) and through statute in the Scottish Parliament and make no real effort to address the real and significant effect and consequences these charges are having on the viability of small business.

Conclusion
Businesses of all sizes and types are being penalised for years of lack of investment in infrastructure. They are being applied in an almost arbitrary fashion with little regard to the affect on small business.

As the ultimate arbiter and authority it is the responsibility of the Scottish Executive to ensure that the economic environment within which business operates does not place them at a major competitive disadvantage with the rest of the United Kingdom in terms of their operating costs affecting both short-term business viability and long term growth and employment.

**Action Petitioned**

1. **Refer to Committee**
   Bo’ness means Business request the Petitions Committee refer this submission to the ‘Transport and the Environment Committee’ for consideration and evaluation with the view the charges levied by Scottish Water be reviewed with some urgency.

   **Comparison with England & Wales**
   As an indication of the need for a review of the charges comparing charges in England and Wales with those being charged by Scottish Water highlights the level of disparity being experienced by Scottish businesses.

   **Standing/Volumetric Charge**
   Both Scottish Water and water companies in England & Wales have fixed charges, in the main based on meter size and a volumetric charge for actual water used.

   Comparing published tariffs for 2003/2004 highlights the areas of concern. In terms of volumetric charges the tariffs of £1.67/m³ charged by Scottish Water is more than double of that in England/Wales at £0.73/m³ (average of 30 charges).

   It is in the area of the standing charge that the disproportionate levels are of most concern. As this petition relates primarily to the affect on small business the comparisons shown relate to the main meter sizes appropriate in this context:-

<table>
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<th>Scotland (combined water/Sewage)</th>
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<td>highest</td>
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</tr>
</tbody>
</table>

2. **Re-assess method of Recovery**
   Re-assess method of Recovery of Investment Costs
Standing/Charge
It is clear there is a vast discrepancy between the standing charges between England/Wales and Scotland. It would appear that they have been arrived at on the basis of the level of debt to achieve the required infrastructure improvements on a purely financial level with no consideration to the impact on users.

The committee is petitioned to additionally re-assess the basis on which these charges have been derived.

Timescale
One of the main contributing factors in the setting of these charges is the timescale laid down for the debt recovery in the spend necessary for the infrastructure improvement to be completed by 2006.

This should perhaps also be reviewed as unsupportable in light of the scale of charges and burden placed on business if this schedule was to be retained.

Privitisation
Although it has been stated by Scottish Executive that there is no planned policy for privatisation and any change to the legislation would need an act of parliament there is a worry that the timescale as outlined above and the need to achieve the infrastructure improvements by 2006 would provide a level playing field and lays the groundwork for the opening up the market to external contractors.

If this is the case it is penalising business for the benefit of some future private water operators and there is no guarantee that the process would provide any great reductions in charges post-privatisation.

Action Undertaken to Date

Correspondence
Scottish Water: Various businesses had correspondence with SW both in relation to having them explain the level of standing charge, issues relating to meter sizes and disparity between standing charge levels and actual water volume usage.

Meeting with Scottish Water
Meeting with Scottish highlighted the fact that the main responsibility lay with both the Scottish Executive and the Water Industry Commissioner (WIC) and that Scottish Water were primarily the instrument though which to achieve the improvements outlined.

It also highlighted some of the issues of meter sizes and premises having inappropriately installed meters resulting in some businesses being overcharged under the current charging structure.
Meetings with local MSP
Cathy Peattie, MSP attended both meeting arranged with Scottish Water and separate meetings with Bo’ness means Business to discuss the concerns of local businesses.

Undertaking of this Petition

Appendix A
Contact Details of Petitioners

Bo’ness means Business
101 Corbiehall
Bo’ness
EH51 0AU
Tel. 01506 517037
Fax. 01506 517038

Contact: Rob Willox, Vice-Chairman
rob.willox@bo-ness.org.uk

Appendix A

Copy of

List of Businesses Petitioning (Alphabetical)

Petition/Signatures
Purpose
1. This year’s Budget (Scotland) Bill will be introduced in the Parliament by 20 January. This paper is intended to inform members as to how the Finance Committee should handle the Bill.

Budget Bills
2. Many members will probably be familiar with handling Executive legislation. Budget Bills, however, fall into a category of their own and procedures relating to them are governed separately by Rule 9.16 of standing orders.

3. At Stage 1, the Bill is referred immediately to Parliament to consider the general principles and, therefore, no committee scrutiny is required at that Stage. However, Stage 2 (which is consideration of the detail of the Bill) is taken by the Finance Committee.

4. The Bill is handled by the Parliament within strict timescales. In particular, it has to be passed by the Parliament no later than 30 days after the date of introduction. In practice, this means that if the Bill is introduced on 20 January then Stage 3 has to take place this year no later than 19 February. It is therefore suggested the Committee take Stage 2 at its meeting on 10 February.

Stage 2
5. Unlike other legislation, where amendments can be lodged by any member, at Stage 2 of a Budget Bill, amendments can only be lodged and moved by a member of the Scottish Executive.

6. Proceedings on amendments to Budget Bills are identical to those for other Bills. If it is the case that no amendments are lodged to this year’s Bill, the Committee is still required to agree each section and schedule of the Bill as well as the long title. As with other Bills, where sections and schedules to which no amendments are proposed fall to be considered consecutively, a single question can be put on those sections or schedules.

7. It is worth pointing out that it is not possible leave out a section or schedule of the Bill by disagreeing to it. The Guidance on Public Bills states:

   Paragraph 4.77
   The Question on a section or schedule is only put if there is no amendment to leave out the section or schedule. In other words, any substantive decision on whether the section or schedule should remain in the Bill is taken on an amendment.

   Paragraph 4.78
   If no amendment to leave out the section or schedule has been lodged in advance, any member may lodge a manuscript amendment to leave it out.
So long as such an amendment is admissible, the convener should always consent to it being taken.

8. Since the standing orders only allow amendments to a Budget Bill to be moved by a member of the Scottish Executive, Committee members would have to persuade the Minister to move a manuscript amendment to leave out the section or schedule in question. As it is unlikely that the Minister would agree to do so, the end result is that there is no alternative for the Committee but to agree to the sections and schedules. The Parliament does, of course, have the option at Stage 3 of voting down the whole Bill.

**Preparation**

9. As the formal proceedings on Stage 2 may consequently be very brief, it is intended that the Minister will be asked to speak to the Budget Bill and the budget documents before Stage 2 is taken. This will give members the opportunity of questioning the Minister on the legislation before formal proceedings on the Bill begin. It is also possible for the Committee to discuss individual sections and schedules before agreeing to them during Stage 2 proceedings.

Susan Duffy
Clerk to the Committee