The Committee will meet at 2.15 pm in Committee Room 2

1. **Shellfish Poisoning**: The Committee will take evidence from—
   - The Minister for Health & Community Care
   - The Deputy Minister for Rural Affairs
   - Officials from the Food Standards Agency

2. **Budget 2001/ 2002 stage 2 proposals**: The Committee will take evidence from the Minister for Rural Affairs.

3. **Salmon Conservation (Scotland) Bill**: The Committee will consider the outcome of its stage 1 consultation and decide the arrangements for oral evidence.

4. **Petitions**: The Committee will consider—
   - An Executive memorandum in response to PE194 from Mr D Keith of behalf on the Scottish Campaign for Public Angling regarding access to the River Tay.
   - PE 272 from the National Farmers’ Union of Scotland calling for amendment of the Disease of Fish (Control) Regulations 1994 to include compensation payments, rights of appeal and access to scientific data.

5. **Subordinate Legislation**: The Committee will consider The Diseases of Fish (Control) Amendment (Scotland) Regulations (SSI 2000/330) under the negative procedure

6. **Proposed Agriculture Inquiry**: The Committee will consider a draft research proposal in support of an Agricultural inquiry.

7. **Report into the impact of the closure of the Islay Creamery**: The Committee will consider a proposal that reporters previously appointed should consult the local constituency member on the terms of a draft report.

Richard Davies
Clerk to the Committee
SHELLFISH POISONING – EVIDENCE SESSION WITH DEPUTY MINISTER FOR RURAL AFFAIRS, MINISTER FOR HEALTH AND FOOD STANDARDS AGENCY

Background

The Committee previously reported into this matter in 1999, and the summary of recommendations is reproduced as an Annexe to this paper, for convenience. Also attached to this paper are brief updated submissions from the Scottish Executive and scallop industry groups.

Since the production of the Committee’s report, ongoing correspondence has continued between the Convener and both Ministers responsible for the management of this issue. At the meeting of 5 September, Members considered further submissions from the Scottish Executive and agreed to invite Ministers and officials of the FSA to appear before them. Members are reminded that the Minister for Health continues to have responsibility for the management of the public health aspects of shellfish poisoning and the closures of fisheries. However, the impact of the closures on the scallop fishing fleet is the responsibility of the Deputy Minister for Rural Affairs.

Progress on Current Issues

Research
The Committee has recommended that research be undertaken into both testing regimes and the alleged link between ASP and fish farming. In particular, the Executive stance is that ASP is a ‘naturally occurring’ toxin, a stance that has been challenged by both industry and environmental groups. (See for example, SFF submission).

In addition, the FSA have conducted tests comparing toxin levels of processed and unprocessed scallops. These tests concluded that there were no significant differences in toxin levels between commercially processed and unprocessed king scallops. Members may wish to note concerns expressed by the Scallop Association regarding the methodology of these tests.

Communication with Industry
The Committee recommended that a more collaborative working relationship be established with industry. It is generally accepted that with the creation of the FSA, a more proactive approach to communication with industry has been taken. However concerns still exist regarding the ease of obtaining information and the speed with which queries are answered. The ASSG has proposed that a joint Committee be set up with representatives of government, regulators, scientists and industry, an approach already followed in Ireland and the USA. This proposal has general support amongst industry groups.

Implementing Shellfish Bans
It is recognised by all interested parties that the intention of these bans is to protect public health, and that this must remain paramount.

Much of the debate on this issue has focused on the interpretation of European Directive 492, which covers the testing of shellfish toxins. The central issue is whether the directive currently allows for a tiered testing system (end product testing). (i.e if a whole animal is above toxin action levels, then processed parts of the animal may still be sold provided these parts are within allowable toxin levels).
This issue has been subject to intense discussion, particularly given the implementation of forms of end product testing in both Northern Ireland and the Republic of Ireland. The original advice from the Scottish Executive was that the directive as drafted did not allow for end product testing. However following discussions with Brussels, it is understood that the FSA are in favour of moving towards the implementation of such a system.

**Impact on the Industry**

The ban continues to have a significant detrimental effect on the industry. The Committee recommended that government continue discussions with industry on ameliorating the ban. This has taken place, mainly under the auspices of the Scottish Inshore Fisheries Advisory Group (SIFAG). However, it should be noted that neither the Scallop Association nor the Association of Scottish Shellfish Growers are members of SIFAG.

It was recommended that thought be given to measures such as using affected vessels to undertake research charters, quota re-allocation, extension of scallop seasons, and assistance to re-gear vessels to target other species. Members should note that some vessels have been used in research charters or taken advantage of Category C licence relaxation in order to target nephrops.

The case for other measures to assist the industry will, according to Executive statements, be considered against other priorities for funding under the Fisheries Instrument for Financial Guidance (FIFG). The Deputy Minister for Rural Affairs has recently announced funding arrangements for 2000-2004 in the attached press release.

Members may also note that when scallop beds were re-opened to fishing following last years closures, concern was expressed that beds were being subjected to extremely high levels of fishing pressure, leading to the decimation of some scallop beds. Concern was expressed about the effect this was having on scallop stocks.

Papers attached for information are as follows:

1. Extract from the Rural Affairs Committee Report into the Impact of Amnesic Shellfish Poisoning on the Fisheries Sector (SP Paper 21)
2. Paper from Scottish Executive Rural Affairs Department
3. Press release by Deputy Minister for Rural Affairs
4. Note submitted by Scottish Fishermens’ Federation (SFF)
5. Note submitted by Association of Scottish Shellfish Growers (ASSG)
6. Note Submitted by Scallop Association (SA)
7. A briefing paper from the FSA is expected.
1. Officials appeared before the Committee at its inquiry into ASP in September 1999. The Minister responded to the Committee’s Report in January 2000. Recently a briefing note was presented to your meeting on 5 September, 2000.

2. The Committee sought an update on the latest fisheries management position. The key points to report are:

- Scallop landings in 1999 into Scotland by UK vessels were £16.4 million, down from the peak years of 1997 (£17.8 million) and 1998 (£17.9 million) but above the average value of landings in the period 1992-98 of £15.3 million. Landings in the first half of this year were £7.9 million.

- Shellfish is a key sector of the Scottish fishing industry. Mixed shellfisheries are locally important, especially in the remoter Highland communities. The total value of shellfish landings into Scotland in 1999 was £94.3 million an increase of over 10% on the previous year and the highest value on record.

- At the beginning of the year the Executive made provision for licence relaxations to allow Category C licensed vessels who could demonstrate that the value of their 1999 catch comprised at least 60% West Coast scallops a special derogation to fish for West Coast nephrops. This created an opportunity for diversification for a small number of the worst affected scallop fishermen. At the end of August the time limit for the scheme was extended until at least the end of the year.

- Officials have discussed with the industry Highlands and Islands Funding Management Group possible assistance for diversification and marketing through the Financial Instrument for Fisheries Guidance programme and proposals are awaited.

### Value of landings into Scotland by UK vessels, by the 5 main shellfish species 1992-1999

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<td>Norway lobsters</td>
<td>31,349</td>
<td>36,465</td>
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<td>44,132</td>
<td>48,249</td>
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<td>10,210</td>
<td>11,135</td>
<td>15,971</td>
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<td>4,476</td>
<td>5,486</td>
<td>5,739</td>
<td>6,541</td>
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<td>7,697</td>
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<tr>
<td>Lobsters</td>
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<td>4,473</td>
<td>4,941</td>
<td>5,439</td>
<td>5,965</td>
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<td>4,929</td>
<td>4,639</td>
<td>4,050</td>
<td>3,267</td>
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<td>TOTAL</td>
<td>55,011</td>
<td>60,459</td>
<td>71,898</td>
<td>80,726</td>
<td>78,414</td>
<td>83,324</td>
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SERAD
Sea Fisheries Division
October 2000
**Introduction.** The appearance of Amnesic Shellfish Poisoning (ASP) in Scottish scallops has resulted in the wholesale closure of traditional fishing grounds around the West Coast and Hebrides, Orkney and the Moray Firth. The duration of this closure has resulted in significant hardship. Fishermen have had to lay up or divert to other fisheries. As overheads of scalloping increase and profits fall, vessels are being forced to fish for ever narrowing margins simply to pay off loans on vessels. Supplies to the local processors have fallen and hard won markets have been lost to imports.

**Fish Farm Discharge.** The EU Directive\(^1\) covering the harvesting of live bivalves was amended in 1997 to include testing for domoic acid, the toxin responsible for ASP. Systematic monitoring of Scottish waters started in early 1999 and by the autumn most of Scotland’s scallop grounds were closed. The year 2000 has seen an ASP outbreak of greater severity.

Scientists agree that the great blooms of algae around Scotland's shores are responsible for the toxin. However, the causes of the algal blooms remain unclear. The government has assured the scallop industry that the blooms are naturally occurring events. However, the recent WWF report, ‘Scotland's Secret. Aquaculture, nutrient pollution, eutrophication and toxic blooms’ by Dr Malcolm MacGarvin, has raised some very serious concerns amongst scallop fishermen.

‘Evidence has accumulated, especially in the last few years, that increases in nutrients [from fin-fish farms], and the distortion of nutrient ratios, result in an increased risk from toxic blooms, both in their frequency of occurrence and their geographic extent.’

Dr Malcolm MacGarvin

While scientists from the Fisheries Research Service have given assurances that the discharge from fin fish farms accounts for no more than 1% of the nutrients introduced into the waters of the west coast, a number of questions remain unanswered:

- In the absence of agricultural discharge does the introduction of growth inducing chemicals (nitrates and phosphates) detrimentally affect the natural balance of nutrients?
- Are there local nutrient hotspots around fish farms?
- Could discharge contribute to the severity, duration or geographical extent of the outbreak?
- Given the stratification of many of the sea lochs with fish farms, is there significant eutrophication of the bottom waters?
- When this lacustrine stratification breaks down is there a pulsed discharge of nutrients into the sea?

Unless the government can give assurances that the level of discharge from fish farms is acceptable and has no detrimental effect on the ecosystem then a thorough investigation of the scale and severity of the situation must be begun immediately. The future of the scallop industry may well depend upon it.
Re: Ministerial participation at Committee Meeting 31 October, ASP

Thank you for the opportunity to participate in the process of assisting the Committee in its efforts to enhance transparency of policy determination and information dissemination with administration representatives.

I believe the optimal submission from the ASSG is not of “new material”, but, a series of queries which Committee members may wish to put directly to the Ministers and officials at the meeting scheduled for 31 October. These enquiries reflect the recent apparent positive comments in Aberdeen, Edinburgh and Brussels as well as the insights generated at the recent ASSG international Workshop on “Management of Marine Biotoxins” (10 October, Oban).

1. Current status of scientific views on the possible clarification by National Reference Laboratories experts and Standing Veterinary Committee of the acceptability of a so-called ‘tiered’ system of analysis and marketing of the edible parts of scallops, due to be discussed at a meeting convened by M. Henri Belveze of DG Sanco in late October (as per letter from Calum MacDonald, MP, to Susan Deacon, MSP, 11 October);

2. Clarification of progress in preparing to implement a tiered system of testing and marketing (identification of processors, drafting of licences/transportation authorisations, health advice notices, etc), including current thinking on the issues raised by M. Belveze at the meeting with Calum MacDonald, MP, and industry representatives 4 October, namely, assurance of effective destruction of the contaminated, toxic, ‘specified risk material’ and secondly, a credible system of traceability for whole scallops and part scallops;

3. Although not limited to ASP, but applicable to the management of all marine biotoxin events, what are the Ministerial views of the creation of a joint ‘Committee’ with representatives from government, regulators, the science base and industry, to review and advise on all aspects of such management? Such joint approaches are already successfully operating in the USA and Ireland, to name two countries
whose representatives at the ASSG Workshop described the significant benefits for food safety regulators from such a collaborative and co-operative approach;

4. Not ASP, but related - could Ministers/officials explain why assessment of DSP differs between Northern Ireland and Scotland, where the former identifies four levels of toxicity and only “results in excess of Grade 2 are deemed positive”, while Scotland deems any positive result sufficient to generate a closure Order/Agreement. (NB Directive 91/492 states that DSP should not be present);

5. What justification can Ministers offer for the banning of harvesting of *Chlamys opercularis* from shellfish farms, in light of the fact that this species does not accumulate ASP toxin, as in the cases of *Mytilus edulis* and *Crassostrea gigas*, neither of which were not subject to such a ban?

6. Would Ministers accept that prevention of harvesting of *Chlays opercularis* from a farm that submitted regular samples and with results (for the whole animal test, the most sensitive assay) which averaged around 4 ugram/gram (with an absolute maximum result of 7 ugram/gram) during 1999 and therefore never breached the Action Level of 20 ugram/gram would constitute unreasonable and unjustifiable constraint on trade and clear grounds for compensation on the basis of, at a minimum, lost revenue and directly attributable abnormal stock mortalities?

7. Would Ministers accept that such an unreasonable constraint on trade would also constitute a clear case for complaint to the *Scottish Parliamentary Commissioner for Administration* on the grounds of maladministration (“wrong application of rules”) and also a strong legal case for damages against the Scottish Executive?

I hope these issues/possible queries will help the Committee in its efforts to improve our understanding of the Scottish Executive’s position on biotoxin management.

With best wishes, yours sincerely

D A McLeod; Chairman
SCALLOP ASSOCIATION SUBMISSIONS REGARDING AMNESIC SHELLFISH POISONING

Undenoted are the Associations submission to RAC for the meeting on the 31st October.

RAC REPORT

What headway have Government made with the following recommendations contained in the RAC 2nd Report of 1999?

- recommends that the results of collaborative research be published and made available to interested parties; and, endorses calls for further monitoring of the implementation of EU directives in other Member States.
- reviewing testing procedures.
- collaboration between industry and scientists in fisheries management.
- recommends that the results of collaborative research be published and made available to interested parties; and, funding be made available to develop monitoring and testing regimes.
- that research take place into the alleged link between fin fish farms and ASP, as a matter of urgency.
- recommends that government initiate discussions with industry to identify areas which could be the subject of a dedicated set of measures to assist the industry to recover from the impacts of the ban on shellfishing due to algal toxins.

FOOD SAFETY COMMITTEE

The Scallop Association (SA) recommends the setting up of a shellfish Safety Committee as suggested at the Association of Scottish Shellfish Growers (ASSG) workshop in Oban. This Committee would hopefully foresee problems and offer erudite solutions to enable – as far as possible – industry to proceed with minimal disruption.

We believe the Committee should comprise of representatives from SA, ASSG, Sea Fish Industry Authority (SFIA), Food Standards Agency (FSA), Rural Affairs Committee (RAC), Marline Laboratory, Aberdeen (MARLAB), Integrin Biosystems (Independent Lab) and Scottish Fishermen’s Federation (SFF).

RESEARCH

1. The SA questions the efficacy of the recent comparative research into testing procedures between Marlab and Processors for two very basic reasons:
   a) Only one processor was used rather than a substantive cross-section.
   b) The shucked sample from the processor was not washed. ALL testing samples from processors are washed and showered for at least 30 minutes. Please bear in mind that domoic acid is water soluble.

As there have not yet been any reported illness due to ASP in Scallops, research urgently needs to be carried out into why the level of domoic acid was set at 20 as many scientists now question this level with regard to ASP. The research should look into the effects on proteins and relative toxicity of domoic acid contained in scallop tissue as compared to other molluscs such as clams and mussels. We also believe that research should be urgently carried out into isolating the individual isomers. There is no experimental evidence that the different isomers of domoic acid have different toxicities as the experiments have not yet been done. However, evidence of other poisons would indicate that the isomers do have different toxicities, and we would appear to have the evidence from outbreaks of ASP. Similar research has been carried out into saxitoxin (PSP poison) by American Federal Drugs Administration (FDA).

What is an isomer? Each chemical is unique and made up of different elements (carbon, oxygen, hydrogen etc.) arranged in groups and joined together in a specific way. The way the groups are arranged determines the shape of the molecule. In different isomers the groups are arranged in slightly different ways and hence their shapes are slightly different.

A toxic chemical works by attaching to a receptor molecule in the animal its poisonous to. The FDA show how saxitoxin, the PSP poison, attaches to a protein in the cell...
membrane and opens it allowing the cell to be flooded with sodium and hence kill it? Thus the relationship between a toxin and its receptor is analogous to a key (the toxin) and a lock (the receptor). If the key fits the lock perfectly it may have a toxicity of say, 100. But a different isomer of the same chemical is a slightly different shape and may fit the lock with an efficiency of 50% and hence be 50% as toxic as the first isomer, another isomer may not fit the lock at all and hence be non-toxic. This is widely known in toxins, indeed the FDA have shown that the toxicity of different isomers of saxotoxin, the PSP poison, differed by 100 times. There is no experimental evidence that the different isomers of domoic acid have different toxicities as the experiments have not yet been done. However, evidence of other poisons would indicate that the isomers do have different toxicities, and we would appear to have the evidence from unrelated outbreaks of ASP. Scientists say that the quantity of domoic acid required to cause symptoms differ by between 10(?) and 100(?) times between Alaska and Maine events. This would indicate that the different strains of Pseudonitzchia produced different isomers of domoic acid that differed in toxicity.

Research suggests that majority of the toxin is in the digestive loop and can be processed out. Has Marlab conducted research into domoic acid toxicity on the fabric of the gonad or the other individual organs of scallops?

There is currently no standardisation of testing techniques throughout Europe for different algal toxins such as there is for E-coli. Can we push for such protocols to be standardised and perhaps move away from mouse assays towards chemical and antibody tests.

INDEPENDENT LABORATORY
The SA sees it as necessary and desirable that an independent testing Laboratory be used to monitor the work of the National Reference Laboratory – MARLAB, Aberdeen. The MARLAB is involved in the International Ring Trials which tests the efficiency of their protocols. The SA wish to see the results of these trials published. We think that MARLAB testing results should be compared with the results from other labs such as Integrin Biosystems at Oban and vice versa. These Comparisons should be made available to Industry. If any processor is selling their products to a UK retailer and using an accredited laboratory to carry out their testing, then the retailer can ask to audit the laboratory at any time and view all their protocols and procedures. Therefore our processors, if using the Marine Lab for testing, should be afforded the same privilege.

ENQUIRY
The SA welcomes the appointment of reporters to look into the environmental impacts of the sea cage salmon farming industry which should once and for all dispel the myths and misinformation that surround the issue. However, it is noted that it required a private petition (PE96), to clinch the issue.

“NATURALLY OCCURRING”?
The above term must be substantiated by Government in view of growing evidence that eutrophication and anthropogenic inputs exacerbate the production of algae and therefore toxins causative of ASP. (Dr Malcolm MacGarvin; Scotland's Secret? Aquaculture, nutrient pollution eutrophication and toxic blooms; September 2000)

MONITORING
Why does SERAD not use the EU approved Irish FSA modus operandi for control of HAB events? It seems pointless to waste time when an EU approved scheme already exists.

Can we get confirmation that flexibility will be factored into the tiered testing system so all known strains of Algal toxins will be included in order that there is minimal delays in the future?

We would question the validity of MARLAB testing methods given that there appears to be some difference between the testing carried out and the ‘real life’ testing going on elsewhere. We are gravely concerned that the reference laboratory for this type of testing is being so reticent about releasing procedures and protocols for scrutiny. It is well known amongst retailers that when testing products microbiologically the normal life cycle of the product and
its components must be replicated as closely as possible to give meaningful test results. This should be recognised in any analytical testing also.

**AMELIORATING IMPACTS**
How many vessels benefited from Category C Licence initiative?

Has SERAD researched any EU or other funds for compensating the industry?

Fish farmers have been compensated for the “naturally occurring” ISA affecting their industry whilst the similar ASP type problem remains without. Would Ministers wish to comment on this?

There may exist the ultimate paradox where the compensated salmon farming industry may intensify the effects of algal toxins towards fishery closures. If this proves to be the case, will government retrospectively compensate fishermen for damage suffered in the fishing industry?

Please give me a ring if any amplification is necessary.

Yours sincerely

John Hermse
Secretary
AMNESIC SHELLFISH POISONING

Purpose

1. To advise the Committee of recent developments regarding the management of amnesic shellfish poisoning outbreaks in Scotland.

Timing

2. Immediate. This information is intended to provide further background information to the Rural Affairs Committee in advance of their meeting on 31 October.

Discussion

3. Policy responsibility for the monitoring and sampling programme for algal toxins, including ASP, passed to the Food Standards Agency (FSA) on its launch in April this year. Support for the operation of the programme continued to be supplied by SERAD staff, under FSA authority, until August at which time all functions transferred to the Agency.

4. Ministers have emphasized that the testing regime must ensure that public health is protected, while also ensuring that the impact on the industry is taken fully into account. In meetings with FSA officials, Ministers have requested that the existing testing regimes are reviewed and alternatives capable of meeting both objectives are looked at. Both the FSA and Ministers have listened very carefully to the concerns put to them by the industry, MSPs and MPs and much progress has already been made in moving this issue forward.

5. Earlier this year the European Commission asked the Community National Reference Laboratories on Algal Toxins to review implementation of the Council Directives on shellfish hygiene in the Member States. The review concluded that methods of implementation were varied, but also that, in the case of scallops, it may be possible to operate a tiered system. However, in light of the existent data on inter-animal variability, further assessment was required. This report was issued to Member States at the meeting of the European Commission’s Standing Veterinary Committee (SVC) on 23 May 2000. Member States were asked to write to the Commission with their comments. The UK submitted its response on 19 July emphasising the need for sufficient enforcement controls to support the tiered
system and requesting an expert working group meeting be convened to progress this issue. There was no SVC meeting in August, but at the September meeting the UK delegation, led by Scottish officials of the Agency, requested an update from the Commission. The Commission reported that no other Member States had responded and urged them to do so. The Minister for Health and Community Care also met with Commissioner Byrne on 18 September to discuss the UK’s concerns.

6. At the same SVC meeting, the UK held bilateral discussions with the Commission regarding the legality of a tiered system within the current Directive framework. Following this meeting and the points put to them by the UK, Commission officials advised that the Directive allowed for a tiered system, but that a Commission Decision, which would have to be adopted by the SVC, would be required to provide a legal base. They also indicated that the SVC would require further scientific assessment to be concluded before such a decision could be tabled for adoption.

7. At the latest meeting of the scientific expert group of Community National Reference Laboratories on 25 October, the Group concluded that there were still a number of scientific issues which needed to be addressed before they could fully support the establishment of a tiered testing system for scallops. The aim is for further work necessary to be compiled by December and for a further meeting to finalise the Group’s conclusions to be held in January. This therefore means it is unlikely that a Commission Decision will be adopted before February 2001. The UK has also commissioned a supplementary scientific paper through the UK national Reference Laboratory, which is intended to provide supporting scientific evidence.

8. In anticipation of the Commission Decision being adopted, the FSA are currently working on an enforcement framework to support the tiered system which will provide the necessary guarantees in respect of consumer safety. Whilst some changes to current rules are likely to be required, it is intended to rely as much as possible on existing legislative provisions, thereby minimising new burdens (bureaucratic or financial) on both industry and local authorities. A full impact assessment will be carried out on any proposed scheme and all affected parties will be given the opportunity to comment on proposals before the Agency provides its final advice to Ministers.

9. In the absence of both the Commission Decision and a finalised and agreed enforcement framework, it is difficult to estimate when a tiered system may be operational, though it would be reasonable to predict that it would not be before Spring 2000.
Recommendation

10. The Committee is invited to note the status of work in progress regarding:

- securing the formal acceptance by the Commission and Member States of a tiered system of testing marketing of edible parts of scallops via a Commission Decision; and

- the development of an enforcement framework which will provide industry with market access for non-toxic edible parts of scallops whilst ensuring the FSA has sufficient guarantees and confidence in such a framework in respect of protection of public health.

Martin Reid
Food Standards Agency Scotland
Tel. 01224 285134
30 October 2000
1. At the meeting on 26 September 2000 members considered the Minister’s reply to the Committee’s first stage report, and the Executive spending proposals which had been announced in the Chamber a few days previously. At that meeting it was agreed to wait until 31 October before considering the spending proposals again in more detail and to seek further information on –

- The approach being taken by the Executive to provide an assessment of the impact of the spending on rural areas across all programmes and policies;

- further explanation of resource accounts and budgeting (RAB); and

- information on how the budget matches policy priorities which have been identified. In addition, it was suggested that a discussion of European funding issues would be beneficial.

2. No firm information is yet available on the way in which the Executive might be able to measure the impact of their spending generally in rural areas. The Department has, however, indicated that the Minister may be able to give the Committee some indication of how this work is progressing.

3. On the question of resource accounts and budgeting, an explanatory paper by the Executive is attached, for information, (ANNEX A).

4. It had been hoped that a further breakdown of expenditure (“the level 3 figures”) would be available by now. The Rural Affairs Department have indicated that as far as structural and agri-environmental measures are concerned the nature of that breakdown can be gathered from the announcement on modulation made on 4 August 2000. For reference, the table of modulated expenditure contained in the announcement of 4 August 2000 is attached (ANNEX B). A copy of the SPICe information note on the spending plans is also attached for reference.

5. The Committee is expected to report to the Finance Committee by 10 November on the detailed spending proposals. In the absence of the level 3 figures the committee will have to base its report upon explanations which the Minister may be able to give to the Committee on 31 October. The Committee may wish to consider the appointment of reporters to consider the outcome of this meeting and assist the preparation of a draft report, which should be considered by the Committee (in private) at its following meeting on 7 November.

Richard Davies
Clerk to the Rural Affairs Committee
NOTE FOR RURAL AFFAIRS COMMITTEE ON RESOURCE ACCOUNTS AND BUDGETING (RAB)

Introduction

Resource Accounting and Budgeting (RAB) is a system of planning, controlling and reporting on public spending for government.

Resource Accounting is the application of accruals accounting for reporting on the expenditure of central government and a framework for analysing expenditure by departmental aim and objectives, relating these to outputs where possible.

Important differences between Resource Accounting, which will be on an accruals basis, and the current cash-based accounting relate to:

**Capital expenditure.** Under Resource Accounting the cost of an asset which lasts for several years will be spread over the life of the asset in the form of an annual depreciation charge. This, together with an annual cost of capital charge to reflect the opportunity cost of tying up funds in this way, make up the capital charge on departmental assets.

**Current expenditure and income.** Under Resource Accounting these will be recorded in the year to which they relate, even if the cash was not paid or received in that year.

Resource budgeting (RB) is the process by which government plans and controls the expenditure of resources to meet its objectives. The main changes this will introduce are the new definition of current expenditure to encompass the consumption of fixed assets and the cost of holding them, and the separate plans for capital expenditure to reflect long term investment rather than cash spent in the year of acquisition.

Benefits

The present system of accounting is cash-based, so departments plan and account for the cash which passes through their books each year, regardless of whether the cash is for current or capital spending, or purchasing goods and services which will be used ('consumed') in a different financial year. RAB makes two significant improvements.

On the input side, it will ensure that the full economic cost of government activities are measured properly by including other costs not reflected in cash-based accounts, e.g. capital consumption, and by matching the costs to the right time period. This will provide government with a better basis for deciding on the allocation of resources (inputs), e.g. in comparing the cost of providing a service within the public or private sectors.

RAB will also bring about improvements in the treatment of capital spending. The difficulties in cash planning for capital are well understood - by identifying the cost in full in the year of acquisition, but not deprecating or recognising the opportunity cost subsequently, there is an initial bias against the acquisition of capital, and no incentive to manage capital properly once purchased. Under RAB, the cost of capital will be spread over its useful life.
On the output side, RAB will, for the first time, provide a framework for departments to report systematically on how their resources are allocated to their aim and objectives, and on what is achieved as a result.

This is intended to improve transparency, by making it easier to see what taxpayers are getting for their money, and to improve the process of deciding where to allocate resources to achieve the best results.

Because RB will be conducted on a full accruals basis it will allow the planned allocation of the full range of resources to meet government aims instead of only cash spent in a given year.

The link between inputs and specific outputs in furtherance of Government aims and objectives will allow improved decision making in the allocation of resources to departments.

The separate identification of capital expenditure and the long-term outputs expected from this investment will alleviate any bias against capital which exists under the current cash budgeting arrangements.

**Impact on Rural Affairs SR 2000 Spending Plans**

The presentation of the spending plans, for the first time in Resource rather than Cash terms, does not impact on much of the programme – provision for CAP and other scheme payments, for example, is much the same in Resource and Cash. The impact is on three of the Level 2s – Structural and Agri-environmental Measures, Agencies and Forestry Commission. The Structural and Agri-environmental Measures numbers are some £4m a year higher than the underlying cash values and the main changes are in provision for Agencies and the Forestry Commission where, because of the significant capital assets held, the Resource values are some £30m (Agencies) and £45m (Forestry Commission) higher than the underlying cash values.

Scottish Executive Finance
October 2000
SUMMARY OF ISSUES RAISED IN CONSULTATION ON THE SALMON (CONSERVATION) SCOTLAND BILL

The Rural Affairs Committee has received 43 responses to their request for submissions on this Bill. Of these, 35 responses expressed clear support for the Bill in principle. Very few submissions opposed the Bill, however those who responded have made a number of drafting and policy points.

All evidence received will be circulated to members, and a copy placed on the parliamentary reference centre. Accompanying this paper is a summary document showing the organisations who responded to consultation, and providing a brief breakdown of the main points made by each respondent.

Some points were made by a number of respondents and these are listed briefly below:

- the use of the term ‘conservation’ was unpopular, with many believing that it was ill-defined and could cause legal issues of interpretation to arise. Many felt that the Bill related more to management than conservation.
- the Bill failed to distinguish clearly between powers of Ministers and powers available to Boards
- Ministers should only be able to use powers emergency situations. However, in emergency situations, some wanted Ministers to be able to use powers immediately.
- the need for any regulations to be backed by local knowledge, consultation and adequate scientific evidence was emphasised
- any regulations brought in under the act need to be monitored effectively. Measures time-limiting the life of regulations were favoured by many, and most wished to see some mechanism in place to ensure that out of date regulations could not remain in force indefinitely.
- the provisions relating to consultation and collection of fishery information were viewed as being too wide and poorly drafted. Many fishery boards were happy with existing consultation processes and saw no reason to implement a new process
- there was a need to address the wider issues of salmon management and causes of mortality and the Bill could not be looked at in isolation. In particular, environmental groups wanted to see a more holistic approach to aquatic management.
- A number of technical queries regarding the legislative framework for management of the Border Rivers were raised.
- the financial impact of the Bill on local groups was referred to and several groups noted issues relating to ECHR and potential compensation claims for loss of access to fisheries.

Tracey Hawe
Senior Assistant Clerk
26 October 2000
<table>
<thead>
<tr>
<th>NAME</th>
<th>FOR/ AGAINST</th>
<th>COMMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Colin Whittle Spey Fishery Board</td>
<td>For</td>
<td>Supportive but believe Bill is poorly drafted. Endorse ASFB submission.</td>
</tr>
<tr>
<td>Robert Dalrymple River Stinchar DSFB</td>
<td>For</td>
<td>Need flexible time limited measures. Don’t like use of word ‘conservation’.</td>
</tr>
<tr>
<td>D Keith Scottish Campaign for Public Angling</td>
<td>Against</td>
<td>if the bill is passed in present form it will be abused by incompetent fishery owners and used to kill wildlife</td>
</tr>
<tr>
<td>E J Brodie Findhorn DSFB</td>
<td>For</td>
<td>endorse ASFB submission</td>
</tr>
<tr>
<td>Dr James Butler Wester Ross Fisheries Trust</td>
<td>For</td>
<td>endorse ASFB submission</td>
</tr>
<tr>
<td>E M B Larby Finlayson Hughes on behalf of Conon and Nairn District Salmon Fishery Boards</td>
<td>For</td>
<td>wish to see provision for immediate action in emergencies</td>
</tr>
<tr>
<td>Johnathan R Hall Scottish Landowners Federation</td>
<td>For</td>
<td>Welcomes bill provided that interests of riparian owners and local fishing concerns are secured. Regulations must be time-limited and Ministers powers should only be used in emergencies</td>
</tr>
<tr>
<td>Elizabeth Leighton, WWF</td>
<td>For</td>
<td>any powers should contribute to sustainable management, and be backed by scientific knowledge of stocks. Regs should be subject to consultation, and monitoring.</td>
</tr>
<tr>
<td>Alan R Whitfield North &amp; West Salmon Fishery District Board</td>
<td>For</td>
<td>welcome bill but with reservations. Don’t like term ‘conservation’ and want time limited measures</td>
</tr>
<tr>
<td>Malcolm Windsor NASCO</td>
<td>No view</td>
<td>explains international concerns</td>
</tr>
<tr>
<td>J B D Read Atlantic Salmon Trust</td>
<td>For</td>
<td>endorse ASFB submission, need to link conservation and management, time limit regs, and provide emergency powers for Ministers</td>
</tr>
<tr>
<td>R A Barnes Lochaber DSFB</td>
<td>For</td>
<td>Need to monitor and review regs, want wider conservation measures and believe consultation should be more limited</td>
</tr>
<tr>
<td>Jonathan Wotherwson Beauly DSFB</td>
<td>For</td>
<td>endorses ASFB submission</td>
</tr>
<tr>
<td>Andrew Bradford Dee DSFB</td>
<td>For</td>
<td>Bill confuses management and conservation. Measures should be time limited. Ministers powers only to be used in emergencies. Also raise specific drafting concerns.</td>
</tr>
<tr>
<td>Hon Lord Morison</td>
<td></td>
<td>Concerned that the Bill affects the interests of</td>
</tr>
<tr>
<td>Name</td>
<td>Organisation</td>
<td>View</td>
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<td>------</td>
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<tr>
<td>Proprietor, River Deveron</td>
<td></td>
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</tr>
<tr>
<td>Dr Jean Balfour</td>
<td>West Sutherland Fisheries Trust</td>
<td>For</td>
</tr>
<tr>
<td>T Dixon</td>
<td>Kinaird DSFB</td>
<td></td>
</tr>
<tr>
<td>Ian Calcott &amp; Jane Wright</td>
<td>Scottish Anglers National Association</td>
<td>For</td>
</tr>
<tr>
<td>Michael P Clancy</td>
<td>Law Society of Scotland</td>
<td>For</td>
</tr>
<tr>
<td>R L Nicol</td>
<td>Dee Salmon Fishing Improvement Assoc</td>
<td>For</td>
</tr>
<tr>
<td>Caroline Davies</td>
<td>RSPB</td>
<td>For</td>
</tr>
<tr>
<td>J R G Menzies</td>
<td>Ness DSFB</td>
<td>For</td>
</tr>
<tr>
<td>Mrs J C Nicol</td>
<td>River Tweed Commissioners</td>
<td>For</td>
</tr>
<tr>
<td>R Harper</td>
<td>Dee Anglers and Ghillies</td>
<td></td>
</tr>
<tr>
<td>Sir Roy Cameron</td>
<td>Association of Chief Police Officers in Scotland</td>
<td>For</td>
</tr>
<tr>
<td>Peter N B Kennedy</td>
<td>River Doon DSFB</td>
<td>For</td>
</tr>
<tr>
<td>Name</td>
<td>Organisation/Affiliation</td>
<td>Position</td>
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<tr>
<td>Andrew Wallace</td>
<td>Association of Scottish Salmon Fishery Boards (ASFB)</td>
<td>For</td>
</tr>
<tr>
<td>John T Prince</td>
<td>Nith DSFB</td>
<td>For</td>
</tr>
<tr>
<td>Duncan R Wilson MBE</td>
<td>Aberdeen and District Angling Association</td>
<td></td>
</tr>
<tr>
<td>Nikki Sinclair</td>
<td>National Trust for Scotland</td>
<td>For</td>
</tr>
<tr>
<td>N Chisholm River Annan DSFB</td>
<td></td>
<td>For</td>
</tr>
<tr>
<td>Davina Howes</td>
<td>Royal Institute of Chartered Surveyors</td>
<td></td>
</tr>
<tr>
<td>G Keith Allen</td>
<td>The Salmon Net Fishing Association of Scotland</td>
<td>For</td>
</tr>
<tr>
<td>Patrick Fothringham</td>
<td>The Salmon and Trout Association (Scotland)</td>
<td>For</td>
</tr>
<tr>
<td>Julie Tooley SEPA</td>
<td></td>
<td>For</td>
</tr>
<tr>
<td>R T Bradley</td>
<td>Forth DSFB</td>
<td>For</td>
</tr>
<tr>
<td>Name</td>
<td>For/Against</td>
<td>Comments</td>
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</tr>
<tr>
<td>P M Fairweather</td>
<td>For</td>
<td>endorse ASFB submission. Should Bill refer to Scottish Ministers, not Secretary of State? Use of term ‘any person’ too wide in 10A(1).</td>
</tr>
<tr>
<td>Loch Fyne DSFB</td>
<td></td>
<td></td>
</tr>
<tr>
<td>R J G Shields</td>
<td>For</td>
<td>Need to look at wider measures, esp when salmon not in river system. Ministerial powers only to be used in crisis. Measures should be time limited. Conservation must be defined. Notes submissions from Hon Lord Morison above.</td>
</tr>
<tr>
<td>Deveron DSFB</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dr David Summers</td>
<td>For</td>
<td>endorse ASFB submission. Measures must be time limited, and Ministerial powers used only where necessary. Consultation and information provisions drafted too widely.</td>
</tr>
<tr>
<td>Tay DSFB</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Steve Sankey</td>
<td>For</td>
<td>Support annual close time orders and consultation sections. Should acknowledge international obligations eg EU water framework and habitats directives and bio-diversity agreements.</td>
</tr>
<tr>
<td>Scottish Wildlife Trust</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jamie Ribbens</td>
<td>For</td>
<td>Measures need to be backed by scientific information and taken at local level. Ministerial Powers should be used in emergencies. Does Bill address situations in which needs of Salmon and Sea Trout may differ?</td>
</tr>
<tr>
<td>West Galloway Fisheries Trusts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>James McAloon</td>
<td>For</td>
<td>Support Bill provided that anglers not prevented from fishing brown trout, and that brown trout not removed from areas to protect Salmon.</td>
</tr>
<tr>
<td>River Clyde Fisheries Trusts</td>
<td></td>
<td></td>
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<tr>
<td>Management Trust</td>
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DRAFT RESEARCH PROPOSAL IN CONNECTION WITH A FORTHCOMING AGRICULTURE INQUIRY

At its 11th meeting, the Committee agreed the objectives for an inquiry into agriculture issues. The Committee is invited to consider the following draft research proposal, which is set out in the standard pro-forma. Committee bids for research work should be submitted by 24 November.

Title of Research Proposal

Development of a framework for assessing the contribution made by agriculture and public policy in support of agriculture to rural sustainability in Scotland.

Please give an outline of the research requested

Since the inception of the Parliament the Rural Affairs Committee has responded in turn to different agricultural issues and conducted short *ad hoc* enquiries on some of these. However, without a framework within which agricultural matters can be considered it is difficult for the Committee to focus on those matters over which it is most likely to have influence and those which are most likely to contribute to its overall objective. Agreement on the overall objective for the Committee’s agriculture work was reached as follows:

‘To assess the contribution of Scottish agriculture and public policy in support of Scottish agriculture to the full range of rural interests and to support the development of strategies and policies that contribute to the sustainable development of rural Scotland.’

The aim of this research would be to develop a framework within which all agricultural issues that are raised with the Committee might be considered and to identify those matters upon which the Committee might focus future work to maximum effect. It would be conducted in three stages:

**Stage 1**

Having established an objective for the Committee’s work, the next stage involves the identification of criteria against which the contribution of different strategies and policies to satisfaction the objective can be assessed.

Stage 1 of this research would involve the development of indicators that might be used to measure the contribution of agriculture and public policy in support of agriculture to the full range of rural interests. Such indicators should include economic, social and environmental measures the overall sustainability of life in rural Scotland.

The research should take account of similar work towards the development of sustainability indicators that has been carried out at UK, European and International levels. This might be combined with new research into the importance of different elements of Scottish rural life so that best practice can be applied to rural Scotland.

**Stage 2**
Stage 2 of this research would involve use of the criteria identified in Stage 1 to assess the contribution of Scottish agriculture and public policy in support of Scottish agriculture to overall rural sustainability. In doing this a framework should be developed which could be used by the Committee when evaluating the potential importance of new matters that might come to its attention.

Stage 3

The final stage of this research would identify those areas of agriculture and agriculture policy in Scotland upon which the Rural Affairs Committee might usefully focus further consideration with the objective of furthering the contribution of Scottish agriculture to rural sustainability.

When does the committee require the results of research? Please outline if/where this fits into a work plan.

The Committees of the Parliament have a particular role in scrutinising the implementation and development of public policy initiatives. Public policy and support is well recognised as having an important influence over the development of agriculture across the European Union. However, the influence of the Rural Affairs Committee over agriculture policy has been somewhat constrained by the fact that much of this policy is formulated at a European level under the Common Agriculture Policy (CAP).

However, the recent Agenda 2000 reforms to the CAP have increased the extent to which Member States have discretion over certain aspects of policy implementation. This discretion can increasingly be exercised at the sub-Member State level as has been the case in the UK in implementing the new Rural Development Regulation. It is widely anticipated that the extent to which Member States will have discretion over certain aspects of policy implementation is likely to increase. In addition, the European Committee of the Scottish Parliament has recently completed an enquiry into the implementation of European agriculture legislation in Scotland. This will complement the Rural Affairs Committee’s research by identifying key areas where the Executive’s implementation of EU legislation has failed to take full advantage of opportunities to tailor support to meet the particular needs of rural Scotland.

This research will help the Rural Affairs Committee prioritise future work on all aspects of agriculture in Scotland. It will also give the Committee an opportunity to focus proactive work on those areas that are most likely to contribute to its agreed objective and over which the Scottish Executive has some discretion. As reforms to the CAP progress and discretion over aspects of CAP implementation increases this information will be increasingly important.

Please give a brief indication of other research in this area (if any) and the reasons it is not suitable.

Indicators against which the sustainability of agriculture might be measured have been developed for the UK by MAFF. However, many aspects of agriculture and rural life in Scotland, take the crofting system for example, make it significantly different to elsewhere in the UK and make the need for a bespoke set of Scottish indicators vitally important.

Research is currently being carried out on behalf of the Scottish Executive into the development of a national set of indicators of sustainability, these are likely to be issued for consultation towards the end of 2000. However, the Scottish Executive currently has no plans to produce any sectoral specific indicators such as those that would be required for this agriculture work by the Rural Affairs Committee.
What specific expertise is required to research this area?

to be finalised

What are the expected outputs of this project and how will they be used?

1. Criteria against which the contribution of agriculture and public policy in support of agriculture to overall sustainability in rural Scotland can be measured.

2. Framework within which the contribution of the different agricultural matters that are raised with the Committee to its overall objectives might be evaluated.

3. Identification of areas requiring pro-active future work by the Committee.