RURAL DEVELOPMENT COMMITTEE

AGENDA

9th Meeting, 2002 (Session 1)

Tuesday 26 March 2002

The Committee will meet at 2.00 pm in Committee Room 1

1. **Items in Private:** The Committee will consider whether to take Items 6 and 7 in private.

2. **Petition:** The Committee will consider Petition 471, by Mr Dereck A Fowles, on the funding allocated for the establishment and running costs of the Loch Lomond and Trossachs National Park.

3. **Subordinate Legislation:** Mr Allan Wilson (Deputy Minister for Environment and Rural Development) will move motion S1M-2898—

   that the Rural Development Committee, in consideration of the draft Loch Lomond and the Trossachs National Park Elections (Scotland) Order 2002, recommends that the Order be approved.

   and motion S1M-2896—

   that the Rural Development Committee, in consideration of the draft Loch Lomond and the Trossachs National Park Designation, Transitional and Consequential Provisions (Scotland) Order 2002, recommends that the Order be approved.

4. **Subordinate Legislation:** The Committee will consider the following instruments under the negative procedure—

   The Sea Fishing (Enforcement of Community Conservation Measures) (Scotland) Amendment Order 2002 (SSI 2002/81)

   The Import and Export Restrictions (Foot-and-Mouth Disease) (Scotland) Order (No.3) Revocation Regulations 2002 (SSI 2002/109)

   The Animals and Animal Products (Import and Export) (Scotland) Amendment Regulations 2002 (SSI 2002/125)

5. **Covenant between local government and the Scottish Parliament:** The Committee will consider a draft covenant between local government and the Scottish Parliament, proposed by the Local Government Committee.
6. **Integrated Rural Development**: The Committee will consider possible visits in connection with its inquiry into integrated rural development.


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Tracey Hawe
Acting Clerk to the Committee

**The following papers are attached or are relevant to this meeting:**

**Agenda item 2: Petition 471**

- Petition 471
- Official Report extract from Public Petitions Committee 12 March
- Note from clerk of Public Petitions Committee
- Members Briefing

**Agenda items 3 & 4: Subordinate Legislation**

- [The Loch Lomond and the Trossachs National Park Elections (Scotland) Order 2002](#)
- [The Loch Lomond and the Trossachs National Park Designation, Transitional and Consequential Provisions (Scotland) Order 2002](#)
- [The Sea Fishing (Enforcement of Community Conservation Measures) (Scotland) Amendment Order 2002 (SSI 2002/81)](#)
- The Import and Export Restrictions (Foot-and-Mouth Disease) (Scotland) Order (No.3) Revocation Regulations 2002 (SSI 2002/109)
- The Animals and Animal Products (Import and Export) (Scotland) Amendment Regulations 2002 (SSI 2002/125)

**Subordinate Legislation Committee 15th Report**

**Agenda item 5: Covenant between local government and the Scottish Parliament**

- Conveners letter is attached
- A Draft Covenant is attached
Agenda item 6: Integrated Rural Development

A paper from the clerk is attached (for Members only)

Agenda item 7: Budget Process 2003-04

A draft position paper from the Committee’s adviser will follow (for Members only)

Stage 1 guidance note from the Finance Committee to Subject Committees is attached.
The Convener: Petition PE471 is from Mr Dereck A Fowles and is on the Loch Lomond and the Trossachs national park. It calls on the Parliament to examine the cost of establishing a national park, its running cost and whether the sum that has been allocated should be increased in line with what Scottish Natural Heritage has recommended. The principal petitioner, Mr Fowles, will make a brief presentation. He has three minutes.

Dereck Fowles (Association of Community Councils for the Loch Lomond and Trossachs National Park): I thank the convener for allowing me to speak to the petition, which has been partly overtaken by events in the past few days. Following many letters of support from MSPs, I received a letter from Mr John Nicolson of the Executive's countryside and natural heritage unit, which said that funding for the national park for 2002-03 was increased to £4.8 million, which is £1.9 million more than had been proposed. I am sure that the revision of the figure is due in no small measure to the MSPs who supported the claim for the original sum that Scottish Natural Heritage had advised the Scottish Executive to provide. However, the figure still falls short of the sum that Scottish Natural Heritage recommended. The interim committee is happy with the figure, as it is an improvement, but the Association of Community Councils for the Loch Lomond and Trossachs National Park remains concerned that Scotland's first national park is being downsized and, perhaps more important, that the sums that have been allocated for the next three-year cycle will not meet the needs of the new national park board. The amount should not be less than that recommended by SNH, which was the same as the 2000-01 level. Moreover, by the end of the year, the Cairngorms park should approach an operational state and will require a similar sum for its operation. I fear that the Scottish Executive may therefore decide that a smaller sum is appropriate for the Loch Lomond and the Trossachs national park.

Scottish Natural Heritage has reviewed what the park will have to undertake. There is a considerable list and that has implications for staffing, accommodation, infrastructure and meeting the growing demands of the community futures programme. I will give a flavour of some of the undertakings that the park will have to make. The emphasis is on developing a strong visitor management capability, which involves countryside recreation, rural tourism and environmental enhancement schemes in Loch Lomond and the Trossachs. The national park board will be responsible for many matters. When I submitted the petition, I attached Scottish Natural Heritage's advice to the Scottish Executive. I hope that everyone has had a chance to read it. SNH says that the figures that it established for the park have been overtaken by the large number of tasks that the interim committee will have to do. Page 4 of that advice gives a list of a dozen or more items that SNH advises the national park will have to do.

I ask the committee to petition the Scottish Executive to reconsider the sum that it has proposed to the interim committee—£4.8 million—and to ensure that, in the next three-year cycle, the figure that Scottish Natural Heritage recommends is maintained for the
Loch Lomond and the Trossachs national park board and for the Cairngorms national park board.

The Convener: Thank you. Committee members may now ask questions. I will start. We have been informed that the figure that Scottish Natural Heritage first supplied was for year 3 of operation. We should not compare the year 1 figure with the year 3 figure. It was always the Executive’s intention to hit the year 3 figure that was recommended by Scottish Natural Heritage. In fact, the year 3 figure has increased since the initial figures were released.

12:00 Dereck Fowles: I accept that the Scottish Natural Heritage figure referred to year 3, but that has been overtaken by events. First, the increased cost of living has altered the original figure. Secondly, increased demands have been placed on the interim committee by things such as the community futures programme, which is a programme to regenerate all 44 communities in and around the national park, but which is dependent on money from the interim committee. It will be dependent for its income on the national park board when that is set up. If the amount available to the national park board is restricted in years 1 and 2 because of financial considerations, the community futures programme may not meet the aspirations that it has engendered in the communities.

I contend that the Scottish Natural Heritage figure is as relevant for year 1 as it is for years 2 and 3. A budget of £5.3 million to £5.8 million is considerably less than that of the national parks in England and Wales, where the national parks have budgets and staffing levels that are commensurate with what is required. Those national parks have something like 110 staff. Although SNH talked about a figure of £5.3 million to £5.8 million for year 3, the needs of the national park demand that that figure be brought forward to years 1 and 2.

The Convener: The information that has been provided to the committee is that the national parks of England and Wales receive on average £4.6 million a year. That is less than the figure for the Loch Lomond and the Trossachs national park. The information appears in the Scottish Natural Heritage budget figures, which you provided. The figures are given in table 7.1, "Cost comparisons of the proposed National Park with other National Parks in the UK".

Dereck Fowles: Is that on page 5, which compares the £6.6 million budget for the Lake District national park with the suggested £5.3 to £5.8 million for the Loch Lomond national park? It also gives the budget for the North York Moors national park as £5.7 million and the budgets for the two smaller national parks in Dartmoor and Broads as being £3.2 million and £3.5 million. Is that the table that you refer to?

The Convener: I am referring to the table that sets out the comparison between the national parks in Loch Lomond and the Trossachs, the Cairngorms, the Lake District and Snowdonia. The table also gives the average cost of the national parks of England and Wales.

Dereck Fowles: The only table that I have is on pages 4 and page 5.

The Convener: The table that I refer to is on page 80.

Dereck Fowles: The table on page 4 also details the number of full-time equivalent staff.

The Convener: I think that your basic point is that there is a shortfall in the year 1 and year 2 budgets.

Dereck Fowles: Yes. It is unlikely that the Scottish Executive will be able to increase the amount that it has already allocated to the interim committee. Although the interim committee is happy with the amount that it has received—and although I accept that the
Scottish Executive has increased the sum offered—I am concerned that the increased demands on the Scottish Executive that will result from the Cairngorms national park will mean that the Executive will decide to downsize the allocation in the next three-year cycle. I ask the committee to petition the Scottish Executive to ensure that the sums allocated to the national park for the future are in accordance with the recommendations in "National Parks: Scottish Natural Heritage's Advice to Government".

**The Convener:** The Rural Development Committee has offered to consider the petition at its next meeting on 26 March, when it considers two draft instruments on the designation of the national park boundary. We could pass the petition to the Rural Development Committee.

**Dereck Fowles:** Would that fulfil my request?

**The Convener:** The Rural Development Committee would consider your petition when it considers the draft instruments on the park.

**Dereck Fowles:** I would be very happy indeed with that.

**The Convener:** I have also been informed that the minister will be present at the committee meeting and that members will have a chance to question him specifically on the points that you have raised.

**Dereck Fowles:** Are you saying that I can be present at the meeting?

**The Convener:** It is a public meeting, so you can certainly be present on the back benches. I am not sure that you will be able to question the minister, but the committee members will have your petition and a copy of our comments, which will allow them to raise with the minister the issues that you have raised. You can sit and watch.

**Dereck Fowles:** Okay. Thank you.

**The Convener:** As I say, the Rural Development Committee has offered to consider the petition in the light of the draft instruments that it will consider on 26 March. Do members agree to send the petition to the committee for its consideration?

**Members indicated agreement.**
Memorandum
To: Tracey Hawe, Acting Clerk to the Rural Development Committee
CC: 
From: Steve Farrell, Clerk to Public Petitions Committee
Date: Friday, 15 March 2002

PE471

PUBLIC PETITIONS COMMITTEE - TRANSFER OF PETITION TO THE RURAL DEVELOPMENT COMMITTEE

The Public Petitions Committee (PPC) considered the following petition at its meeting on Tuesday 12th March 2002:

PE471 Petition by Mr Dereck Fowles, on behalf of the Association of Community Councils of Loch Lomond and the Trossachs, calling for the Scottish Parliament to examine (a) the costs of the establishment of the National Park of Loch Lomond and the Trossachs and its running costs and (b) whether the sum allocated should be increased in line with that recommended by Scottish Natural Heritage.

The Committee agreed to refer the petition to the Rural Development Committee for consideration at its meeting on 26 March 2002, when two draft instruments on the designation of the National Park boundary are to be considered and at which the Minister will be present. The Committee was of the view that this would provide an opportunity for the Minister to respond to the issues raised in the petition and to confirm the funding position, including the recently announced increase.

You may wish to read the section of the Official Report of the PPC meeting relating to this petition when it becomes available during the week beginning 18 March. The petitioner provided extensive oral evidence on the background to his petition and was cross-examined by members.

I attach a copy of the petition, and a copy of the briefing note prepared for PPC members on the petition.

I should be grateful if you would arrange for the petitioner to be notified of the date on which the Rural Development Committee will consider this petition.

As you may be aware, the Conveners’ Liaison Group has agreed that subject Committees should let the Convener of the PPC have sight of their proposed responses to petitioners before they issue, as a courtesy to that Committee. I should be grateful therefore if you would, in due course, send
me a copy of the draft response to this petition. I will ensure that my Convener sees the draft quickly and will let you have any comments he may have. A copy of the response issued to the petitioner should also be sent to me, in order that I may formally notify the PPC of the action proposed.

Please contact me should you wish to discuss the handling of this petition further.

STEVE FARRELL
Clerk to the Public Petitions Committee
The Committee reports to the Parliament as follows—

1. The Committee met on 12th March 2002 and determined that the attention of the Parliament need not be drawn to the instruments listed at Annexe A. The Committee draws the attention of the Parliament to the Scottish Executive's response to a point from the Committee on the instrument listed at Annexe C.

ANNEXE A

Instruments subject to annulment

The Sea Fishing (Enforcement of Community Conservation Measures) (Scotland) Amendment Order 2002, (SSI 2002/81)

[In its 16th Report the Subordinate Legislation Committee also determined that the attention of the Parliament need not be drawn to the following instruments—

The Import and Export Restrictions (Foot-and-Mouth Disease) (Scotland) Order (No.3) Revocation Regulations 2002 (SSI 2002/109)

The Animal and Animal Products (Import and Export) (Scotland) Amendment Regulations 2002 (SSI 2002/125) ]
ANNEXE C

The Loch Lomond and The Trossachs National Park Designation, Transitional and Consequential Provisions (Scotland) Order 2002 (Draft)

Background
5. The Committee asked the Executive for clarification of one provision of the above Order.

Question
6. The Executive was asked to explain why article 15(2)(d) defines “crofter” in terms of the 1955 and 1961 Acts, both of which have now been repealed and consolidated in the Crofters (Scotland) Act 1993 (sections 3 and 47(10) respectively).

Answer
7. The Executive's response is reproduced at Appendix B. The Executive states that the definition of “crofter” in section 3 of the Crofters (Scotland) Act 1955, as read with section 15(6) of the Crofters (Scotland) Act 1961 is narrower than that in section 3, as read with section 47(10), of the Crofters (Scotland) Act 1993. The former does not include the class described in section 3(1)(e) of the 1993 Act. That class comprises holdings registered in the register of crofts by the Crofters Commission, which were unchallenged by landlord or tenant. It was not considered necessary to include that category in the context of article 15. However, that is an issue that the Executive will of course keep under review.

Comment
8. The Committee found the Executive’s response somewhat difficult to follow. Firstly, it is not clear whether the reference to the 1955 Act in the draft Order is intended to be to the 1955 Act as originally enacted or as subsequently amended. Section 3 was amended by the 1961 Act and by the Crofting Reform (Scotland) Act 1976, both of which were consolidated in the 1993 Act.

9. Although it is true that section 3 of the 1993 Act contains a subsection that was not in section 3 of the 1955 Act it appears to the Committee that there may in fact be no material difference between the effect of the two provisions. The Committee does not pretend to any expertise in crofting law but believes that the 1993 Act was, as regards the definition of a croft, a pure consolidation and the apparent difference is due to the changes in crofting law effected by intervening legislation.

10. In its original form the 1955 Act provided, amongst other things, for the creation of new crofts in addition to crofts in existence when the 1955 Act came into force. These crofts were then registered in the register of crofts. They were of course, crofts within the meaning of section 3 of the Act. The 1976 Act, however, repealed the provisions of the 1955 Act that allowed for the creation of new crofts although, naturally, this did not affect crofts already created under those provisions.
11. Section 3 of the 1993 Act appears to the Committee as it stands simply to re-enact section 3 of the 1955 Act as that section was affected by the changes made by the 1961 and 1976 Acts.

12. Whatever the legal position, it is now nearly ten years since the provisions referred to in the draft Order were repealed. Accordingly, the statutes in question have disappeared from most databases. In addition, as explained, it is also not clear to which version of section 3 of the 1955 Act the reference is intended.

13. In accordance with article 18(2) of the Interpretation Transitional Order (SI 1999/1379), unless the contrary intention appears, a reference to an enactment is a reference to that enactment as amended and includes a reference to that enactment as extended or applied by or under any other enactment. It appears to the Committee that, as the enactments to which reference is made have been repealed, it is difficult to know how the references are to be interpreted.

14. The Executive states that it is the intention to exclude certain classes of crofter from the application of article 15. While this must be a matter of policy for the Executive, it does appear somewhat arbitrary and for this reason, to be a rather unusual or unexpected use of the power. Furthermore, if this is the intention, as the relevant provisions of the 1955 Act and the 1993 Act may have the same effect, the Committee suggests that this policy intention may not have been achieved. If a different definition of a croft from that in the 1993 Act was desired, then it appears to the Committee that the solution would have been to draft a free-standing definition for the purposes of the Order.

15. The Committee therefore draws the attention of the lead committee and the Parliament to article 15(2)(d) on the ground that, in referring for definitions to enactments that have long since been repealed, the draft Order is defectively drafted.
Draft instruments subject to approval

The Loch Lomond and The Trossachs National Park Elections (Scotland) Order 2002 (Draft)

**Background**
1. The Committee raised one point with the Scottish Executive.

**Question**
2. The Committee asked why article 7(1)(a)(iii) refers only to convictions in the United Kingdom, Channel Islands, Isle of Man or the Irish Republic.

**Answer**
3. The Executive replied that it has been decided as a matter of policy not to disqualify persons for nomination/election and holding office as a member of the National Park Authority by reference to a conviction originating outwith the United Kingdom, Channel Islands, Isle of Man or the Irish Republic. This is in line with the disqualification provision in respect of local authority membership contained in section 31(1)(c) of the Local Government (Scotland) Act 1973. The Executive’s response is reproduced at Appendix C.

**Comment**
4. The Committee is aware that this point might be considered to fall outside its remit. The Committee has noted however, that the equivalent Committee in Westminster, the Joint Committee on Statutory Instruments (JCSI) has raised the same point on several occasions in relation to similar provisions in UK and GB subordinate legislation. That Committee has taken the view that geographical limitation in provisions of this nature may, in some circumstances, represent an unduly limited use of the power.

5. However, in the case of this instrument the Executive has confirmed that the provision in question follows established practice in local government legislation. The Committee is therefore reassured that the instrument fulfils the criteria within its terms of reference.

6. The Committee therefore draws the attention of the lead committee and the Parliament to the Executive’s response as providing the further explanation requested.
THE LOCH LOMOND AND THE TROSSACHS NATIONAL PARK DESIGNATION, TRANSITIONAL AND CONSEQUENTIAL PROVISIONS (SCOTLAND) ORDER 2002 (DRAFT)

On 5 March the Committee asked the Executive for an explanation of the following matter –

“The Executive is asked to explain why article 15(2)(d) defines “crofter” in terms of the 1955 and 1961 Acts, both of which have now been repealed and consolidated in the Crofters (Scotland) Act 1993 (sections 3 and 47(10) respectively).”

The Scottish Executive responds as follows:

The definition of “crofter” in section 3 of the Crofters (Scotland) Act 1955, as read with section 15(6) of the Crofters (Scotland) Act 1961 is narrower than that in section 3, as read with section 47(10), of the Crofters (Scotland) Act 1993. The former does not include the class described in section 3(1)(e) of the 1993 Act. That class comprises holdings registered in the register of crofts by the Crofters Commission which were unchallenged by landlord or tenant. It was not considered necessary to include that category in the context of Article 15 However, that is an issue which we will of course keep under review.

J Halley
for the Scottish Executive

7 March 2002
THE LOCH LOMOND AND THE TROSSACHS NATIONAL PARK ELECTIONS (SCOTLAND) ORDER 2002 (DRAFT)

On 5 March the Committee asked the Executive for an explanation of the following matter –

“The Committee seeks clarification from the Executive as to why article 7(1)(a)(iii) refers only to convictions in the United Kingdom, Channel Islands, Isle of Man or the Irish Republic.”

The Scottish Executive responds as follows:

It has been decided as a matter of policy not to disqualify persons for nomination/election and holding office as a member of the National Park Authority by reference to a conviction outwith the United Kingdom, Channel Islands, Isle of Man or the Irish Republic. This is in line with the disqualification provision in respect of local authority membership contained in section 31(1)(c) of the Local Government (Scotland) Act 1973.

J Halley
for the Scottish Executive

7 March 2002
THE SCOTTISH PARLIAMENT AND LOCAL GOVERNMENT
WORKING TOGETHER

"THE COVENANT"

COVENANT DEFINING WORKING RELATIONSHIPS
AND THE ESTABLISHMENT OF
A STANDING JOINT CONFERENCE
INTRODUCTION

1. This Covenant which has been adopted by the Scottish Parliament and Local Government¹ is founded upon a recommendation from the McIntosh Commission which stated that:-

the Parliament and the 32 councils should commit themselves to a joint agreement – which we call a Covenant – setting out the basis of their working relationship; and that they should set up a standing Joint Conference to be a place where parliamentarians and local government representatives may hold a dialogue on a basis of equality

BACKGROUND

2. Councils, like Parliament, are democratically elected and consequently have their own legitimacy as part of the whole system of governance.

3. It is therefore essential and entirely in keeping with the power sharing and participation principles of devolution that the Parliament should develop a working relationship directly with local government.

4. Based on parity of esteem and the principles underlying the European Charter of Local Self Government, (text of the Charter is annexed) this Covenant sets out the understanding of, on the one hand the Scottish Parliament and on the other local government, of the principles that will underlie relations between them.

5. The arrangements acknowledge the need for the parties to work together in an atmosphere of mutual trust and respect, recognising the value and legitimacy of the role that both have to play in the governance of Scotland.

6. This Covenant does not constitute a legally enforceable contract or create any rights or obligations that are legally enforceable. It is intended to be a broad guidance document, binding in honour only and not an exhaustive text of those issues that might arise.

7. The Covenant is therefore founded upon mutual Respect, with a “Code of Operational Practices” covering Recognition and Relationships while a Standing Joint Conference will monitor Review and Renew the arrangements as appropriate.

¹ In this document, the “Scottish Parliament” means the Scottish Parliament and the powers devolved to it in terms of the Scotland Act 1998, and “local government” means the councils constituted under the Local Government Acts and COSLA as the representative organ.
RESPECT AND RECOGNITION

8. In furtherance of the European Charter of Local Self-Government the Parliament recognises the need to secure and maintain a strong and effective system of local government based on their parity of esteem and the principal of subsidiarity, underlying the European Charter of Local Self-Government. The parties also acknowledge and respect each other's roles and functions, which are distinct and complementary:

- Within the powers conferred by the Scotland Act 1998 the Parliament has responsibility for determining the powers and duties of local government, while the Executive has responsibility for setting the national framework for local service provision.

- Councils have a democratic mandate to ascertain the needs of their communities and the priorities of their electorates; to plan, co-ordinate and ensure the delivery of local services accordingly, within the legal framework laid down by Parliament.

9. It is inherent in the McIntosh report that the Parliament, Executive and local government have a shared responsibility to serve the people of Scotland; and it is the clear intention of the report's recommendations that so far as possible these several institutions should work in partnership towards this common objective.

10. The parties agree that for the relationship to be effective and meaningful it has as the core objective the establishment of operational arrangements which ensure that local government is fully engaged in all relevant aspects of the Parliament's work and that working together, sharing information, experiences and views is integral to the whole process.

11. Noting that Her Majesty's government has signed and ratified the European Charter of Local Self-Government, the parties also agree to work within the framework established by the Charter.

12. The parties agree to work to the Code of Operational Practice set out below.

13. The Covenant may be subject to review from time to time at the initiative of either party.

OPERATIONAL ASPECTS

14. This Code has at its core objective the establishment of clearly defined processes and procedures for engaging local government in all relevant aspects of the Parliament's work.

ENGAGEMENT

15. Primarily through the Parliament's committee arrangements there will be active involvement of local government on both the principle and practice of any proposals which impact upon local government.

CONSULTATION

16. The procedures adopted by the Scottish Parliament provide for a high level of consultation and discussion at all stages of the preparation and consideration of legislation, involving interested
bodies and individuals, the Executive and committees of the Parliament. Within that framework -

- The Parliament via its committee arrangements undertakes to facilitate consultation with local government on all proposals which affect or might affect the structure, role, functions and financing of local government. The financial effects of policy and legislative proposals on local government will be given specific attention; as will the impact of cross-cutting developments which span a number of service or policy areas.

- Local government undertakes to provide a considered, co-ordinated and timely response to issues on which it is consulted.

- The Parliament and Local Government undertake to respect confidentiality where that is required or requested; and otherwise to conduct their dialogue openly.

- Consultation with local government will involve both COSLA and individual councils, on the understanding that, where appropriate and applicable, COSLA will undertake to provide a co-ordinated response which takes account of the views of the individual councils. On certain specialised topics some councils will have an interest and others will not: in these cases COSLA will facilitate more targeted consultation.

- Local government will be invited to submit views on the likely costs associated with legislative and other changes which impact on the services provided by local government.

- There will be opportunities for local government to bring to the Parliament's notice matters on which local government wishes to see legislation introduced or existing legislation amended.

- The parties will support arrangements where appropriate for secondments and /or regular job exchanges between local government officers and Parliamentary staff.

17. The working arrangements will require to evolve as the relationship between the Parliament and local government develops. However, the above represents the anticipated minimum level of participation of local government.

LOCAL GOVERNMENT COMMITTEE

18. The following arrangements will operate in relation to working arrangements between the Parliament's Local Government Committee and local government, although they may also be taken up in whole or in part by any of the Parliament's committees:

- observer status for the Committee at COSLA meetings, with an understanding that observers may be excluded where required at private meetings.

- observer status for COSLA at meetings of the Local Government Committee, with an understanding that observers may be excluded where required at private meetings.

- regular meetings between the Committee and Council Leaders to consider issues of mutual interest.
• regular programme of visits to councils by the Committee or their representatives, although specific ground rules need to be set out and agreed for arranging and reporting back on visits.

**MONITORING THE AGREEMENTS**

**REVIEW AND RENEW**

19. In recognition of the key role that local government plays in the governance of Scotland, a Standing Joint Conference will be established with equal numbers (not more than 16 from each side) of representatives from Parliament and local government.

20. The Parliamentary membership of the Conference may include conveners of the Parliament's Committees and local government membership will be selected annually so that each council will be directly represented during a three year period and the selection process will have regard to the political balance of councils and geographical spread.

21. The main functions of the Conference are to:

- **Review** how the procedures set out within the Covenant are operating in practice and make proposals to **renew** the arrangements where appropriate.

- **Review** how the Partnership Agreement between the Executive and local government is operating in practice and make proposals for changes / improvements where appropriate.

- **Renew** and work towards the promotion of excellence in Government as a whole by improving governance and public service standards across the board. Exploit the opportunity for Parliament and local government to exchange ideas, review existing policy, discuss future policy and consider the impact of legislative changes. Consider views of a strategic nature as well as those of more immediate interest.

22. The Conference will develop its own set of agreed working practices, including the establishment of a clear work programme, procedures and protocols, however the following specific arrangements will apply:

- Conference meetings will be jointly chaired and will be serviced by a secretariat drawn from the Scottish Parliament and Local Government

- Conference meetings will be held on at least 2 occasions per year (provisionally April and October) with arrangements being made for special meetings as required

- Members of either side can initiate a special meeting of the Conference by presenting a notice of motion signed by at least 5 members of the Conference.

- Policy issues impacting upon local or central government services may be placed on the agenda by either side

- With agreement of the joint chairs any Minister, MSP, council or relevant body or person with a specific interest, has the right to submit papers on agenda items, or to be invited to attend and address the Conference
THE SCOTTISH PARLIAMENT AND LOCAL GOVERNMENT

“THE COVENANT”

OPERATIONAL ASPECTS CODE OF OPERATIONAL PRACTICES

RECOGNITION

RELATIONSHIPS

FOUNDATION OF COVENANT
RESPECT

REVIEW

RENEW

MONITORING THE COVENANT
STANDING JOINT CONFERENCE
Budget Process 2003-04

Stage 1 Guidance from the Finance Committee to Subject Committees

1. Introduction
At the first stage of the annual budget process, the terms of which have been approved by the Parliament, the subject committees are asked to consider and report on the future spending priorities of the relevant Scottish Executive department. The Annual Expenditure Report (AER) sets out the provisional expenditure plans for 2003-4. Subject committees should also bear in mind that new resources may emerge from the UK Spending Review this summer.

2. The Executive has agreed to include a number of new features in the AER after discussing with the Finance Committee its commissioned report by Arthur Midwinter and Jim Stevens, *The Real Scope for Change*. These are:
   1. an assessment for each portfolio of the scale of *unallocated resources* available for next year;
   2. an assessment of the extent of *committed capital expenditure* in the new budget, so that the amount available for new allocation is clear.
   3. A summary of the *outputs* expected from its new spending proposals.

3. In addition the Finance Committee recently received a report on outcome budgeting by Norman Flynn. This showed clearly that the development of *outcome measurement* is a long-term exercise. However, the Committee is of the view that where outcome measures exist and are relevant to the budget process, these should be included in the AER (Indeed, some already are).
4. In this year’s budget exercise the Finance Committee recommends to subject committees that they focus more closely on budget choices to be made as well as on processes and information (e.g. performance targets). Last year, no recommendations for shifting resources were received, and this may be taken to infer that the Parliament is content with the pattern of allocations proposed by the Executive. To assist this, the Executive has agreed to cost any spending options that Committees wish to recommend at Stage 1, and have these considered by Cabinet in the summer. Clearly, this is a valuable opportunity to impact on expenditure decisions.

5. With these developments in mind, therefore, the Finance Committee would welcome responses from the subject committees on the undernoted key questions:

(a) Is the Committee satisfied that any recommendations it made on outstanding issues from last year have been addressed in the budget proposals (where appropriate)?

(b) Does the Committee feel the departmental spending proposals are consistent with the Executive’s Strategy and Objectives and does the Committee agree with the Executive’s priorities?

(c) Does the AER provide evidence of performance in meeting targets or of progress towards long-term outputs and outcomes? Can the Committee suggest alternative measures to strengthen this aspect of scrutiny?

(d) Does the Committee recommend any change in the balance of spending between the budget heads?

(e) In the light of the forthcoming Spending Review, is there an alternative budget option or priority amongst existing programmes which the Committee would propose to the Executive?

(f) What evidence is available to the Committee in making its recommendations and from which groups/individuals did the Committee take evidence on the budget, and what concerns were expressed?
(g) Is there any other pressing budgetary issue which the Committee wishes to draw to the attention of the Finance Committee?