TRANSPORT AND THE ENVIRONMENT COMMITTEE

AGENDA

3rd Meeting, 2002 (Session 1)

Wednesday 23 January 2002

The Committee will meet at 9.30 am in Committee Room 2, to consider the following agenda items:

1. Item in Private: The Committee will consider whether to take agenda item 4 in private.

2. Water Industry (Scotland) Bill: The Committee will consider the Bill at Stage 2 (Day 4).

3. Public Petitions: The Committee will consider a paper from the Committee’s Reporters on Petition PE346 by Scotland Opposing Opencast and Petition PE369 by the Confederation of UK Coal Producers, outlining possible next steps on the petitions.

4. Aquaculture Inquiry: The Committee will consider the possible contents of a draft report on the first phase of its inquiry into aquaculture.

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The following public papers are relevant for this meeting:

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<td>Letter from the Deputy Minister for Environment and Rural Development on Charitable Reliefs (Agenda item 2)</td>
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The Water Industry (Scotland) Bill and Accompanying Documents are relevant to this meeting. Copies of the Marshalled List of Amendments and the groupings of amendments will be available at the start of the meeting in Committee Room 2.
WATER INDUSTRY BILL (SCOTLAND): CHARITABLE RELIEFS

I am writing in advance of the Committee’s further consideration of the Water Industry (Scotland) Bill tomorrow, with information on a scheme of charges relief aimed at small bodies and organisations with a local remit that we have developed in response to the concerns expressed in your Committee’s report on the Water Industry Bill. The attached note sets out the detail of the scheme, but I thought it would be helpful if I set out the thinking behind it.

In considering this difficult issue, our starting point, which I believe the Committee supports, is that relief from water charges is not a sensible way to direct support to the voluntary sector. But we also recognise the desirability of helping those bodies that have a local remit and do not have access to significant central or local government funding. This has led us to propose a fairly simple scheme aimed at those bodies with particularly limited incomes that are most likely to feel most severely the impact of having reliefs withdrawn generally.

The scheme’s basic criteria are a requirement on the part of applicants to demonstrate that they:

- Are claiming in respect of premises eligible for relief under current water authority arrangements
- Have an annual income of less than £10,000 in respect of the premises

Bodies that are eligible in the coming financial year will be totally exempted from all water and sewerage charges during the period 1 April 2002 to 31 March 2006.
The Executive believes that this approach, with its guaranteed exemption for up to four years, is the most effective and straightforward means of dealing with the impact of relief withdrawal on the sort of bodies that the Committee itself identified in its report on the industry and in its stage 1 report on the Bill. It is more generous than current relief arrangements and allows those qualifying to plan for the next four years with confidence and without the need to reapply for exemption. The sort of bodies that it will assist will include those relying on local financial support and occupying premises such as local halls: in short those least well placed to cope with the withdrawal of reliefs. Crucially, and unlike other proposals put forward in this area, the scheme will catch those bodies that have no formal charitable status – thereby ensuring that the smallest groups, such as parent and toddler groups, or local scout or guide groups do not risk being excluded.

Clearly, concentrating substantial support on the smallest groups means that larger organisations will have to continue planning to cope with the phased withdrawal of reliefs. With this scheme, increased water charges are likely to constitute only a small percentage of an organisation’s expenditure. In many cases these organisations will be receiving significant financial support, either directly or indirectly, from the Executive. And while increased charges are never welcome, the fact is that the Executive’s direct support to the voluntary sector has increased from £33 million to £39 million in the past year, with indirect support in that period rising from £269 million to £304 million. These substantial increases far outstrip the impact of withdrawal. Moreover, for those occupying premises with high rateable values, but consuming relatively little by way of water and sewerage services, the move to a meter, which will be supplied free of charge, provides a demonstrably fair means of reducing charges, while still paying for the service.

The Executive recognises that there is no easy way to move from a system of reliefs to one where all groups of customers contribute on the same basis towards the costs of the services they consume. However, I believe that that the approach described in the attached note provides a fair basis for proceeding and I hope that the Committee will be able to support it in its consideration of the Bill.

I am sending a copy of this letter to the Clerk of the Committee.

ALLAN WILSON
EXEMPTION FROM WATER AND SEWERAGE CHARGES

Introduction

1. This note sets out the main provisions to implement a direction to be made by the Scottish Ministers under section [ ] of the Water Industry (Scotland) Bill by which Scottish Water will be required to exempt from paying water and sewerage charges those persons that otherwise would be liable to pay charges in respect of particular premises.

Nature of exemption

2. Exemption will mean that no liability to pay water and sewerage charges will arise in the period from 1 April 2002 to 31 March 2006, or any part of that period, where the criteria described below are satisfied in the period, or any part of it. Once granted an exemption will run until 31 March 2006. Eligibility for a further four year exemption period, beginning 1 April 2006, will be subject to the criteria below continuing to be met.

Definition of persons and premises to be exempted

3. The exemption is to apply to persons, bodies, organisations or groups:

3.1 that are liable to pay water and sewerage charges in respect of premises that were eligible for relief on water and sewerage charges from the existing water and sewerage authorities on 31 March 2002; and

3.2 that in their latest financial year had income in respect of these premises of less than £10,000.

Procedure for securing exemption

4. The direction will require Scottish Water to provide the exemption to any premises where the person, body, organisation or group liable to pay the charges for the premises (the charge payer) can demonstrate that the criteria at paragraph 3 above are satisfied. It will require Scottish Water to publicise the existence of the exemption among those eligible for relief on 31 March 2002. But thereafter, it will place the onus on the charge payer to apply in writing to receive the exemption, demonstrating their eligibility for it. This will include requiring them to demonstrate that their income in their last financial year was below the threshold specified at 3.2. In the case of incorporated bodies, Scottish Water will look for evidence of income in the form of most recent audited accounts for the body. In the case of unincorporated bodies and other less formally constituted bodies and groups, Scottish Water will look for reasonable documentary evidence of income, such as the most recent unaudited accounts, or copies of a full year's bank statements.

5. Scottish Water will be expected to deal promptly with all applications for exemption, with a view to informing applicants as to the outcome of their application within 6 weeks of having received it.
6. Where an exemption is agreed for the financial year 2002-03, this will be backdated to 1 April 2002 and Scottish Water will refund to successful applicant any payments received from the applicant in respect of services provided after 1 April 2002. Exemptions can be granted for subsequent financial years and will be backdated to 1 April of the financial year in question.

7. In refusing any application for an exemption, Scottish Water will cite its grounds for doing so. Any charge payer refused an exemption by Scottish Water will be entitled to appeal in writing to Scottish Water within 28 days of having been refused. Where Scottish Water continues to refuse an exemption, the charge payer may appeal in writing to the Water Industry Commissioner.

Scottish Executive

January 2002
REPORTERS’ PAPER ON PETITIONS PE346 AND PE369 ON
OPENCAST COAL MINING – NEXT STEPS

Subject: Proposals for Committee Reporters work in relation to two public petitions on opencast coal mining, by Scotland Opposing Opencast and the Confederation of UK Coal Producers.

Meeting No: 3rd Meeting, 23 January 2002

Authors: Adam Ingram MSP and Nora Radcliffe MSP

Introduction

1. Petition PE346 by Mr Lawrence Fitzpatrick on behalf of Scotland Opposing Opencast calls for the Scottish Parliament to take various steps to protect local communities and the environment from the adverse effects of opencast coal mining in Scotland.

2. Petition PE369 by Mr Brian Roston on behalf of the Confederation of UK Coal Producers calls for the Scottish Parliament to urge the Scottish Executive to take various positive steps with regard to the coal industry in relation to development plans and planning processes.

3. The two petitions have been referred to the Transport and the Environment Committee, and were considered at a Committee meeting on 12 December 2001, when the Committee agreed to appoint Adam Ingram and Nora Radcliffe as Reporters on the application of National Planning Policy Guidance 16 and the cost of monitoring and enforcing mineral permissions.

4. This paper invites members to agree a terms of reference for the Reporters’ work on the petitions and to agree the proposed arrangements for evidence-taking by the Reporters on the petition.

Draft Terms Of Reference

5. Members are invited to consider the following draft terms of reference for the Committee’s consideration of the petitions:

   The Committee will consider the issues raised by Petition PE346 by Scotland Opposing Opencast and Petition PE369 by the Confederation of UK Coal Producers in the context of—
   (a) the application and effectiveness of National Planning Policy Guidance 16 on opencast coal and related minerals – in particular, the objectives of NPPG 16, and the degree to which these are being met; and
   (b) the current arrangements for meeting the cost of monitoring and enforcing mineral permissions – and the merits or otherwise of a new fees regime for Scotland.
6. It is proposed that the Reporters will receive written information and hold meetings with interested parties on this terms of reference, and report to the Committee in due course, either with specific recommendations for action by the Committee, or with a proposal for taking forward consideration of the petitions (for example through an oral evidence-taking session). It is hoped that the Reporters could report back to the Committee by end March 2002.

**Written Information**

7. It is proposed that the Reporters issue a general call for written information on the above terms of reference, to allow all interested parties an opportunity to comment. In addition, the Reporters propose to write to various specific bodies such as CoSLA, individual local authorities, local interest groups, as well as the petitioners, to seek their views.

8. The position of the Scottish Executive on NPPG 16 and the cost of monitoring and enforcing mineral permissions has been set out in correspondence received by the Committee, but it may be necessary to seek supplementary information from the Executive (for example on its intention to keep the effectiveness of NPPG 16 under review). In addition, the Reporters may wish to obtain information on work undertaken by the DETR on mineral monitoring fees in England and Wales.

**Meetings and Site Visits**

9. The Committee has agreed to seek the approval of the Conveners’ Liaison Group for the Reporters to conduct site visits in order to view areas affected by opencast developments, and to meet representatives of the authorities responsible for regulating and monitoring opencast developments; individuals and bodies who operate opencast mines; and campaigners concerned with the adverse effects of opencast developments.

10. Suitable locations have been identified for proposed visits in Ayrshire and West Lothian. The Reporters hope to meet representatives of the two organisations behind Petitions PE346 and PE369 – Scotland Opposing Opencast and the Confederation of UK Coal Producers. As well as the site visits, it would be possible for further meetings with individuals or organisations to take place in Edinburgh if required.

11. The Reporters recognise that the impact of opencast developments in Scotland will vary, according to factors such as the location and scale of the development. In selecting locations for visits, the Reporters will try to achieve a balance between those developments which have been subject to opposition and criticism and those which have not.
Recommendations

12. The Committee is invited to—

- Agree to the terms of reference set out in the paper; and
- Agree to the suggested arrangements for the Reporters to seek written information and, subject to CLG approval, hold meetings with interested parties.

Adam Ingram MSP
Nora Radcliffe MSP