

Environmental Regulation (Scotland) Charging Scheme Consultation - FAQs

Why are you consulting when you consulted in 2015 on the new charging scheme?

In the 2015 consultation we consulted on the principles of making certain changes which would not be implemented until 2018, we are now consulting on the detail of these changes:

- We will introduce additional charges for operators who do not comply with the rules that permits set to protect the environment. Non-compliance with permits cause SEPA considerable additional work and therefore costs. This consultation provides the details but proposes delaying the introduction until 2019.
- Hydro-schemes between 0.1 and 2MW generation capacity will be charged. These schemes represent a significant proportion of abstractions in Scotland and cause us a significant workload but are not currently charged.
- Non-operational permits will be charged. There are a large number of permits that go through periods when they do not operate (for example fallow fish farms and irrigation permits). Work is still required for these permits, currently they are not charged.
- Small permitted discharges to the water environment will be charged. Currently they do not pay charges.

In addition we are taking the opportunity to consult on changes in response to comments on the scheme (both internal and external) with the objective to make it clearer and more straightforward. We will also implement new charges due to regulatory changes e.g. Medium Sized Combustion Plant Directive requirements.

What are the benefits of the change?

The planned changes are designed to better reflect where our costs arise and therefore where the charges should be made.

What impact do the changes to the scheme have on operators?

The majority of operators will see relatively small changes in their charges and the scheme will be phased-in over three years so the impact on most operators will be small.

For operators who have not been charged previously (so those who have hydro schemes between 0.1 – 2 MW and small permitted discharges) there will be an increase. These charges will be phased in over 3 years and it should be noted that no charge has been implemented over the last 2 years of the new scheme for these activities. In addition, there are those who hold licences but which are fallow / mothballed which will also have charged for the first time. In total there about 1700~ such operators.

The following compares the changes to the scheme implemented in 2016 but it should be noted that the majority of charge payers got a reduction in payments with the implementation of the 2016 scheme.

Excluding charge payers who had no charges under the 2016 Scheme; 45% have a reduction. A further 27% have an increase less than £20 (so total of 72% are expected to have a reduction or less than £20 increase).

My invoice refers to a 'phasing adjustment'. What is this?

Charges are being phased over three years so you will not see the full change immediately. This phasing was part of the 2016 scheme and will continue for three years. In developing and consulting

SCOTTISH ENVIRONMENT PROTECTION AGENCY

on the 2016 scheme we were aware that for some operators charges would go up and for some they would come down. From the consultation responses, 63% favoured phasing.

It should also be noted that in most cases the level of change in charge is relatively small for those who already pay charges with 72% of charge-payers having a decrease or having an increase of less than £20 (over the three year period).

Can I pay in instalments?

Charge-payers can agree a payment plan with SEPA, which will spread their payments over the year.

Will there be further consultation?

We are planning a review of the scheme in 2020. This means if there are aspects of the scheme which you think should be changed then you should discuss this with SEPA. There may be consultations before this time dependant on changes in legislation or major changes in what SEPA should charge.

Are you holding workshops during the consultation as you did in 2015?

Yes, we intend setting up workshops for sectors where there are the biggest changes. We believe workshops provide a good forum where we can listen to and understand better the views of stakeholders. These workshops will be scheduled at the end of the consultation period to allow stakeholders to review the impacts. For further information please contact us via the NCC@sepa.org.uk email address.

What do application charges cover?

Application charges cover the application process for authorisations covering waste management, waste exemptions, pollution prevention and control (PPC), holding of radioactive substances, and activities regulated under the Controlled Activities Regulations (e.g. water discharges and water abstractions).

What do annual charges cover?

Annual charges recover SEPA's costs where these are associated directly or indirectly with regulated activities:

- regulating activities to control their impact on the environment and human health;
- delivering environmental improvements;
- promoting positive environmental behaviours;
- safeguarding communities; and
- understanding the state of the environment and its impact on human health.

Half our funding comes from charging the remainder comes from Government funding.

Will the new Compliance Assessment Scheme affect the charges?

SEPA is required to take action if operators fail to comply with the conditions in their authorisation. This imposes additional costs. We consider that those who are responsible for generating these additional costs should pay for them. In the current version of the scheme these costs are allocated on a sectoral basis (within the activity component of the scheme). As a result those sections with the poorest compliance will face the highest costs.

In 2019/20, we will introduce the compliance factor which will focus charges upon those individual authorisations which fail to comply with their conditions. These additional charges will be based upon the results of SEPA's revised Compliance Assessment Scheme (CAS). CAS is being consulted on at the same time as charging to allow you the opportunity to consider the impacts.

What is a micro activity?

Very small scale activities that operate at a micro/craft scale typically pose very small risks to the environment. We have created a micro-activity charge to cover these activities. This ensures that charges for these activities are proportionate and do not cause financial distress. If you consider that you fall into this category then you should read the section in the guidance on micro-activities and then contact SEPA if you still consider that this level of charge is appropriate for you.