

Charging Consultation Response for Reservoirs Charging Scheme Consultation

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1 Objective

This document summarises the responses SEPA received on the Reservoirs Charging Scheme Consultation which was held in 2017; identifying key points and then outlining how SEPA intend taking these forward and why.

2 Background

2.1 Why did SEPA Consult

The reservoir charging scheme would run out at the end of 2017 and it was expected a review would take place at that stage. However the work during 2015/16 and 2016/17 had not stabilised so it was proposed that the charging scheme would be put in place for 2018 with the review of time taken to regulated assessed over 2017/18.

2.2 How Did We Consult?

We consulted via our website and sent a letter to every reservoir manager.

2.3 Overview of the Responses to the Consultation

On question 1 there were 11 respondents 8 considered the increase was too much, 2 who were content and 1 who did not consider the way SEPA regulate reservoirs was sensible.

Section 3, table 1 summarises the responses along with my views on these points. Overall there were no significant specific issues raised.

On question 2 there were 5 no comments and the remaining 6 had a variety of consultation responses. Section 3, table 2 summarises the responses along with our views on how they should be taken forward. Again there were no significant issues raised.

3 Consultation Responses and SEPA's Proposals

The following tables summarises the responses for each question and SEPA proposals (if applicable).

The main change we made after the consultation is we increased charges by CPI (3%) rather than the higher figure of RPI (3.9%). This lower increase was reflecting the further data we had collected over the consultation period.

Table 1: consultation responses to question 1: Do you agree with the proposed increase?

Summarised responses	Comments
The main comment was whether SEPA should be charging for this work in the first place	This is not part of this consultation, the initial assessment was taken by government when the regulations were set.
Charges do not relate to the work undertaken	Based on the current information we have, the charges just cover our costs. The review planned for next year will confirm this or identify if the charges need to go up or down.
One respondent considered that a review would only increase charges	The review planned for next year will identify if the charges need to go up or down, at this stage we cannot say what the outcome will be.
Should a wider environmental benefit be considered	This is not part of the current scheme. The intention is to combine the Environment Regulation (Scotland) Scheme (ERS) and the Reservoirs scheme. The ERS does have a category of "environmental service" and when the reservoir scheme is combined with ERS this would need to be reviewed and identified whether it should cover the reservoir act requirements.
Consideration should be given on individuals ability to pay	<p>This is a common issue raised in charging schemes and covers both commercial and non-commercial activities. SEPA cannot consider this alone though can look at aspects of phasing in or checking whether the charges are appropriate for new activities / regimes when there is not experience to fall back on.</p> <p>The general principle is licence holders should pay for the work SEPA does (the exception is for specific areas which SEPA believe provide environmental benefit).</p>

Table 2: Consultation responses to question 2: Do you have any other comments?

Summarised responses	Comments
Should a wider environmental benefit be considered	See comment under question 1.
Combine the CAR and reservoir charges	See above – this is expected to happen over the next few years.
Data concerns	Whilst this is not a direct charging scheme the aim should be to efficiently gather and maintain data. The requirement is on the reservoir manager to provide true and accurate data at the point of registration. There had clearly been data issues which were revealed when SEPA took on the role.
Classification concerns	This was a concern on how SEPA classifies a reservoir and not a direct charging issue. Reservoir managers had the ability to make a representation (free of charge) if they felt the risk designation was wrong; advice and guidance was provided. Thereafter they can seek a review, this review is charged.
Why is RPI used rather than another index	At the time of consulting the RPI (3.9%) increase was considered to be the most relevant. RPI would have always been a maximum rate. With some further months of activity available, it was proposed and agreed that CPI (3%) was more appropriate.
Consideration should be given to individuals ability to pay	See comment under question 1.