

Directorate of Finance &  
Corporate Services

If telephoning ask for:  
John Shaw  
01786 455925

29 October 2010

Dear Sir/Madam

## **PROPOSED AMENDMENTS TO SEPA CHARGING SCHEMES FOR 2011/12**

SEPA recognises the difficult economic conditions facing businesses and industry and will not be increasing baseline charges in 2011/12.

Normally fees and charges increases at or below the annual increase in inflation are not subject to consultation. However we are required to consult with our customers when we make significant changes to charging schemes and this short consultation proposes some technical amendments and charge reductions for some of our charging schemes, including one significant reduction in Batteries scheme subsistence charges.

One change is necessary because charges which are currently in the UK regulations will not apply from April 2011 and the regulations require SEPA to set up their own charging scheme by 1 April 2011. Other changes will also move charges from various regulations into SEPA schemes and consolidate and tidy up the schemes and make them clearer.

The charging schemes affected are

- Transfrontier Shipment of Waste (International Waste Shipments)
- Producer responsibility – WEEE
- Producer responsibility – batteries
- EU-ETS Aviation

### **TRANSFRONTIER SHIPMENTS (TFS)**

Transfrontier Shipment (TFS) fees and charges are currently included in the UK regulations but the regulations require SEPA to set up their own charging scheme by 1 April 2011.

During transfer to a new SEPA scheme we propose to make some reductions to the charges to keep them aligned with charges in England and Wales. The maximum proposed reduction is about 6%. The existing and proposed amendments to TFS charges are in Annex 1.

### **PRODUCER RESPONSIBILITY – WASTE ELECTRICAL AND ELECTRONIC EQUIPMENT (WEEE)**

WEEE charges are in the UK regulations. There is no obligation to implement a SEPA charging scheme however the regulations make provision for the transfer to a SEPA scheme and we propose to take this opportunity in 2011.

WEEE charges apply for the application to operate a compliance scheme and an annual subsistence charge is based on the number of compliance scheme members and a charge multiplier. There is also an annual charge for the operation of approved treatment and export facilities.

During transfer to a new SEPA scheme we propose to make some minor reductions to the charges to keep them aligned with charges in England and Wales. The existing and proposed amendments to WEEE charges are in Annex 2.

### **PRODUCER RESPONSIBILITY – BATTERIES**

Charges are currently in the regulations but must be transposed into a SEPA scheme by April 2013. We propose to reduce some charges and complete the transposition in April 2011.

A Battery Compliance Scheme collect, treat and recycle batteries on behalf of large producers. They also register their members with the appropriate environment agency and provide the regulators with necessary data. There are currently six battery Compliance Schemes in England and none in Scotland. There is currently only one small Battery Treatment Facility registered in Scotland.

Following a review of the costs and charges of operating the current scheme by the regulators, we propose a substantial reduction (24%) in the scheme subsistence charge for each existing compliance scheme.

Some application fees for Approved Applications for Treatment or Export Facilities for batteries will be marginally reduced. Existing and proposed PR-Batteries charges are in Annex 3

### **EU - EMISSIONS TRADING SCHEME (ETS) – AVIATION CHARGES**

Each of the UK ETS regulators operates its own non-aviation EU-ETS charging scheme.

In 2010 UK regulations extended the Emissions Trading Scheme to include the aviation sector. Charges to recover the regulators costs of compliance work were included in the aviation regulations. The intention, was to migrate these charges into the regulators schemes therefore we propose to move the charges for aircraft operators into the SEPA EU ETS Aviation charging scheme from 1 April 2011. There will be no change to the charges paid by an operator; it will simply mean that charges are levied under a SEPA scheme rather than in regulations.

The three annual emission bands in the UK ETS – Aviation Regulations were set to match the existing bands for non aviation ETS emissions in order that they can easily be combined into each regulators scheme. Some very minor increases and reductions will be made to maintain consistency with the other UK regulators.

This will not affect how, or when, operators are charged, nor the consultation and approval process should we need to amend charges at a future date. However unlike most other regulation and charging schemes these charges will be for a calendar year. Aircraft operators will receive an invoice for their annual subsistence charge in January/February of each year to cover the preceding compliance year.

Transfer of the charges is subject to some amendments to the Environment Act 1995, which are anticipated to be made by Parliament in January 2011.

The proposed ETS charges are in Annex 4.

### **How to respond to this consultation**

You need not respond to this consultation if you have no comments or queries however we would welcome your views on these proposed amendments, the reasons behind your views and, where possible, any evidence you have that supports them.

### **The consultation period closes on 21 January 2011.**

Please send your written responses and the completed form in writing or by email to:

#### **Yvonne Fieldhouse**

Scottish Government  
SEPA Sponsorship and Pollution Team  
Victoria Quay  
Area 1-J (N)  
Edinburgh  
EH6 6QQ

Email: [SEPATeam@scotland.gsi.gov.uk](mailto:SEPATeam@scotland.gsi.gov.uk)

We would be grateful if you could clearly indicate which parts of the consultation document you are responding to, as this will aid analysis of the responses received. Please also submit the enclosed Respondee Information Form with your response (Annex 5).

All responses will be made public, unless a respondent specifically asks for their response to be treated confidentially, though confidential responses may still be included in any statistical summary of numbers of responses received or views expressed.

If you know of others with an interest who have not received a copy of the consultation, please refer them to our website or ask them to contact us, Tel: 01786 455925.

We look forward to receiving your comments.

Yours faithfully

John Ford  
Director of Finance and Corporate Services  
SEPA

## Annex 1 Transfrontier Shipment charges

The existing charges for TFS are as follows;-

Activity	Shipments					
	1	2 to 5	6 to 20	21 to 100	101 to 500	500 +
Export for recovery	£1,510	£1,510	£2,740	£4,070	£7,920	£14,380
Export for non interim disposal	£1,590	£1,590	£3,360	£5,570	£11,200	£20,270
Export for interim disposal	£1,740	£1,740	£3,370	£6,160	£13,300	£24,820
Import for non interim recovery	£1,330	£1,330	£2,770	£4,980	£10,610	£19,680
Import for interim recovery	£1,480	£1,480	£3,010	£5,800	£12,940	£24,460
Import for non-interim disposal	£1,590	£1,590	£3,360	£5,570	£11,200	£20,270
Import for interim disposal	£1,740	£1,740	£3,370	£6,160	£13,300	£24,820

Proposed revised charges are:-

Activity	Shipments					
	1	2 to 5	6 to 20	21 to 100	101 to 500	500 +
Export for recovery	£1,450	£1,450	£2,700	£4,070	£7,920	£14,380
Export for non interim disposal	£1,540	£1,540	£3,330	£5,500	£10,600	£19,500
Export for interim disposal	£1,700	£1,700	£3,330	£6,000	£12,900	£24,000
Import for non interim recovery	£1,250	£1,250	£2,700	£4,900	£10,600	£19,500
Import for interim recovery	£1,450	£1,450	£2,830	£5,500	£12,900	£24,000
Import for non-interim disposal	£1,540	£1,540	£3,330	£5,500	£10,600	£19,500
Import for interim disposal	£1,700	£1,700	£3,330	£6,000	£12,900	£24,000

## Annex 2 WEEE Charges

The application fee for a new WEEE compliance scheme will be £12,150; a marginal reduction of £24 on the existing charge of £12,174.

Subsistence charges

	Current Charge	Revised Charge for 2011	Reduction of
Charge Band A (>£1m turnover)	£445	£445	0
Charge Band B (<£1m turnover & VAT register)	£220	£210	£10
Charge Band C (<£1m and not registered)	£30	£30	0
Charge Band D (<£1m and not registered), overseas company	£30	£30	0

Application fee for the annual Approved Applications for Treatment or Export Facilities

	Current Charge	Revised Charge for 2011	Reduction of
Approved Treatment Facility – Large	£2,590	£2,570	£20
Approved Treatment Facility – Small	£500	£500	0
Approved Export Facility – Large	£2,590	£2,570	£20
Approved Export Facility – Small	£500	£500	0
Approved Export Facility – additional sites	£110	£110	0

### Annex 3 Producer Responsibility – Batteries scheme charges

The annual subsistence charge for the operation of a compliance scheme is made up of the scheme charge and a charge multiplier for the number of large and small producers within the scheme, as follows;

#### Subsistence charges

	Current Charge	Revised Charge for 2011	Reduction of
Compliance Scheme Charge	£118,000	£90,000	£28,000
Large producer Charge	£680	£600	£80
Small Producer Charge	£30	£30	0

#### Application fee for the annual Approved Applications for Treatment or Export Facilities

	Current charge	Revised Charge for 2011	Reduction of
Large Battery Treatment Facility	£2,590	£2,570	£20
Small Battery Treatment Facility	£500	£500	0
Large Battery Export Facility	£2,590	£2,570	£20
Small Battery Export Facility	£500	£500	0
Approved Export Facility – additional sites	£110	£110	0

### Annex 4 ETS Aviation charges

#### Annual subsistence charges

Band	Estimated emissions	Revised charge in ETS scheme	Increase/Reduction of
A	Less than 50kt	£2,550	£4
B	50kt - 500kt	£3,320	£2
C	More than 500kt	£4,080	0

#### Other charges

Charge	Revised charge in ETS scheme	SEPA
Emission plan	£750	0
Benchmarking plan	£830	0
Variation & Transfer	£430	£4
Special reserve application	£1,120	£1

**ANNEX 5**

**RESPONDENT INFORMATION FORM**

Please note that this form **must** be returned with your response to ensure that we handle your response appropriately

*Please tick one of the following boxes*

- I confirm that I am content with the proposals
- I confirm that I am content with the proposals subject to my attached comments
- I confirm that I am **not** content with the proposals for the reasons in my attached comments

**1. Name/Organisation**

Organisation Name

Title Mr  Ms  Mrs  Miss  Dr  *Please tick as appropriate*

Surname

Forename

**2. Postal Address**

  
  
  

Postcode

Phone

Email

**3. Permissions**

**I am responding as...**

**Individual**

**/**

**Group/Organisation**

*Please tick as appropriate*

**(a)** Do you agree to your response being made available to the public (in Scottish Government library and/or on the Scottish Government web site)?

*Please tick as appropriate*  Yes

**(b)** Where confidentiality is not requested, we will make your responses available to the public on the following basis

*Please tick ONE of the following boxes*

Yes, make my response, name and address all available

*or*

Yes, make my response available, but not my name and address

*or*

Yes, make my response and name available, but not my address

**(c)** The name and address of your organisation **will be** made available to the public (in the Scottish Government library and/or on the Scottish Government web site).

Are you content for your **response** to be made available?

*Please tick as appropriate*  Yes   
**No**

**(d)** We will share your response internally with other Scottish Government policy teams who may be addressing the issues you discuss. They may wish to contact you again in the future, but we require your permission to do so. Are you content for Scottish Government to contact you again in relation to this consultation exercise?

*Please tick as appropriate*  Yes  No