

SCOTTISH ENVIRONMENT PROTECTION AGENCY

MINUTES OF THE ONE HUNDRED AND TWENTYTHIRD MEETING OF THE AGENCY BOARD HELD ON TUESDAY 12 FEBRUARY 2013 AT SEPA, BREMNER HOUSE, STIRLING

Present

James Curran (Chief Executive)	Alison Hay
Fred Dinning	Bill McKelvey
Richard Dixon	Keith Nicholson (from item 5)
Ian Doig	Lesley Sawers
Bob Downes (items 1 to 4 only)	David Sigsworth (Chairman)

In Attendance

Karen Cochrane	Executive Officer
John Ford	Director of Finance and Corporate Services
Calum MacDonald	Director of Operations
Jennifer McCulloch	Clerk to the Board
Fiona Martin	Chief Officer, Organisational Development
David Pirie	Director of Science and Strategy
Mark Wells	Head of Strategic Communications

1. Chairman's opening remarks

In opening the meeting David Sigsworth advised the Board that John Ford, Director of Finance and Corporate Services, and Jennifer McCulloch, Clerk to the Board, would be leaving SEPA shortly, with the result that this would be their last meeting of the Board. On behalf of the Board he thanked both John and Jennifer for their commitment to the organisation and for their excellent, professional contribution to SEPA and the environment.

David Sigsworth advised that the following item would be considered by the Board members only and the two subsequent items by the Board members and officers, with item 5 onwards being held in public session.

The following item was considered by the Board members only in private session

2. Executive Restructure

The following items were considered by the Board and its officers in private session

3. Annual Operating Plan 2013/2014 (SEPA 04/13)

The Board approved the report.

4. Financial Strategy 2013/2018 and Draft Annual Budget 2013/14 (SEPA 07/13)

The Board approved the Financial Strategy 2013/2018 and Draft Annual Budget 2013/14.

Bob Downes left the meeting.

The following items were considered in public session

5. Apologies for absence

Apologies for absence were received from Helen Zealley and Bob Downes.

6. Order of Business

The order of business was as detailed on the agenda.

7. Declarations of Interest

No declarations of interest were made.

8. Approval of minutes of meeting of 13 November 2012

The minutes of the meeting held on 13 November 2012 were approved as a correct record of the meeting with one minor change.

9. Matters Arising

In reply to a question about item 9.1 (Chief Executive's Report) and the accident that had taken place on SEPA's survey vessel, the Sir John Murray, David Pirie advised that a report had been provided to SEPA's Health and Safety Committee on the accident and the improvements that had been put in place to ensure the future safety of staff. He noted that an audit would be carried out in early March to check that the actions undertaken were adequate and advised that the individual affected was expected to return to work shortly.

10. Chairman's Report (SEPA 10/132)

David Sigsworth introduced his report and provided a verbal update on the National Farmers Union Scotland Centenary dinner held on 11 February 2013. He noted that concerns had been raised by the farming community about drainage problems as a result of the wet summer and recent flooding incidents. Calum MacDonald advised the Board that work was underway to develop pragmatic guidance on, and information about, what solutions could be employed by farmers in these difficult conditions and that this had been welcomed by the agricultural community.

The Board noted the report.

11. Management Reports

11.1 Chief Executive's Report (SEPA 09/13)

James Curran introduced his report and provided a verbal briefing on a number of items.

In connection with Dalgety Bay he advised that the intrusive work by the Ministry of Defence to identify significant pollution linkages on the land, beach and foreshore was now complete and that a report was expected in mid-February. He noted that the final outcome of the process would be the identification of the appropriate person to take responsibility for a management plan for the development and delivery of remediation.

He provided information about a conference held on 5 and 6 February 2013 on Flood Risk Management organised by SNIFFER and supported by SEPA. He noted that the conference had looked at a range of flood management issues, from the Flood Risk Management (Scotland) Act 2009 and supporting policy, to knowledge sharing across the flooding community. He noted that partners across the flooding community had been well

represented.

James Curran advised the Board of the granting of a licence for the Scottish Coal Community Limited's project to drain Loch Fitty, following Scottish Ministers' decision not to call the application in for consideration. He noted that a press release would be issued that afternoon with details of the application and the project. Calum MacDonald confirmed that SEPA had carefully considered every aspect of the proposal when determining the application and that specialist advice had been sought.

In reply to a question about the recent excess flaring at the ExxonMobil Mossmorran ethylene gas plant, Calum MacDonald undertook to circulate an update on the incident and the status of the plant to Board members.

Action: Calum MacDonald

In connection with a question about paragraph 2.2.2 (Carbon Capture and Storage) Calum MacDonald confirmed he would provide a briefing on SEPA's work in this area.

Action: Calum MacDonald

The Board noted the report.

11.2 Quarterly Performance Report (SEPA 06/13)

David Pirie spoke to the report. He drew attention to the performance measure detailed in the report that had not been achieved i.e. the delivery of the four flood hazard mapping contracts (page 8). He noted that some elements of each of the Regional Pluvial, Fluvial and Coastal contracts had been delayed but confirmed that steps had been taken to ensure that the deadline for the delivery of flood hazard maps for reporting to the European Union would be met.

He drew attention to the two performance measures at red status, noting that the performance for Transport Greenhouse Gas emissions continued to have red status and that the status of the Scottish Monitoring Plans measure had moved from green to red because progress with the Air Monitoring Action Plan was much slower than planned.

The Board noted the report.

11.3 Quarterly Financial Monitoring Report (SEPA 08/13)

John Ford introduced the report and noted that SEPA was on track to achieve its financial targets. He drew attention, in particular, to the capital expenditure forecast (paragraph 1.7) and the largest single area of budgeted expenditure being the fit out of the Angus Smith Building; and the risk (paragraph 7) of ensuring that all cash was utilised by 29 March 2013.

In reply to a question about the forecast surplus outlined in paragraph 1.2, John Ford confirmed that the surplus would be used to fund SEPA's capital programme and that a revised capital plan would be discussed by the AMT at its February meeting.

The Board noted the report.

12. SEPA Enforcement Report 2011/2012 (SEPA 05/13)

Calum MacDonald reminded members that the Enforcement report was an annual publication but advised that new elements had been included in this year's report on SEPA's approach to environmental crime. He drew attention to the fine levels (paragraph 3.3) and the information about civil penalties (paragraph 3.6).

In reply to a question about fine levels and the comparison with the Environment Agency,

Calum MacDonald outlined the continuing action being taken to brief the shrieval service in Scotland about the nature and impact of environmental crime and the positive outcomes from that training.

A number of comments were made on the report and it was agreed that the Board would approve it subject to changes being incorporated as discussed.

The Board approved the report, subject to final editing by Calum MacDonald.

13. Board Work Programme

13.1 Report on Board seminar 12 February 2013

David Sigsworth noted that the Board, in a session that morning, had had an update on the SEPA Change Programme, the responses to the recent Funding Model consultation and proposed next steps, and an update on the Better Regulation Bill. He noted that, in addition, the Board had had a discussion on a Shared Scottish Scientific Service with the participation of David Dorward of Dundee City Council and that a report providing background briefing to the members had been tabled.

14. Board Committee Reports

14.1 Chairman's report and draft minute of Audit Committee held on 11 December 2012

On behalf of Bob Downes, Ian Doig drew attention to the draft minute of the Audit Committee meeting held on 11 December 2012, in particular the discussion of an Audit Scotland report "Managing ICT Contracts", the presentation on top 10 "To Do's" for Audit Committees by KPMG, and the consideration of the Quality and Environmental Systems External Surveillance Report from LRQA.

14.2 Membership of the Audit Committee (SEPA 01/13)

On behalf of the Board David Sigsworth thanked Fred Dinning (who's last Committee meeting had been in December) for his commitment to the Audit Committee since 2006 and his contribution to a high quality and robust debate over that time.

Jennifer McCulloch introduced the report and invited the Board to note the departure of Alison Hay from the Committee in March 2013 and to approve the appointment of Bill McKelvey to replace her.

The Board approved the report.

14.3 Approval of Revised Standing Orders of the Agency Board (SEPA 02/13)

Jennifer McCulloch introduced the report and advised that a number of small amendments had been made to the Standing Orders. She invited the Board members to approve the revised process.

The Board approved the Standing Orders.

15. Action Note

The action note was noted.

16. Any Other Business

No further items of business were considered.

17. Date and time of next meeting

The next meeting will be held on 23 April 2013 at 1.30pm.