

# Environmental Regulations (Scotland) Charging Scheme 2016

## Frequently asked questions

### **Q. Why are you introducing a new charging scheme?**

A. A new, fairer charging scheme is needed to recover costs in a proportionate and consistent way. The five charging schemes, which are now being streamlined into one new charging scheme, were developed from several pieces of EU, UK and Scottish legislation since 1996 and are no longer fit for purpose.

### **Q. What are the benefits of the new scheme?**

A. Through a more risk-based approach the new scheme will allow us to increase environmental compliance by targeting our efforts more effectively. The new scheme, which covers 90% of SEPA's chargeable income, is fairer and more transparent for the industries involved. It is also simpler to administrate and so has lower administrative costs – and a lower administrative burden for charge payers.

The new charging scheme will help SEPA to protect and improve the environment in ways which, as far as possible, create sustainable economic growth and other benefits how will it do these

### **Q. What impact does the new scheme have on operators?**

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

More charge-payers benefit with reductions (57%) than have increases and most increases are relatively small with 78% of charge-payers having a decrease or an increase of less than £500.

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

A. Charges are being phased over five years so you will not see the full change immediately. In developing and consulting on the new 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 this approach.

It should also be noted that in most cases the level of change in charge is relatively small with 78% of charge-payers having a decrease or having an increase of less than £500 (over the five year period).

### **Q. Can I pay in instalments?**

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

### **Q. Will there be further consultation?**

A. We are planning a review of the scheme in 2017. This means if there are aspects of the scheme which you think should be changed then you should discuss this with SEPA. We plan to hold sector meetings in 2016 to discuss the development of the scheme and will consult on proposed changes in summer 2017.

### **Q. What do application charges cover?**

A. 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 (eg water discharges and water abstractions).

**Q. What do annual charges cover?**

A. Annual charges recover SEPA's costs where these are associated directly or indirectly to 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.

**Q. Will the new Compliance Assessment Scheme affect the charges?**

A. 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 2018/19, 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.

**Q. What is a micro activity?**

A. Very small scale activities that operator 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.