

SCOTTISH ENVIRONMENT PROTECTION AGENCY

**ENVIRONMENTAL REGULATION (SCOTLAND)
CHARGING SCHEME 2016**

CHARGING GUIDANCE

Version 5

18 October 2016

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This guidance was first published on 1 April 2016. The following updates have been introduced:

Section	Description
Version 2: 19 April 2016	
3.6	Revised text on variations, surrenders and transfers
3.9.4	New text on refunds
3.11	New text providing additional guidance on activity descriptors
Annexes B and C	New flow chart and table as additional guidance for applications
Version 3: 2 May 2016	
3.6.7	Additional guidance on charges for transfers
8.5	Section 3.9.4 on refunds has been moved to section 8.5
5.0	Section 3.11 has been move to a new section 5 that provides additional guidance on the scheme
5.4	Surrender and variation charges for activities that do not have an application charge (including closed landfill sites)
5.9	Calculating the charge for borehole construction and operation
5.10	Surface water heat pumps
5.2	Paragraph 7 exemptions
Version 4: 2 June 2016	
Introduction	New text added on Complaints Handling Procedure
3.6.4 and 3.6.5	Clarification of text on substantial and standard variations
3.7	Removal of unnecessary text on pre-application advice
5.3	Explanation of meaning of line 175 of Scheme table (end of life vehicles)
5.5	Explanation of meaning of lines 331 and 332 (sewer overflows)
6.4	Clarification of text on weirs and environmental service
8.5	Clarification of text on refund of application charges

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3.6.4 and 3.6.5	Clarification of text on multiple discounts for variation applications for multiple activities
3.9.4	Description of engineering activities dependent on another authorised activity
5.1	Authorising exempt activities on licenced sites
5.7	Insertion of section clarifying winter abstraction dates
5.11	Clarification of activities for crushing and screening mineral products under PPC Part B
5.12	Confirmation that SEPA charge for new STW of between 15 and 50 PE
6.10	Temporary cessation being charged for full year if licence used
8.2	Remove minimum refund value

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1 INTRODUCTION

This guidance document explains how to determine your charge under the Environmental Regulation (Scotland) Charging Scheme 2016.

The layout of this guidance is as follows:

- Section 2 gives a brief overview of the scheme and how it will be regularly reviewed;
- Section 3 details application charges;
- Section 4 details the charging arrangements for annual charges;
- Section 5 gives additional guidance;
- Section 6 lists exemptions and abatements;
- Section 7 outlines future changes;
- Section 8 covers terms and conditions
- Annex A includes a number of examples of how charges are calculated
- Annex B provides guidance on how to select the appropriate waste activities
- Annex C maps the charges for variations, transfers and surrenders under the previous scheme to the new scheme.

You should refer to the relevant section to work out your charge.

While every effort has been made to ensure the guidance is consistent with the legal scheme, in the event of any conflict then the legal scheme takes precedence. This is particularly true for examples where we may not use the current scheme factors.

Should SEPA make a decision on your charges which you consider does not reflect the legal scheme as supported by the guidance then you should question this decision by using [SEPA Complaints Handling Procedure](#).

2 AN OVERVIEW OF THE SCHEME

2.1 Introduction

The Environmental Regulation (Scotland) Charging Scheme 2016 (referred to as the Scheme) allows SEPA to charge for the following.

- Application charges: which are one-off charges intended to recover our costs when a person applies for a new authorisation or applies to change an existing authorisation.
- Annual charges: which are charges paid every year to recover our on-going costs of regulating an authorised activity.

The Scheme sets charges for the following types of authorisations:

- waste management licences and exemptions;
- pollution prevention and control permits;

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- authorisations for holding/use/disposal of radioactive substances;
- authorisations and registrations for discharges to water, water abstraction, impoundment and engineering; and
- registrations and authorisations for disposal to land.

General Binding Rules - which are authorisations under the Controlled Activity (Scotland) Regulation (CA) - are not subject to charges. Many types of CA Registrations are subject to application charges only. The same applies to CA licences/authorisations covering some small low-risk activity types.

2.2 Application Charges

Application charges recover our costs for processing an application or a modification to an authorisation.

The Application Charge is related to the number of activity types being applied for. Each activity type attracts an Activity Application Charge. The list of activity types covered and their corresponding application charges are listed in the Table in the Schedule to the legal scheme (hereafter referred to as the Schedule). Charges have been arranged by sector and sub sector to help you identify which activity type – and corresponding Activity Application Charge – applies. Note: while there are a large number of activity types listed, there are only 19 different actual Activity Application Charges.

Most applications involve an application for a single activity type and the application charge is just the relevant Activity Application Charge. Where an application covers multiple activities, the application charge is the sum of the Activity Application Charges (subject to discount rules described later). The discount rules take account of the efficiencies involved in processing more than one activity type. Full details are given in Section 3.3.

Some applications are so large and complex that we do not provide a set charge for the work. Instead we charge for these projects on a time and materials basis (see Section 3.4).

2.3 Annual Charges

Annual charges recover the on-going costs we incur in delivering our regulatory duties of protecting and improving the environment. The charge is for an individual authorisation. If a site has more than one authorisation, each authorisation will attract a charge. Our charges look to recover costs of our:

- direct work such as site inspections; and
- indirect work such as environmental monitoring and reporting.

The Scheme is based on a charging model in which the annual charge is calculated from three components: an activity component, an environmental component and a compliance factor:

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Figure 1:
Schematic representation of our annual charging mechanism



The **Activity Component** of the Scheme is determined by the activity type(s) included in the authorisation. The list of activity types covered and their corresponding Annual Activity charges are listed in the Table in the Schedule. Charges have again been arranged by sector and sub sector to help you identify which activity type, and Annual Activity Charge, applies.

This element of the charge recovers our direct regulatory costs as well as some indirect costs.

Note that, as with the application-related charge, there are a range of reductions in the Activity Component when there are multiple activity types covered by a single authorisation. See Section 4.3 for more details.

The **Environmental Component** only applies to larger activities. It recovers the remainder of our indirect costs (for example, those associated with environmental monitoring, data management and reporting). It takes into account the environmental significance of these activities.

The **Compliance Factor** is based on your compliance records; operators with poor compliance records will have a higher Compliance Factor, increasing their overall charge. The Compliance Factor will not come into effect for charging until financial year 2018-19 at the earliest, to give operators time to adjust to the new Compliance Assessment Scheme.

The Annual Charges will apply to new authorisations from April 2016. Moving from multiple different charging schemes to a single, more consistent scheme inevitably means that charges for some will go up, and some will go down. If you hold an authorisation that was subject to a charge before April 2016, any change in your charge introduced by the Scheme will be phased in over the next five years until 2020/21. See Section 4.7 for details.

Other types of annual charge

Large and complex authorisations where applications are charged on a time-and-material basis may also continue to be charged in this manner until the authorised activity is completed (typically construction projects) or until normal annual charges apply.

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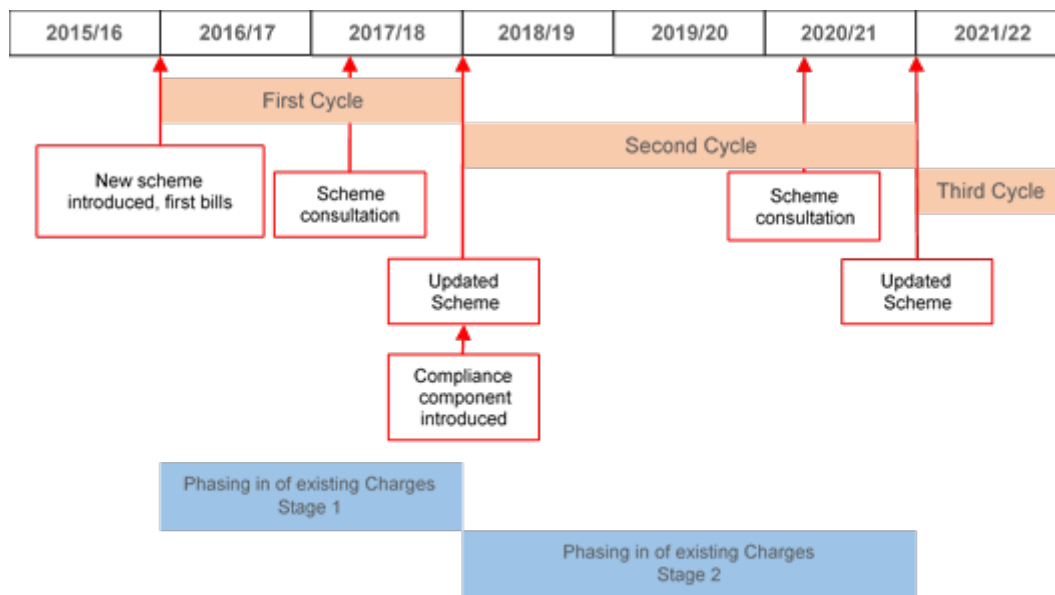
We may undertake specific project work related to a particular customer which goes beyond the normal day-to-day work by SEPA. The costs of such work will be charged on a time and materials basis on top of the annual charge.

We will discuss the costs of these projects with charge-payers in advance and will cap the charges for each year at the level agreed.

2.4 Future Reviews and Consultations

We will periodically review the Scheme to ensure that it remains up-to-date and that charges remain cost-reflective. The first such review will take place during 2017-18, allowing for amendments to come into effect for 2018-19. Any such changes will then cover the period up to the end of March 2021. This is shown graphically in **Figure 2** below.

Figure 2:
Schematic representation of our review process



The initial two-year timescale for the first review will help to ensure that the Scheme can be updated and adapted without undue delay. It will also allow us to implement changes identified during the consultation, which required a more detailed assessment. Thereafter we will be reviewing the charging scheme every three years (e.g. the third revision of the Scheme will come into effect in 2021-22).

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Note that we may also review application charges outside of these three-yearly reviews so as not to delay the passing on of any efficiency savings associated with the implementation of our new approaches to authorising regulated activities.

2.5 Inflation Increase

Charges under this Scheme shall increase annually in line with any increase in the Retail Prices Index published by the Office for National Statistics as at 30 September in the immediately preceding year. An example of how this will work is given in Example 1 in Annex A ([click here](#)).

3 APPLICATION CHARGES

3.1 Introduction

This section covers application charges for:

- new authorisations, and
- varying, transferring or surrendering authorisations.

3.2 Calculation of application charges for single activities

If you are applying for an authorisation involving only one activity type, the application charge is the activity application charge listed against the relevant activity type in Column 5 of the Schedule to the legal Scheme.

If you are in the process of applying, you are probably aware of the activity type you are applying for. If not, to help you find your activity type the table has been broken down into sectors (Column 1) and sub sectors (Column 2). If you are reading the Schedule in an electronic format, you can search easily for your activity and charge using the document search box.

If you are in any doubt about which charge applies, please contact us and we will confirm the appropriate charge.

While there are many different activity types there are just 18 activity application charge bands with an additional 19th band covering unusually large/complex applications.

An illustration of how a simple application charge is calculated is given in Example 2 in Annex A ([click here](#)).

3.3 Charges for authorisations covering more than one activity

If you are applying for an authorisation involving two or more activities (of the same or different types), the costs of processing your application is not simply the sum of the application activity charges for each activity. There are efficiency savings when processing such applications and 'discount' rules are applied:

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- the full charge will apply to the activity type with the largest Activity Application Charge;
- a 10% discount will apply to the Activity Application Charge for each subsequent associated activity in the application.

To be an associated activity, the activities must be:

- part of the same authorisation; and/or
- on the same site; and/or
- part of the same process or scheme (e.g. a large drinking water abstraction scheme or hydropower scheme spread over a geographic area).

An example of how the application discount applies is shown in Example 3 in Annex A ([click here](#)).

Where an activity on a site can fall within two Activity Descriptors purely based on a threshold, then the Application Charge will be that of the higher level and the lower activity will not be charged.

A specific example of this would be where a site has an anaerobic digester with a 75 tonne/day capacity for disposing of animal waste. This would fall under the Activity Descriptor of “*PPC A: 6.8(b) – Disposing of or recycling animal carcasses and animal waste, except by incineration, exceeding 50 tonnes per day*”, with an application charge of £15,000. If the capacity was 125 tonnes/day, it would also fall under the Activity Descriptor “*PPC A: 5.4(b) – Recovery or a mix of recovery and disposal of non-hazardous waste by: biological treatment, capacity exceeding...100 tonnes per day if by anaerobic digestion*” with an application charge of £10,000. In this case, the Application Charge would only be that for the 6.8(b) Activity Descriptor.

3.4 Project Work for Unusually Large/Complex Applications

We deal with a small number of projects for which the application requires significantly greater input. Typically, we receive one or two of these exceptionally large applications a year, falling into two main types:

- Large and complex projects with activity types which demand a substantial amount of our resources to support the determination process.
- Infrastructure projects, which have large numbers of variable-scale activity types and are often developed over an extended period of time and geographical area. These projects require extensive support to manage discharges to water, engineering of the water environment, waste management and possibly emissions to air.

For these large-scale applications, a dedicated project team will be established to work very closely with the developers, delivery teams and contractors. In addition, legal, scientific and consultancy support may be required. These types of projects are also often controversial, and involve substantial levels of public engagement such as:

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- construction of a large cross-catchment hydropower scheme,
- a large windfarm,
- a large infrastructure scheme (such as roads, electricity),
- construction of a large waste incinerator, or
- any other project which involves major re-engineering of water bodies.

We may take a similar approach to activities of equivalent scale and complexity for example new technologies such as unconventional gas extraction.

For such projects we will charge for application work on a time and materials basis so that the costs associated with such projects are recovered directly from the applicant. We are conscious, however, that charging on this basis can create uncertainty over the costs of an application. We are therefore prepared to enter into discussions, in advance of an application being submitted, to develop a project plan for the projected pre-application and determination work. Once this plan is agreed we can calculate the projected charge for the application. The application charge may involve payments over several years depending upon the length of time taken by the pre-application discussions and determination process. We will cap our time and materials cost at the level agreed, but will review the charge on an annual basis. This means that if the plan under-estimates the costs, charges will not exceed the projected levels, however, if the costs are less than that projected, costs will be limited to the actual cost incurred.

We will invoice every six months over the pre-application period and determination process. The project plan will continue after the authorisation has been determined to cover our on-going costs during the delivery phase of the project. This will continue until the project has been completed and no longer imposes demands upon our resources, or until normal annual charges apply.

Should it not be possible to agree to such a plan, then an invoice will be issued every six months based upon the costs we incur.

3.5 Imposed authorisation

There are some circumstances in which we have to impose an authorisation (or an amendment to an existing authorisation) upon an operator. Typically this occurs when the operator is responsible for a regulated activity, but refuses to apply for a SEPA authorisation. In rare circumstances it may also apply where we need to vary, transfer or require the surrender of an authorisation. Under these circumstances, we will impose the relevant charge plus an additional 25% surcharge to cover additional costs incurred. Note this is intended only to apply where we receive lack of cooperation with a charge payer and not for our routine reviews.

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3.6 Variations, transfers and surrenders of an authorisation

The following goes through how you should interpret the new charging scheme for variations, transfers and surrenders. To help during this transition period a table in Annex C maps the charges under the previous scheme to the new scheme, this table also includes entries where the previous scheme did not have a comparable charge.

Please note for RSA Band B and C applications there is a new note RS-G-020 that covers how the charging scheme should be applied.

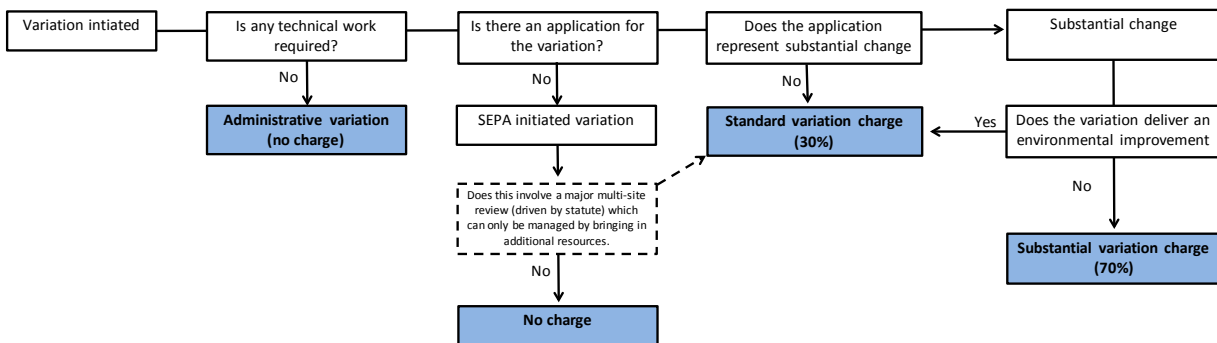
If a licence contains more than one chargeable activity, the variation charge is only applied to those activities that are being varied.

3.6.1 Variations introduction

There are three levels of charges for variations:

- administrative,
- substantial, and
- standard.

Figure 3:
Schematic illustrating how to identify the appropriate variation charge



3.6.2 Administrative variation

It is important that SEPA's authorisations are kept up to date and therefore accurately reflect the activities that they cover. To avoid any financial disincentive, there will be no charge for keeping an authorisation up to date, so long as these changes do not involve SEPA in much technical work.

Examples of administrative variations:

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- Changes or correction of errors in the permit such as name and address (where there has been no change in legal entity), descriptions of regulated activities (but no change in the actual activity undertaken).
- Correction to grid references where an error has occurred (even if this involves the creation of a new location code) so long as the changes do not have any environmental/regulatory consequences.
- Reduction in the scale of authorised activity: for example, waste throughput, abstraction or discharge flows or pollutant emissions.
- The removal of wastes types from the list of acceptable wastes.
- A reduction in any disposal or accumulation activity, time, or volume limit in a permit authorising the disposal of radioactive waste.
- The change in the type of sea-lice treatment used at a fish farm where a product with the same formulation is already included in the licence.

3.6.3 SEPA initiated variations

There will be no charge associated with SEPA- initiated variations. This work is considered to be part of SEPA's on-going work and the costs are recovered via annual charges.

There may be some circumstances where there is extensive work associated with variations (such as the BREF reviews) where SEPA has to undertake a lot of additional work itself and needs to employ additional staff / consultancy support in order to manage the scale of work. Under these circumstances, SEPA may require operators to submit an application. Under these circumstances we would charge for a standard variation in order to fund the additional staff resources required to manage such peak in workload. The decision to require operators to apply for a variation, because the resource demands exceed SEPA's capacity to manage the variations, requires Regional Management Team clearance.

In the next legal scheme it is intended to have a specific category for this so it is more explicit for staff and operators.

3.6.4 Substantial variation

Substantial variation charge is the default variation charge dependant on specific regulatory regimes. The work involved in a substantial variation is comparable to that required for a new application. Where there is existing guidance we will use this.

For PPC activities, the PPC Substantial change guidance see section 4.13 in PPC-TG-03 should be used.

For CAR the majority of variations under the previous scheme would have charges equivalent to a substantial variation. Going forward this should be taken as a starting point and assessed whether it meets the standard variation requirements.

For WML there was not a comparable charge so the following generic guidance should be used and we will develop further guidance as it is required.

Where an operator proposes to substantially change the operation of an authorisation in a way that may have a significant **negative effect** on the environment or human health and wellbeing, we will

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be required to carry out a substantial amount of technical work comparable to the scale of work involved in assessing a new application. We may also be required to advertise an application for a substantial variation.

We charge 70% of the full application charge for applications to substantially vary an authorisation. The 10% discount for the second and subsequent activities (as detailed in Section 3.3 above) also applies for substantial variations.

Examples of cases that may be deemed to be substantial variations include:

- Addition of a new activity not previously covered by the licence requiring a technical assessment comparable to a new application. Under these circumstances, the charge will be 70% of the application charge for the new activity.
- Any change to a licence which increases the risk to the environment, where we need to make an assessment e.g. significant increase in scale / emissions or change in nature of the process (such as volume discharged / abstracted / operating conditions, duration, treatment techniques, etc.). This can vary for example an abstraction from a minor river could be impacted significantly by small percentage increases whereas a larger river may not be.
- New waste treatment / disposal activities being undertaken on the site, or as an extension to the licenced site; increases in throughput; or increases in the types of waste imported if the potential environmental risks are significant (so introduction of biodegradable waste onto a site).
- An increase in biomass held at a marine fish farm which would require us to re-assess the whole authorisation, including the consequences of increased organic deposition on the sea bed, and the quantity of sea-lice treatment used.
- The addition of a new sea lice treatment based on a formulation not already included in the authorisation.

3.6.5 Standard variation

A standard variation applies unless it is clearly an administrative or substantial variation. For applications for a standard variation we charge 30% of the full application charge. The 10% discount for the second and subsequent activities (as detailed in Section 3.3 above) also applies for Standard Variations.

Examples of standard variations include:

The addition of an activity to a licence, of a type already covered by that licence. The addition of the new activity should be of a relatively small scale so that it does not have a significant adverse impact on the environment or human health and wellbeing. For example:

- The addition of 100m of grey-bank reinforcement to a 2km length of grey-bank reinforcement.

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- PPC Part B PVRs covered by standard rules apply for stage II in addition to stage I recovery. PVR Stage II is an activity in its own right however the work involved since it is covered by standard rules is relatively small.
- An increase in annual throughput at a waste management site which does not significantly increase the environmental risk posed by the site.
- An increase in storage capacities which would not impact on emissions (including odour, dust etc.) and would not risks (either frequency or consequence from accidents under PPC Part A).
- A change to reporting or monitoring requirements.

In addition, all variations which are solely intended to deliver an environmental improvement and are not commercial (so increasing operational capacity) or driven by tighter regulatory / directive requirements, but which involve significant or substantial technical work will be considered as a standard variation to an authorisation. It is stressed that if the environmental improvement is accompanied by other changes (for example, an increase in the production capacity) then we may consider the review to be a substantial variation.

3.6.6 Surrender of an authorisation

Any charges for the surrender of an authorisation depend on the amount of technical work we may have to carry out in order to approve the surrender application.

The charges for an application for an administrative, standard and substantial surrender follow the same principle as described for variations.

Administrative Surrender

We have a significant number of authorisations that cover sites or activities that no longer operate. We wish to encourage operators to surrender authorisations when they are no longer needed. Consequently, we will not charge for a surrender of an authorisation if the process of surrendering the authorisation does not involve us undertaking significant technical work. The default charge is 30% of the application charge for a standard surrender where we have to carry out technical work in order to determine the application. This would apply, for example, where a surrender of a licence requires a site visit in order to carry out a simple risk assessment.

A substantial surrender charge (70%) applies where we have to carry out extensive technical work in order to approve the surrender application. The scale of work should be comparable or exceeds the amount of technical work involved in determining an application.

Examples of possible substantial surrenders may include:

- the surrender of some landfill authorisations involving substantial work to assess the condition of the site (such as the long-term environmental impacts of continuing emissions and legacy issues).

3.6.7 Application to transfer an authorisation

There are two types of transfer for charging purposes.

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An administrative transfer applies when the transfer of the authorisation to another person does not require SEPA to undertake any assessment of the competence of the person to whom the authorisation is transferred. There is no charge for this type of transfer.

Where a transfer requires an assessment of the competence of the new operator then a charge of £1,200 will apply. For example, this fee will apply if a fit-and-proper-person test is required at a waste management or PPC site. If there are multiple transfers (at one time) to the same person, then the charge will only apply to the first transfer to reflect the fact that the fit-and-proper-person test only has to be carried out once. The subsequent transfers will be considered as administrative transfers.

3.6.8 Application amendment

Where an applicant formally requests to amend an application that is in the process of being determined, and this amendment results in the need for further public consultation, a charge of 30% of the original application charge shall apply.

3.7 Pre-application advice

Our experience shows that pre-application discussion with an applicant is an important part of the application process. It can help the applicant produce a good quality application and can help make the overall process of applying for an authorisation more efficient. We have recognised this by allowing for such pre-application discussions in our charges.

Applicants are encouraged to discuss their applications with our staff to help produce good quality applications. Applications that are submitted but do not contain sufficient information for us to properly assess will be considered not-duly-made and returned to the applicant.

3.8 Advertising

There is a statutory duty to advertise certain applications that could adversely affect the interests of local people. Where we are required to advertise an application, we will apply a charge of £500 to recovering our administrative costs.

3.9 Other considerations

3.9.1 Mobile plant

Where a water abstraction activity is mobile and moves from location to location (e.g. an irrigation pump), an application may be made for a mobile plant authorisation. The locations where the mobile plant is to be used must be specified and the application charge is based on the total volume of water to be abstracted, not on the number of locations where the plant is used.

Where a waste activity is mobile, please ensure you use the correct activity type as detailed in the Schedule. These generally fall under two types:

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- PPC B Chapter 3: Minerals Mobile Plant Section 3.5. Coating, Crushing, Screening & Loading (exc. cement) where the application charge is £2,000.
- Recycling and Treatment: Mobile Plant WML WMA - Mobile Plant where the application charge is £4,000.

3.9.2 Energy efficiency assessment application

Under Article 14 of the Energy Efficiency Directive, operators of new and refurbished combustion plants are required to carry out a cost-benefit assessment regarding opportunities for combined heat and power, such as district heating. This requires us to perform additional work analysing and assessing Article 14 submissions. To recover the costs of this work, there is an additional charge of £1,630 on top of any other application charges.

3.9.3 Provision of an Environmental Service

We have identified a number of situations where we considered that an activity should be exempt from application charges. We based this decision on whether an activity delivered an environmental service. "Environmental Service" means the carrying out, operation or maintenance of any activity that is, in our view, solely for the benefit of the environment. This excludes activity types that are being operated for commercial purposes or as the implementation of a statutory duty. Further detail is provided in section 6.4.

3.9.4 Engineering Dependent Activities

It is recognised that in certain circumstances a structure may have to be constructed before an authorised activity can be carried out (e.g. a new outfall pipe to facilitate a point source discharge or an intake structure to facilitate an abstraction). In these circumstances, SEPA treats the construction (an engineering activity) as secondary to the primary activity and will normally authorise the construction activity in the same authorisation document as the primary activity. This means that SEPA will not normally require two separate applications to be made or fees to be paid, however, SEPA will need details of any dependent activities to be submitted with the main application.

The construction of a flood by-pass channel will be authorised as an engineering activity. When authorising the construction of a flood by-pass channel, the diversion of flood water into the by-pass channel will also be authorised. However this will not be subject to additional abstraction application fees (or abstraction subsistence charges) and will not require a separate authorisation.

3.10 Summary of application related charges

The following table summarises the major provision of the application charge:

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**Table 1:
Short summary of application charges**

Types of application	Guidance Section	Charge
Application for an authorisation or to renew an authorisation (e.g. authorisation, registration, notification, exemption)	Section 3.2 & 3.3	Look up application charge from Schedule to legal scheme
Application for Charges for Unusually Large/Complex Applications	Section 3.4	Time and Materials
Imposed authorisation	Section 3.5.1	The charge payable for an application for an authorisation plus an additional 25% of that charge
Administrative Variation	Section 3.6.2	No charge
Standard Variation	Section 3.6.5	30% of application charge
Substantial Variation	Section 3.6.4	70% of application charge
Substantial Surrender	Section 3.6.6	70% of application charge
Surrender or Partial Surrender of an authorisation requiring technical assessment	Section 3.6.6	30% of application charge
Administrative Surrender	Section 3.6.6	No charge
Assessed Transfer application (i.e. transfer of an authorisation where a fit-and-proper person test is required).	Section 3.6.7	£1200
Administrative transfer	Section 3.6.7	No charge
Application amendment (i.e. variation of application that has not been determined and which requires re-advertising).	Section 3.6.8	30% of application charge
Advertising of an authorisation where SEPA is required to advertise	Section 3.8	£500
Energy efficiency assessment application	Section 3.9.2	£1630 in addition to any other application charges
Application for an Environmental Service	Sections 3.9.3	No charge

Note: In applying the percentages in the table above, the resultant figure should be round to the nearest pound.

3.11 Combined application and annual charges

There are some situations in which we must bill an operator to cover our on-going work to support an authorised activity, in addition to the application charge itself. This on-going charge is equivalent to the annual charges imposed upon some authorisations. Examples of where this can apply include:

- Where there are regular time-limited or single-use applications and the annual charge is best raised at the same time.
- Where there is a short period of post-authorisation work when charges are required to support the work associated with the authorised activity.

To make this simpler for applicants and to reduce our administrative costs, these on-going costs are recovered as part of the application charges for the following:

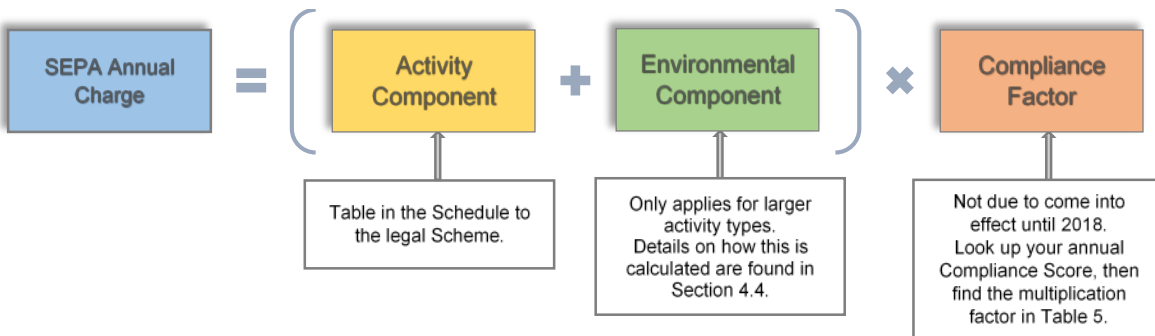
- Waste exemptions: the on-going charge will cover our work to ensure compliance with the condition of the exemption.
- Three-yearly renewal of Waste Carriers and Brokers Registration: the on-going charge will cover follow-up checks and investigations, for example our work with other authorities, police and DVSA carrying out roadside checks on waste carriers.

4 ANNUAL CHARGES

4.1 Introduction

The following diagram shows schematically how the annual charges are calculated.

Figure 4:
Schematic representation of our annual charging mechanism



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Note: The Environmental Component was previously referred to as the Emission Charge in the charging scheme consultation. We found that the term Emission Charge caused some confusion when it referred to waste management activities as well as abstractions and impoundments, hence the change.

The **Activity Component** is determined by the activity type(s) covered by the authorisation. This part of the charge looks to recover our direct regulatory costs as well as a contribution to our indirect costs. We regulate and charge over 300 different activity types, including – for example – sewage treatment works or waste transfer stations. Note that – as with the application-related charge – there are a range of reductions in the Activity Component when there are multiple activity types covered by a single authorisation. See Section 4.3 for more details.

The **Environmental Component** only applies to larger activity types. It looks to recover the remainder of our indirect costs (for example, those associated with environmental monitoring, data management and reporting). It takes into account the environmental significance of these emissions.

The **Compliance Factor** is based on your compliance records; operators with poor compliance records will have a higher Compliance Factor, increasing their overall charge. The Compliance Factor will not come into effect for charging until financial year 2018-19 at the earliest, to give operators time to adjust to the new Compliance Assessment Scheme (CAS). Once it is introduced, it will be based on the calendar year immediately before the current charging year (e.g. the Compliance factor for 2018/2019 financial year – applied to charges on the 1st April 2018 - would be based upon the CAS score for the calendar year 2017). More details are provided in Section 4.5.

4.2 Activity Component

Where your authorisation just covers one activity type, the Activity Component is equal to the Activity Component listed in Column 6 in the Schedule.

The Schedule shows the charges for 2016-17. Note these charges will be increased by the rate of inflation each subsequent year until the scheme is reviewed (see Section 2.5).

To help find your activity type and the associated Activity Component, the table has been broken down into sectors (Column 1) then subsectors (Column 2). Column 3 gives the regulatory regime. If you are reading this document electronically you can do a search for your activity to help you find the activity and charge.

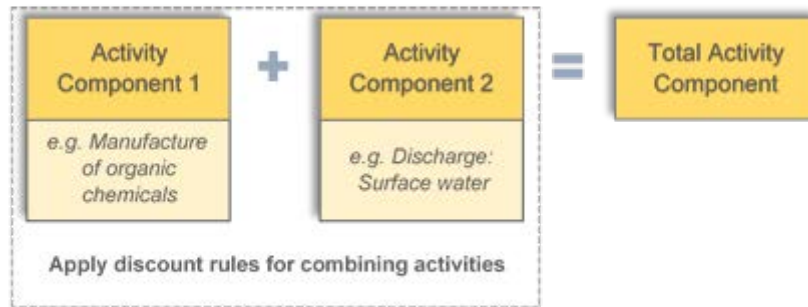
If you have more than one activity covered by your authorisation then refer to Section 4.3 to see how these are treated and the rules applying in such circumstances.

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4.3 Multiple activity rules

For more complex authorisations (a relatively small number overall), which involve two or more activities, there are economies of scale associated with visits and liaison. For each activity type you find the Activity Component from the Scheme. You then apply the multiple activity discount rules as set out in Table 2 below to work out the total Activity Component.

Figure 5:
Schematic representation of Activity Component for multiple Activity Types



When calculating these reductions for a number of activity types, we use the following rules for calculating discounts:

Table 2:
Multiple Activity Rules

Rule	Description	Discount
Rule 1	Where an authorisation contains two or more of the <u>same</u> activity types, a discount will be applied to the second and subsequent activity types.	75%
Rule 2	Where an authorisation contains two or more <u>different</u> activity types a discount will be applied to the second and subsequent different activity types.	10%

When calculating the discount for a charge covering a number of activity types the following principles apply:

- No discount applies to the largest Activity Component.
- The discount rules apply to the remaining Activity Components.
- Only one discount rule should apply to any activity.
- Where there are multiple “instances” of the second (or subsequent) activity types, then the 10% rule does not apply to the first “instance” because the 75% rule applies to subsequent “instances”.

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- The rules can only be applied to activities covered by an individual authorisation. Where an installation or a site has multiple authorisations it does not apply across all of these separate authorisations.

Example 4 in Annex A ([click here](#)) shows how these rules are applied.

4.4 Environmental Component

The Environmental Component charge only applies to the larger activity types. Column 7 in the Schedule indicates where the Environmental Component does not apply to an activity type. If so indicated, the Environmental Component does not apply and this section of the guidance can be ignored for the purposes of working out your annual charge. However, if any one (or more than one) activity indicates that the Environmental Component may apply, then this section explains how this element is calculated.

Our Environmental Assessment Scheme produces an Environmental Score for authorisations where the Environmental Component applies. The score is calculated from the scale of regulated emissions, and a factor that reflects the environmental significance of the activity. We will publish a Table of Scores for existing permits. This will be based on emissions, discharges, waste disposals for the period 2012 to 2014, or relevant permit conditions. For the period 2016 to 2018, we will generally use the Environmental Scores published in this Table of Scores to derive the Environmental Component of your annual charge.

The following steps are required to calculate the environmental component charge:

- Check if the Table in the Schedule to the legal scheme indicates that all the activities covered by the authorisation have a No against them in Column 7 of the Schedule. If so, the Environmental Component does not apply. Under these circumstances column 7 will have the word “no”. If that is the case then no Environmental Component applies and you do not need to consider further.
- If one or more activity type does not have a No in Column 7 of the Schedule, then check SEPA’s Environmental Assessment Scheme (EAS) Table of Scores to see if a Score has been published for your licenced activity.
- If your activity has been licenced by us since the publication of the Table of scores, we will have notified you of the relevant Score, if the activity does qualify for an Environmental Component charge.
- If no score has been published, and you have received no notification from us, then there will be no environmental component to the charge.
- If your activity does have one or more Environmental Scores, you should multiply the score by the relevant financial factor listed in Table 3 below. Note that the Financial Factor will increase annually as described in Section 2.5.

The details of how environmental scores are calculated are provided in the Environmental Assessment Scheme, available on our website.

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**Table 3:
Environmental Financial Factors – See Current Charging Scheme**

Environmental component	2016-17 Environmental Component Finance Factor
For emissions to air	£267.84
For discharges to water	£780.48
For discharges to water – public water supply	£1,355.52
For the management of waste	£5,634.21
For the abstraction of water	£17.21
For the impounding of water	£1.13

4.5 Compliance Factor

This section describes how the Compliance Assessment Score will be used to determine the Compliance Factor and how this will modify your Annual Charge. Note that this Factor will not come into effect until at least the second cycle of the Scheme in 2018-19.

4.5.1 Charge for compliance assessment

The Compliance Factor is determined by the annual Compliance Assessment Score (CAS) score. CAS Scores are placed into bands. For each, there is then a Compliance Factor, which acts as a multiplier that increases the charges faced by non-compliant operators. This reflects the additional regulatory effort and costs we incur. We will consult in 2017 on the further development of the Compliance Factor. Note that the CAS score is for a calendar year. So, for instance, the CAS score for the year 2017 would be used for annual charging for 2018-19.

**Table 4:
Suggested Compliance Factor for different levels of compliance.**

Level of compliance	Compliance Factor
No compliance assessment	1 (i.e. no change in charges)
Compliant	1 (i.e. no change in charges)
Broadly compliant	1 (i.e. no change in charges)
Improvement required	1.2
Poor compliance	1.5
Very poor compliance	2

4.5.2 Phasing-in of compliance component

The Compliance Factor will not come into effect until 2018-19 at the earliest. This provides time for operators to understand their compliance rating under the amended Compliance Assessment Scheme, and allows for an opportunity to address any non-compliance before this

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element of the charges is introduced. However as scores in 2017 are likely to be used for modifying charges, we have included this information in this guidance so that operators can understand the effects.

We plan to increase the Compliance Factor over subsequent review periods, reflecting the level of additional work at poorly performing sites. This means that – for example – authorisations with a “very poor compliance” record may have a factor of two in 2018-19, but this value may change following future reviews.

4.6 Examples of how to calculate the annual charge

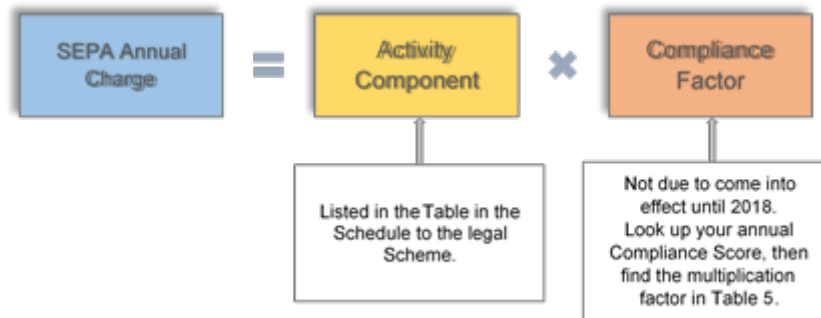
This section illustrates how to calculate charges from the new Scheme, based on the mechanisms explained in the previous section (Activity Component, Environmental Charge and Compliance Factor). Some examples, reflecting the points outlined above and a number of rules that can modify how the charge is calculated, are given in Annex A.

4.6.1 Small activities

Most authorisations we issue will only have an Annual Charge based on the Activity Component. Typically these activities have limited environmental impact and so fall below the threshold for the variable Environmental Component of the scheme.

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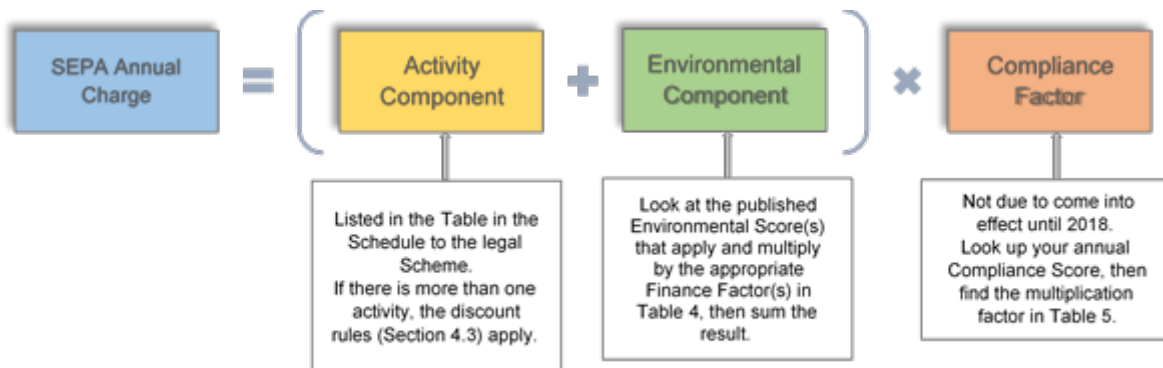
**Figure 6:
Calculating your charge for small activity types**



Example 5 in Annex A ([click here](#)) illustrates how the charge is calculated for a small scale abstraction authorisation.

4.6.2 Large activity types

**Figure 7:
Calculating your charge for large activity types**

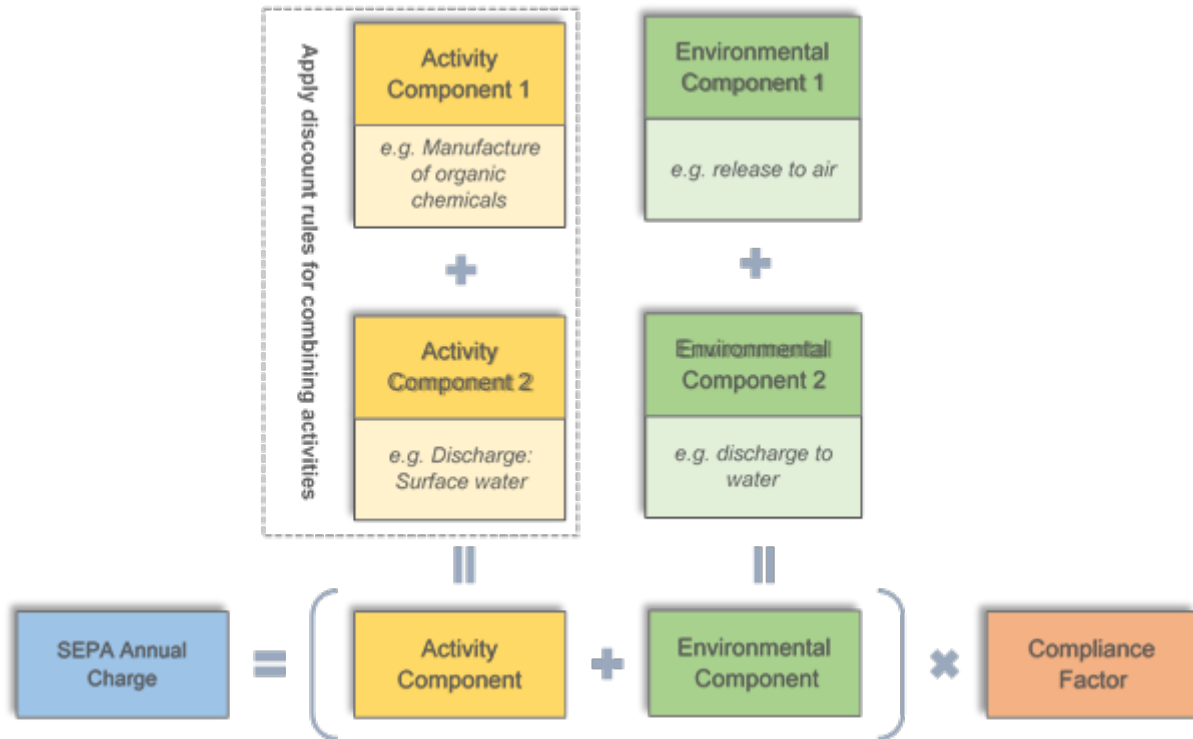


An illustration of how charges are calculated for such large activity types is given in Example 6 in Annex A ([click here](#)).

A more complex example with multiple Activity Types and Environmental Scores for multiple media is shown diagrammatically below.

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Figure 8:
Calculating your charge when multiple Activity Types and Environmental Components are covered by a single authorisation



An illustration of the charge is calculated in such circumstances is given in Example 7 in Annex A ([click here](#)).

4.7 Phasing-In the New Charges over 5 Years

The new annual charges will be phased-in over five years. This covers two cycles of the Scheme with the full charges coming into effect in 2020-21. This means that for each financial year between 2016-17 and 2020-21, charges will change in increments of one fifth of the difference between the old and new charge, until the new charge has been reached. In each new financial year, up to and including 2020-21, the increment will be added to the charge calculated for the previous year, in addition to any increase from inflation.

When we carry out the review of the new scheme for 2018-19, any further changes in charges will be phased-in over the remaining three years (to also come into full effect by 2020-21), including any increases from inflation.

The phasing arrangement covers both increases and decreases to our charges. An illustration showing how phasing works is given in Example 8 in Annex A ([click here](#)).

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This phasing-in applies only to authorisations in force before 1st April 2016. New authorisations issued after that date will attract the charge calculated in the normal way (i.e. without this phasing-in provision).

These phasing-in arrangements do not apply to the following: -

- Any activity falling within an activity type that has not previously been liable to a charge under a previous charging scheme.
- Any activity, which is authorised after the date, this Scheme comes into force.
- Any activity for which the annual charge is relevant time and materials costs.
- Any charges which reflect the costs of regulating a material recycling facility or the costs of additional SEPA monitoring of a marine cage fish farm (lines 359, 369, 100 and 102 of the Table in the Schedule).

Where the phasing arrangements apply and the authorisation is varied (with the exception of administrative and minor technical changes), the following provision will apply: -

- Any variation to an authorisation that changes an activity, or adds a new one, will attract the full charge for that new activity type and will not be covered by the phasing-in arrangement.
- Existing activity types remaining in the authorisation will continue to attract the phasing-in arrangements.
- The discount rules in Section 4.3 will still apply.

4.8 Project work for unusually large/complex authorisations

There are some large and complex application authorisations for which long-term annual charges are not appropriate, but where we still have to commit significant resources. This continues the project work we do for large complex applications (see Section 3.4). The most frequent example of this type of activity is engineering activities associated with the water environment. Typically these activities require on-going support from us to cover a wide range of issues including waste management, emissions to air, discharges to water and engineering activity types affecting the water environment. This work may extend over several years.

We will recover our costs for our post-authorisation work such large-scale activities by charging on a time-and-materials basis. This continues the approach used as part of the authorisation determination process.

As described in Section 3.4 we are prepared to discuss with an operator a plan (with cost estimates) to cover the on-going work required to support a scheme.

4.9 Customer-specific project work

We may undertake major project work related to a particular customer which goes beyond the normal day-to-day work of SEPA. The costs of such work will be charged on a time-and-materials basis on top of the annual charge. This will only happen where the work is of such a

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scale that it requires SEPA to recruit, or buy in additional resources, to deliver the project work in a timely manner.

5 ADDITIONAL GUIDANCE

This section provides additional guidance on the scheme in response to questions on interpretation.

5.1 Waste activities

Annex B provides guidance on how to select the appropriate waste activities for charging purposes.

An activity that would be registered as an exempt activity, but for it being an activity undertaken on a licenced site, is charged as “WMA: Any other waste management activity not described elsewhere in this table”.

5.2 Paragraph 7 exemptions

A single farm may register more than 50 hectares on one form simply by stating the total number of hectares to be treated. The first 50ha block will be charged as per line 401 and each subsequent 50ha on the same farm will be charged as per line 402. A “single farm” means, a single agricultural holding including premises and fields associated with it which is managed as one unit as defined for the purposes of the Integrated Administration and Control System for farm support.

5.3 End of life vehicles site

Line 175 states “*WMA – End of life vehicle site (ELV) with a capacity that does not exceed 5,000 tonnes per year (with or without metal recycling, tyres, oil batteries storage etc)*”. By a capacity of 5,000 tonnes we mean the annual throughput.

5.4 Activities without an application charge

There are some activities for which an application charge has not been defined (for example closed landfill sites). The surrender or variation charges are calculated as a percentage of the application fee. In the absence of an application charge, it is not possible to calculate a surrender or variation charge and consequence there will be no charge for a surrender or variation charge for these activities. Charges will be introduced in the next version of the scheme.

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5.5 Sewer Overflows

Lines 331 and 332 refer to public combined and emergency sewer overflows. These lines would only apply if a public sewer network licence was not appropriate for some reason.

When an overflow covered by network licence is the subject of a variation, the charge is calculated as a proportion of the network licence application charge.

5.6 Abstractions

With respect to abstractions any abstraction with an authorised maximum daily limit of exactly 2000 cubic metres per day will always fall into the relevant activity descriptor with a volume limit between 50 to 2000 cubic metres a day. The current legal scheme for such descriptors currently states 'less than 2000' but it should state not 'exceeding 2000'.

5.7 Seasonal Abstractions

Where the Scheme refers to a seasonal abstraction, the Winter dates that are given in the Table should be 01 November to 31 March. This relates to Agricultural Irrigation and Process Water abstractions.

5.8 Run-of-river hydropower schemes

The application charge for a run-of-river (not impounding more than 25,000m³) hydropower application (with a generating capacity greater than 0.1MW) is calculated on the basis of a:

- single charge for any abstractions;
- single charge for any impoundments; and
- any engineering charges not directly associated with the construction of impoundments or abstraction and return point.

Hydropower schemes that have individual impoundments; each impound greater than 25,000m³ will be subject to the normal impoundment charging regime.

The application charge for a hydropower application (with a generating capacity not exceeding 0.1MW) is calculated on the basis of a single charge for the abstractions.

5.9 Borehole Construction and Operation

Application charges

The following tables summarise how charges are derived for borehole construction and operation.

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**Table 5:
Boreholes construction and operation for boreholes less than or equal to 200 metres in depth**

Activity Description	Charge
Boreholes not intended for abstraction	Normally covered by GBR3 if not, £130
borehole construction and operation where the borehole is intended for registration level abstraction	Covered by abstraction charge– borehole fee waived
Construction and operation of boreholes which will require a simple or complex abstraction licence	Covered by abstraction charge– borehole fee waived

**Table 6:
Boreholes construction and operation for boreholes greater than 200 metres in depth**

Activity Description	Charge
Borehole construction and operation associated with unconventional gas/underground coal gasification	Normally be considered to be unusually large/complex applications which we will charge for on a time and materials basis
All other boreholes not intended for abstraction (e.g. closed loop geothermal boreholes)	Will be charged £370 to ensure consistency with those below.
Borehole construction for a GBR level abstraction. This includes: <ul style="list-style-type: none"> • Abstraction of < 10m³/d • Abstraction to test the yield of the borehole or sample the quality of the water if the total volume abstracted is less than 150m in any period of 1 year. • The temporary abstraction of groundwater at construction sites in line with GBR 15 • Abstraction for the purpose of extracting geothermal energy Providing these activities comply with the rules set out in the GBR.	£370
Borehole construction and operation for the purpose of registration level abstraction	£370 + £130
Borehole construction and operation for the purpose of licence level abstraction	£370 + licence fee

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We will consider if multiple borehole construction and operation can be treated as a CAR single activity where:

- The boreholes are drilled within a small geographic area (each borehole is within 150m of another borehole in the well-field);
- There are no lateral wells; and
- Activities associated with the boreholes are not likely to require further demonstration of the integrity of the borehole. This will exclude, for example, boreholes subject to high pressure fracking or high levels of heat associated with underground coal gasification.

Annual charges

There will be no annual charge for borehole construction and operation where the boreholes are less than or equal to 200 metres in depth, for temporary boreholes that are backfilled and sealed within 14 days of being drilled or for boreholes drilled for closed loop geothermal system where the pipework involved is fully cemented in place within 14 days of being drilled.

5.10 Surface water heat pumps

SEPA recognises the importance of promoting the development of renewable energy generation as a contribution to reducing global warming. We therefore do not want our charges to be a disincentive for small-scale energy generation.

For water source heat pumps which return water immediately adjacent to the abstraction and have no significant thermal impact a registration fee will apply to the abstracted water. No fee is payable for the discharge and there will be no annual subsistence fees. The exception to this rule will be if the discharge is downstream of the point of abstraction.

5.11 PPC Part B Crushing, Screening, Coating, etc. (Section 3.5)

SEPA have taken the decision that the crushing and screening of stone (as described in Section 3.5 Part B (a) of the PPC Regulations) is similar to the crushing of bricks, etc. (as described in Section 3.5 Part B (c) of the PPC Regulations) and also similar to the screening of bricks etc. (as described in Section 3.5 Part B (d) of the PPC Regulations). Therefore we will only allocate a single Activity Component to cover all Crushing and Screening Activities.

If the PPC Part B Permit also includes the dealing with coal, etc., the coating of road stone, or the loading etc. of pulverised fuel ash, then these are included as separate Activity Components (with the associated discount for multiple activities of the same type).

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5.12 Sewage treatment works of between 15 and 50 population equivalent

Any sewage treatment works that are authorised after 01 April 2016 will be charged in accordance with the legal scheme; this is because they have an effect on the environment and incur environmental monitoring and regulatory work. Licences issued before 01 April 2016 are not charged currently, but may in the future. (See section 7.3 below.)

6 EXEMPTIONS AND ABATEMENTS

This section covers changes to our system of exemption from, or abatement of, charges. Most of these are enacted by being listed against the Activity Types in the Table in the Schedule to the Legal Scheme.

6.1 Annual charge where construction or operation has not commenced

Generally the annual charge applies from the date when the authorisation is issued. However in certain cases the charge will be deferred until either construction work in relation to, or the operation of, any of the authorised activities has commenced (whichever is earlier).

While an authorisation is in force, but there is no equipment or facilities available to operate it, the amount of regulatory work we do is limited. In these instances, we will not apply the annual charge. However, our work will increase once construction commences or operations start whichever occurs first.

For example, if an operator has successfully applied for an authorisation to help with securing planning permission or financing for the project, but no actual construction has taken place, we will not apply the annual charge.

However, when construction starts, for example on a landfill site, we may need to check the integrity of liner being installed in any disposal cells as it is a key abatement technique. Similarly, if a major installation starts construction then we will often be approached for advice on any changes during the construction phase. In such circumstances the annual charge will apply from the time such construction commences.

For smaller scale activities where there are no potential environmental impacts, we will start annual charging when commissioning / initial operation commences, as these represent stages where regulatory work increases.

In situations where all the necessary equipment is in place (e.g. a waste storage site) but operation has not started, the annual charge will apply. We need to periodically inspect to ensure operation has not started. Of course in such circumstances if operation is not planned to commence for a period of time then the operator can apply for “mothballing” – see Section 7.2.

6.2 Micro-scale activity types

Full charges are disproportionate for some very small (micro) activity types.

Activity types which we are required to authorise, but which we judge to be of micro or craft scale, will be subject to infrequent levels of inspection and/or monitoring and as result pay a lower annual charge.

To be categorised and charged as a micro-activity, an activity must:

- be of small-scale,
- be assessed as a low hazard activity, and
- fit within the activity type descriptions in this guidance.

Note this does not automatically include PPC Low Impact Installations¹. (In rare cases they may qualify, but need to meet the conditions for micro scale activities in their own right).

Micro-Activity types

The following activity types will be categorised and charged as micro-activity types:

- small fish hatcheries, which only rear fish to restock their own fishing, club waters;
- abstraction for winter storage for irrigation; and
- vintage car enthusiasts who keep a spare vehicle(s) for spares or repair and who are clearly not commercial car dismantlers.

If an applicant or holder of an authorisation thinks the micro-activity type should apply to them for any other activity types, they should seek agreement from SEPA. Note that any decision as to whether or not this applies will rest solely with SEPA.

6.3 Abstractions from estuaries and coastal waters

We are not currently aware of any abstractions from estuaries or marine waters in Scotland that pose an environmental risk. Consequently, we are exempting such abstractions from annual charges.

6.4 Provision of an Environmental Service

We have identified some situations where an activity delivers an “environmental service”. In such circumstances we are exempting these from application and annual charges.

¹ PPC Technical Guidance Note TG7 Guidance on Determining “Low Impact Installations” under the PPC Charging Scheme

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'Environmental Service' means the carrying out, operation or maintenance of any activity that is, in our view, solely for the benefit of the environment. This excludes activity types that are being operated for commercial purposes or as the implementation of a statutory duty.

We have grouped such "environmental services" under the following four headings:

1. **Abstractions associated with the control of historic causes of pollution:**

- Abstraction from mines which are no longer operational, where the abstraction is intended solely to control the breakout of polluted groundwater.
- Abstraction of groundwater associated with contaminated land solely for the purpose of the remediation of that contaminated land.

In both situations, there would be no application or annual charges associated with the abstractions. However, there would still be application charges and relevant annual charges for the discharge element associated with the activity.

2. **Structures and abstractions to maintain or improve the existing water environment:**

- An ex-water supply reservoir that is no longer intended as a drinking water source and is maintained solely to support the ecology that has developed within the reservoir.
- The removal, or partial removal, of redundant weirs or dams that now serve no economic purpose and are not an asset of an organisation or business that makes economic use of dams and weirs.
- The addition of a fish pass to a weirs or dams that now serve no economic purpose and are not an asset of an organisation or business that makes economic use of dams and weirs.
- A canal that is no longer used for navigation and is maintained solely to support the ecology that has developed within the canal.
- A wetland or pond, fed by an abstraction, which is intended solely to maintain or enhance the biodiversity of the water environment.
- Abstractions and impoundments that are solely associated with the delivery of the environmental service will not be subject to charges.

There will be no application charge for an impoundment licence to cover existing weirs or dams where the application is made as part of a programme of work that will introduce fish passage in a manner covered by the definition of environmental service.

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3. Habitat restoration:

- The restoration of a canalised or culverted watercourse to a more natural profile.
- The removal of flood defences in order to restore a flood plain.
- The creation of wetlands and ponds to enhance biodiversity.

There will be no charges associated with the engineering work, abstractions or impoundments associated solely with the restoration work.

This definition does not include fishery improvement work that modified a natural river in order to improve fishing.

4. Maintenance of native fish populations

- Non-commercial fish hatcheries.
- Fish hatcheries, which only rear juvenile, fish up to parr stage.
- Fish hatcheries that return reared fish to the same river of origin for use in restocking programmes.

Where these are not covered by micro scale activities and are not a commercial operation, no application or annual charges apply.

6.5 Lades

The volume of water abstracted from the water environment into a lade, where only part of that volume is subject to use, will not be used in the calculation of the environmental component charge. For example:

- If there is a lade serving a paper mill or a distillery, then the volume to be subjected to charge is that which is abstracted from the lade for cooling, process water or other purposes.
- If there is a lade serving a fish farm, then the volume to be subjected to charge is the volume used by the fish farm processes. If the full volume of the lade is used by the process, then the lade volume will be used to calculate the charge.
- If there is a lade serving a canal, then the volume to be subjected to charge is that which passes into the canal.
- If there is a lade providing water for hydropower, then the volume to be subjected to charge will be that which passes through the turbine.

We will not impose annual charges for a lade used only to:

- power a water wheel which is not used for the generation of electricity, or
- fill or maintain any off-line pond that may have amenity uses (e.g. fishing and sailing).

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6.6 Flood defence (diversion or storage)

Where floodwater is diverted from the river channel into off-line flood storage or a flood relief channel, this represents an abstraction. Such abstractions will be liable for normal application charges but will not be liable for any annual charges.

Impoundment structures installed for the purposes of retaining some flood flows online during high flows will require authorisation and be liable for normal application charges, but will not be liable for any annual charges.

6.7 Impoundments less than a metre high

There may be circumstances where an existing passive impoundment exceeds the 25-megalitre thresholds but is not licensed because the existing dam creates a water level differential of less than 1 metre and allows fish migration. Such impoundments are covered by a General Binding Rule (GBR) and are not subject to annual charges.

New passive dams that are less than 1 metre high but which do not allow fish migration are not covered by GBRs. These are required to apply for an authorisation and are subject to an application charge in the normal way. This is because we must assess whether this new impoundment will cause environmental harm. However, to ensure an equitable approach with existing impoundments, such impoundments will not be liable to annual charges.

6.8 Off-line impoundments and isolated ponds

An off-line impoundment does not hold back the flow of a river, but is constructed on the land adjacent to a river. Off-line impoundments do not pose a barrier to fish migration or affect sediment movement. Such off-line impoundments may collect water seeping from the surrounding land or may be supplied by an abstraction. Such off-line impoundments are not considered a controlled activity and therefore do not need to be authorised and therefore are not subject to application charges nor annual charges.

Abstractions from off-line impoundments or isolated ponds that are filled by groundwater, surface run-off and land drainage are controlled activity types and are required to be authorised. This is because the impoundment/pond is used as a mechanism to collect groundwater or surface water, which can then be abstracted. However, abstractions from off-line impoundments or constructed isolated ponds that are filled by an authorised abstraction do not require authorisation. This is because such impoundments/ponds are considered to be part of the infrastructure used to store water that has already been authorised for removal from the environment.

6.9 Commercial/amenity use of Ponds and Reservoirs / Historic Mills

The following water uses are not liable for impoundment annual charges as long as they do not manage the flow from the dam in order to support the maintenance of the activity:

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- cage fish farms, and
- amenity uses (such as fishing and sailing).

We do not impose annual charges for abstractions solely to fill or maintain any offline pond, reservoir or historic mill lade that may have historic and/or amenity uses.

6.10 Temporary cessation of an abstraction or a point source discharge

There will be no subsistence charge for the period of no more than one year, if an operator notifies SEPA in writing between 1 December and the last day of February that no abstraction or discharge will be made over the coming year. A 'year' must be specified as either a calendar or financial year.

An operator of an abstraction ceases to be exempt from subsistence charges if they subsequently make an abstraction during the year. Under these circumstances the full subsistence charge will apply

An operator of a discharge ceases to be exempt if they subsequently make a discharge during the year. Under these circumstances the full subsistence charge will apply.

7 CHANGES IN 2016 AND BEYOND

This section covers some specific changes that take place in 2016. It also covers some changes for future years to provide advance notification to charge payers.

7.1 Hydropower

We are progressively removing the caps and exemptions from this sector. The generating capacity (referred to below) will be calculated at the scheme level and not on the basis of individual components of a scheme.

Hydropower schemes generating between 2MW and 5MW previously had their charges capped. We have removed this cap from April 2016, and as a result these schemes will be subject to normal annual charges.

Small hydropower schemes generating between 0.1MW and 2MW were previously exempt from annual charges. We have consulted on removing this exemption and will advise on the calculation of charges in 2017, in time to implement charges from April 2018.

Hydropower schemes with a generating capacity not exceeding 0.1MW will, for the time being, continue to be exempt from annual charges.

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7.2 Period of temporary cessation

We are standardising our approach to how we reduce charges for operators when they “mothball” an activity (and the associated authorisation) for a minimum of one year. By mothballing we mean an agreed period of temporary cessation where an activity covered by an authorisation is not used or is not active. Authorisation holders must apply for – and be granted – an agreed period of temporary cessation. This must be renewed annually otherwise the full annual charge is reinstated.

From April 2016, no charge will be payable for an agreed period of temporary cessation. This is to standardise our approach across the different regimes covered by this charging scheme.

However, such “mothballed” authorisations still require some (albeit reduced) level of regulatory oversight. From 2018-19, we will introduce a standard reduction in charges for mothballed authorisations. The Activity Charge will be reduced by 80%, subject to a minimum of £100. There will be no charge based upon the Emission Component of the Scheme. The following table provides examples of this change where only 1 activity is on the authorisation.

Table 7
Examples of the scale of annual mothball charges from 2018-19 onwards

	Activity Component	Environmental Component (illustrative purposes only)	Resulting Annual Charge	Mothballing Charge*
Abstraction from inland waters for agricultural use (other than irrigation) that exceeds 2000 cubic metres per day	£1,156	£228	£1,384	£231.20
Discharge from a marine cage fish farm with maximum biomass exceeding 50 tonnes	£3,959	£12,792	£16751	£791.80
WMA - Civic amenity site with a capacity that does not exceed 2,500 tonnes per year	£1,904	n/a	£1,904	£380.80
PPC A: 6.4(a) - Pre-treating textile fibres or textiles, where the treatment capacity exceeds 10 tonnes per day	£3,566	n/a	£3,566	£713.20

*20% of Activity Annual Component

There will be cases where a site that has been mothballed returns to normal operation, and the charge has changed. The five year phasing transition (Section 4.7) will apply in such cases. Under such circumstances the charge after coming out of mothballing will be the charge that would have applied had the authorisation not been mothballed. (See Example 9 – [click here.](#))

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If you wish to apply to mothball a site please fill in the application form that can be found on the application form section of our website.

7.3 Water authorisations not subject to annual monitoring

We will be consulting further in 2017 and seeking to recover costs from those who hold licences for water discharges that we do not routinely inspect or sample. These licences incur environmental monitoring and regulatory work for SEPA whilst not currently incurring charges. They will be charged for as described in the main part of the scheme.

8 GENERAL PROVISIONS

8.1 Annual charges

We will send out bills requesting payment of annual charges at the beginning of the financial year. We look for these bills to be paid in full. However, if you have difficulties in paying the full bill for the year, you can make arrangements with us to pay the charges spread over the year.

We will not send out a bill if the annual charge is less than £35.

8.2 Partial year charges

An authorisation may come into effect part-way through a financial year. Alternatively, an operator may ask us to revoke or transfer an authorisation part of the way through the year. In such circumstances the charge payable will be based on $1/365^{\text{th}}$ of the annual charge for each day the authorisation is in place for.

8.3 Hourly rates

The hourly rate for time and materials charging is £87 per hour.

It should be noted only our inspection-related staff record time for charging purposes. The rate therefore reflects costs of other support staff as well as relevant overhead costs.

8.4 VAT

All charges quoted in the scheme are not subject to VAT.

8.5 Refund of application charges

If we consider that an application is not “duly made”, it is returned to the applicant with the full fee. We make this decision as part of the screening process when we first receive an application. Under these circumstances we have not done much, if any, detailed technical work on the application.

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We do not offer a refund if we refuse an application. This is because we have to carry out the determination process in order to reach the decision. This means that we have done detailed technical work similar to the scale of work which we carry out when we grant an application.

There are some limited circumstances where we will offer a refund even if we have done significant work to determine the application. This will occur where the application also includes the costs for post-authorisation work. For example we may offer a 60% refund if we refuse a complex waste exemption because part of the charges covers review of data and site visits which are not incurred if the licence is refused.

8.6 Liability to make payment

The persons set out below shall be liable to pay the charges and charges under the Scheme:

- In respect of an application (for a new licence, or to vary, transfer or surrender a licence), the person making that application.
- In respect of the annual charges, the holder of the authorisation in respect of which the charge payable relates.

8.7 Non-payment of charges

An application that is not accompanied by the appropriate charge is not deemed to be “duly made” and so cannot be determined. If the charge submitted is insufficient you will be advised accordingly and asked to pay the balance. We will be unable to determine the application and will not issue a new or revised authorisation if any part of an application charge is outstanding.

If an annual charge is not paid when due, we may revoke or suspend the authorisation and take action to recover the debt.

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9 CONTACT US

For billing queries, please contact the address on the back of your invoice.

If you have any queries regarding the interpretation of charges, please contact the Charges Team by:

Email: charging@sepa.org.uk

Post: Charging Scheme Team

SEPA

Strathallan House

Castle Business Park

Stirling

FK9 4TZ

We welcome views from our users, stakeholders and the public, including comments about the content and presentation of this scheme. If you are happy with our service, please tell us about it. It helps us to identify good practice and rewards our staff. If you are unhappy with our service, please let us know how we can improve it.

For copies of SEPA publications please go to our website, or email us at:
charging@sepa.org.uk

10 GLOSSARY

Authorisation - is the generic term we are using in this document to cover all the various permits, consents and licences we currently issue.

Activity - means an activity which falls within a description in column 4 of the Table in the Schedule to the Legal Scheme and which is required to be carried on under an authorisation;

Activity Application Charge - means the charge listed in column 5 of the Table in the Schedule to the Legal Scheme in respect of the corresponding activity type set out in that Table;

Activity component - means the amount set out in column 6 of the Table in the Schedule of the Legal Scheme in respect of the corresponding activity type set out in that Table;

Activity type - means a type of activity falling within a single description in a single row of column 4 of the Table in the Schedule to the Legal Scheme. Individual activity types within a regulatory

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activity should have the same annual regulatory charge and the same application charge. Examples include:

- STW discharge (public) 50,000 to 100,000 population equivalent;
- PPC B Band 2 Petrol Vapour Recovery $\geq 1000\text{m}^3/\text{yr}$ Sect 1.2; and
- Civic Amenity Site $> = 2500$ tonnes

Charging scheme component. The main building blocks of the annual charging structure which when put together allow the charge to be calculated:

- Activity Components,
- Environmental Charges, and
- Compliance Factors

Charging scheme categories. The sub-divisions of the charging scheme. They represent the units for which SEPA calculates the funding that should be recovered from charge-payers. They include:

- Waste Management Activity types,
- Holding of Radioactive Substances,
- Discharges to water,
- Abstraction of water,
- Impoundment of water,
- Engineering in the water environment, and
- Emissions to air.

SEPA's direct work – covers our planned effort associated with the regulation of site (inspections sampling and data returns) and reactive effort (work on compliance breaches, environmental events and liaison with operators)

SEPA's indirect work – covers work not directly associated with a site such as environmental monitoring, analyses, modelling, reporting.

Dynamic Regulatory Effort and Assessment Model (DREAM) is the hazard and risk assessment tool we use to assess the inherent hazards and risks of an activity.

Environmental Service means the carrying out, operation or maintenance of any Activity, which is in the view of SEPA, solely for the benefit of the environment, not being for commercial purposes or in implementation of a statutory duty or condition of an authorisation. SEPA Guidance, updated from time to time, is available via the website or on request;

Environmental Assessment Scheme. The scheme published by SEPA, which explains how the Environmental Assessment Score is calculated.

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Table of Environmental Scores - The Environmental Scores published by SEPA for all relevant authorisations covered by this scheme. The score can be used to calculate the Environmental Component charge.

Environmental component - means, in relation to each environmental category attributable to the authorised activities, the environmental score multiplied by the financial factor.

Regulatory Support – covers work on regime support and sector management authorisation.

Schedule - means the Table in the Schedule to The Environmental Regulation (Scotland) Charging Scheme 2016

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ANNEX A - EXAMPLES OF CHARGE CALCULATIONS

This Annex contains examples of charge calculations to show how the scheme works in practice. There are cross referred to in the main text.

Example 1 – Annual Inflation Increases (See Section 2.5)

Example of inflation increase.

If you are applying for a permit for a PPC B Chapter 5: Incineration section 5.1. para (a) (non-hazardous waste generated and incinerated on same site).

The application charge listed in the legal scheme is £2,000, and this would be the charge for 2016-17.

If Retail Price Inflation (RPI) on the 30th September 2016 is 2.5% then the charge for 2017-18 will be:

$$£2,000 * 102.5\% = £2,050.$$

Such inflation amendments are applied each year until the scheme is reviewed and replaced.

Example 2 – Agricultural Irrigation (Section 3.2)

Let us take the case of an application for Abstraction: Agriculture (irrigation - mobile and/or fixed intake) <= 2000m³/d.

This activity is listed in the Table of Activity Components under the Agriculture Sector and the Agriculture: Agricultural Irrigation subsector. From Column 5 the Activity Application Charge is £600.

Is there more than one activity in the authorisation? No – so rules in Section 3.3 do not apply.

Are there any supplementary charges (Sections 3.7 & 3.8) that apply? – No

Therefore, the Application Charge is £600

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Example 3 – 10% discount for second and subsequent activities (Section 3.3)

Say an application of an authorisation is for the Manufacture of pharmaceutical products with a capacity to use less than 100 tonnes of raw materials per year, with three separate production lines (i.e. three activity types).

From the Schedule these fall under PPC A: 4.5(a)1 with three 4.5(a) activity types, each with an Application Activity Charge of £10,000.

Applying the 10% discount gives the following:

The 1st 4.5(a) would have a charge of £10,000.

By virtue of the application discount the 2nd and 3rd 4.5(a) would each attract the 10% discount and have a charge of $£10,000 * 90\% = £9,000$.

So the total application charge is $£10,000 + (2 * £9,000) = £28,000$.

Example 4 – Applying Rules 1 and 2 (Section 4.3)

Licence A is for Chemical Fertilizer Production: Producing phosphorus, nitrogen or potassium based fertilisers and contains 3 * 4.3(a) activities with an Activity Component of £7,043

The 1st 4.3(a) activity type would have a component of £15,000.

By virtue of Rule 1, the 2nd and 3rd 4.3(a) activity types would each have a discount of 75% - so have a component of $£15,000 * 0.25 = £3750$.

So the total charge is $£7,043 + (2 * £3750) = £22,500$

Licence B is for the manufacture of pharmaceutical products with a capacity to use less than 100 tonnes of raw materials per year and contains 4 * 4.5(a) activities with an Activity Component of £10,000.

It also manufactures organic chemicals producing more than 20,000 tonnes of product per year and so has one 4.1(a) 8 activity with an Activity Component of £18,000.

The 4.1(a)8 would receive no discount as it has the highest individual charge (as per principle

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(a) above) and attracts the charge of £18,000.

The first 4.5(a) activity attracts a charge of £10,000.

In this case the 10% discount would not be applied to the 1st 4.5(a)1 activity by virtue of the principle that “Where there are multiple “instances” of the second (or subsequent) activity types, then the 10% rule does not apply to the first “instance” because the 75% rule applies to subsequent “instances”.

The 75% discount would be applied to the 2nd, 3rd and 4th 4.5(a) (by virtue of Rule 1).

The charge is then: -

$$£18,000 + £10,000 + (3 * £10,000 * 25\%) = £18,000 + £10,000 + £7,500$$

$$= £35,500.$$

Example 5 – Agricultural irrigation annual charge (Section 4.6.1)

Let us take the case of the annual charge for Abstraction: Agriculture (irrigation - mobile and/or fixed intake) $\leq 2000\text{m}^3/\text{d}$.

This activity is listed in the Schedule under the Agriculture sector and the Agriculture: Agricultural Irrigation Sub Sector. From Colum 6 the annual charge is £639.

Is there more than one activity in the authorisation? No – so rules in Section 4.3 do not apply.

Is there an Environmental Charge that applies? Column 7 of the Schedule say no, so the Environmental Component does not apply. (Note however that if the volume was $>2,000\text{m}^3/\text{day}$ then an Environmental Component would apply).

Therefore the Annual Charge is just the Activity Charge = £613.

Note that the final charge may be subject to inflation increase (Section 2.5) or the phasing in provisions set out in Section 4.7. In the future it will also be subject to the Compliance Factor as well.

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Example 6 – Agricultural irrigation annual charge (Section 4.6.2)

Let us take the case of the annual charge for Abstraction: Agriculture (irrigation - mobile and/or fixed intake) > 2000m³/d.

Activity Component

This activity is listed in the Schedule under the Agriculture sector and the Agriculture: Agricultural Irrigation sub Sector. From Column 6 the activity type charge is £1,156.

Is there more than one activity type in the authorisation? No – so rules in Section 4.3 do not apply.

So the Activity Component of the charge is £1,156

Environmental Component

Column 7 of the Schedule indicates that the Environmental Component may apply. So look up the Environmental Assessment Scheme Table of Scores – say the abstraction of water score is 700.

From Table 3 In Section 4.4, the Environmental Financial Factor for abstractions is £17.21.

So the Environmental Component of the charge is $700 * £17.21 = £12,047$.

The total Annual Charge will then be $£1,156 + £12,047 = £13,203$

Note that the final charge may be subject to inflation increase (Section 2.4) or the phasing in provisions set out in

Section 3.7). In the future (2018 onward) the Compliance Factor will also apply.

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Example 7 - A Food and Drink Process (Section 4.6.2)

Say a small Food and Drink authorisation covers the following activity types with corresponding Activity Components

Activity Type	Legal Scheme Schedule Table 1 row number	Activity Component	Environmental Component
PPC A: 6.8(d) - Treating and processing materials for food products from animal and vegetable raw materials but excluding milk.	137	£3813	Yes
Abstraction from inland waters for food and drink (other): cooling water (evaporative or non-evaporative) that exceeds 2,000 cubic metres per day.	120	£593	Yes
Discharge of effluent from other food and drink production, not defined elsewhere in this schedule, that is greater than 10 cubic metres per day but does not exceed 100 cubic metres per day.	129	£1616	Yes

Calculation of Activity Component

As there are three activity types a discount applies.

The most expensive activity component is £3,813, so this applies in full.

However, by virtue of Rule 2

“Where an authorisation contains two or more different activity types a discount will be

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applied to the second or more different activity types. “

a 10% discount applies to the abstraction and discharge activity types.

So the Activity Component charge

$$= £3823 + (£593 \text{ less } 10\%) + (£1616 \text{ less } 10\%) = £3823 + £533.70 + £1454.40$$

$$= \text{£5,811.10}$$

Calculation of Environmental Component

All of the activity types in the authorisation qualify for an Environmental Component and say the emission scores in the Environmental Assessment Scheme Table of Scores are as given in the table below. Applying the relevant Financial Factor to these emissions score for each medium is summarised below.

Environmental Component	Corresponding Environmental Emission Score	Environmental Component Finance Factor	Environmental Component Charge
To Air	30	£267.84	£8,035.20
Abstraction	150	£17.21	£2581.50
Discharge to water	25	£780.48	£19,512.00
Total			£30,128.70

So the Environmental Component element of the charge is £26,650.45

The total charge is therefore = £5,811.10 + £30,128.70 = £35,939.80

Note inflation increases (Section 2.4) or Phasing in provisions (4.7) may also apply where appropriate.

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Example 8 - Demonstration of how phasing will be calculated (Section 4.7)

Let us say

- The annual charge in 2015-16 was £2,000
- From April 2016 the annual charge increases to £3,000
- Inflation is 2.5% pa throughout the period

Then the phased charge is as follows: -

Year 1 charge = £2000 plus one fifth of difference between new and old charge
= £2200

Year 2 Charge = £2000 plus two fifths of the difference between new and old charge
Note new charge has gone up by inflation – now £3,000 * 1.025 = £3075
= £2000 + ((£3075 - £2000) * 0.4) = £2000 + £430
= £2430

Year 3 Charge = £2000 plus three fifths of the difference between new and old charge
Note new charge has gone up by inflation – now £3,075 * 1.025 = £3151.88
£2000 + ((£3151.88 - £2000) * 0.6) = £2000 + £691.11
= £2691.11

Year 4 Charge = £2000 plus four fifths of the difference between new and old charge
Note new charge has gone up by inflation – now £3151.88 * 1.025 = £3230.68
= £2000 + ((£3230.68 - £2000) * 0.8) = £2000 + £984.54
= £2984.54

Year 5 Charge Note new charge has gone up by inflation – now
= £3230.68 * 1.025
= £3311.48

No phasing applies as we are at the end of the phasing period.

For completeness applying the phasing in rules results in the same charge viz: -

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$$= £2000 + ((£311.48 - £2000) * 1) = £2000 + £1230.68$$

$$= £3311.48$$

This example represents a pessimistic situation where the charge goes up with the new scheme. In practice there will be a variety of cases with charges going up and / or down when the scheme is first introduced and when reviewed. But the basic phasing methodology outlined above will apply.

Example 9 Charge after Mothballing (Section 7.2)

Let us say that the site in Example 8 had been mothballed and comes back into normal operation in Year 3. The charge applicable will then be as shown above for Year 3 = £2691.11.

Charges for Year 4 and 5 will again be as per Example 8: -

Year 4 Charge = £2984.54

Year 5 Charge = £3311.48

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ANNEX B – SCHEMATIC ON THE SELECTION OF WASTE ACTIVITY TYPES

371	WMA - Small waste management sites with throughput not exceeding 100 tonnes per year.	£1,200	£747
293	WMA which is a micro activity.	£130	£356
26	Storage of waste following a community clear up.	£0	£0

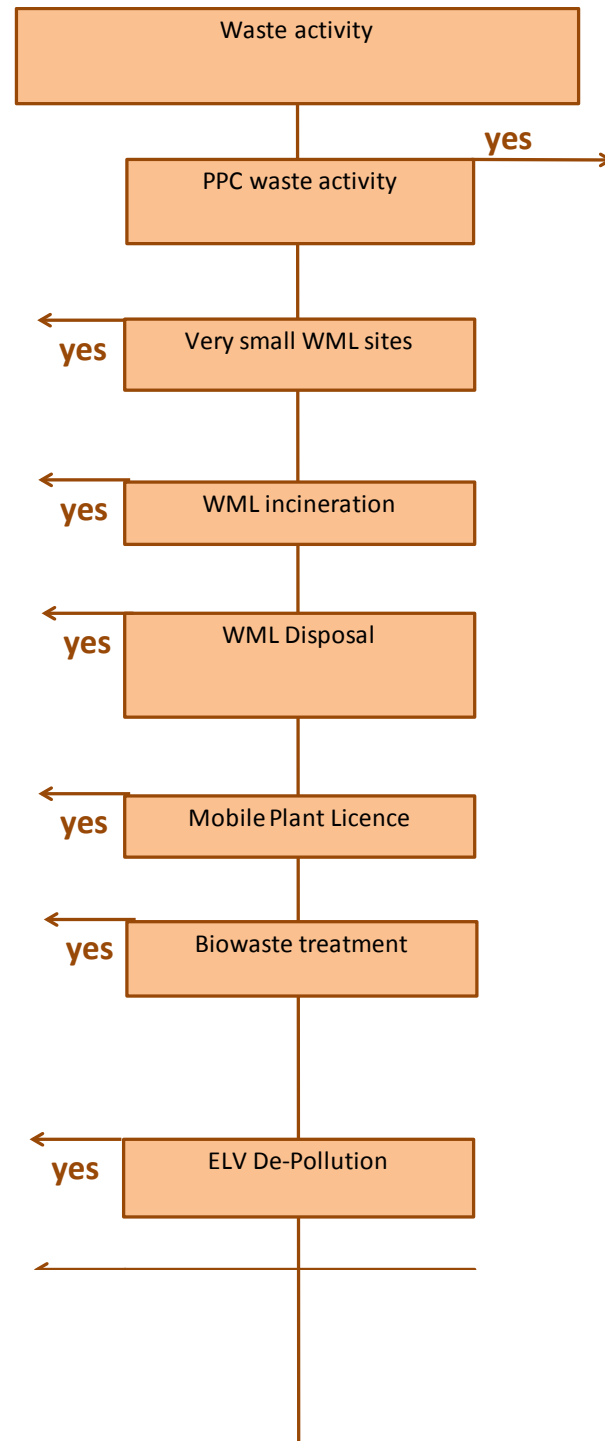
140	WMA - Animal remains Incineration.	£2,000	£1,615
142	WMA - Pet crematoria.	£2,000	£1,444

154	WMA - Closed Landfill.	NA	£1,061
155	WMA - Closed landfill not fully restored, or assessed by SEPA as moderate or high risk of harm to environment.	NA	£3,667
296	WMA - Pet Cemeteries.	£465	£0

360	WMA - Mobile plant.	£4,000	£4,019
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356	WMA - Anaerobic digestion.	£3,000	£4,488
357	WMA - In vessel composting.	£3,000	£4,019
358	WMA - Open windrow composting.	£3,000	£4,019
363	WMA - Sewage sludge treatment.	£2,000	£4,019

175	WMA – End-of-life vehicle site (ELV) with a capacity that does not exceed 5,000 tonnes per year (with or without metal recycling, tyres, oil batteries storage etc.).	£2,000	£4,067
176	WMA – End-of-life vehicle site (ELV) with a capacity exceeding 5,000 tonnes per year (with or without metal recycling, tyres, oil batteries storage etc.).	£2,000	£5,112



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386	WMA - Civic amenity site with a capacity that does not exceed 2,500 tonnes per year.	£2,000	£1,904
387	WMA - Civic amenity site with a capacity that exceeds 2,500 tonnes a year.	£2,000	£3,262

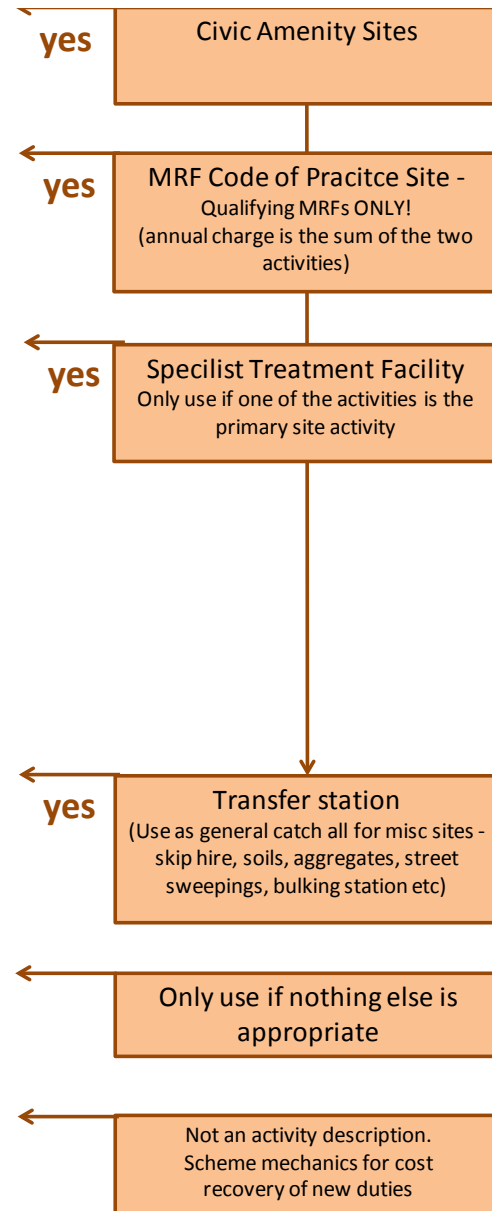
359	WMA - Materials recovery facility.	£3,000	£7,234
370	WMA - Materials recovery facility (recyclate quality) – an activity which has to comply with the Materials Recovery Code.	NA	£2,025

365	WMA - Treatment of tyres (includes storage).	£2,000	£4,019
366	WMA - Treatment of waste oil (includes storage).	£2,000	£4,019
367	WMA - Treatment of waste electrical and electronic equipment (WEEE) (includes storage).	£2,000	£4,488
368	WMA - Treatment of wood (includes storage).	£2,000	£4,019
361	WMA - Other heat treatment (Mechanical Heat Treatment /autoclaving/pasteurisation etc.)	£2,000	£3,072
362	WMA- Rendering.	£2,000	£4,488
177	WMA - Metal recycling with a capacity of that does not exceed 5,000 tonnes per year.	£2,000	£4,067
178	WMA - Metal recycling with a capacity that exceeds 5,000 tonnes per year.	£2,000	£5,112

388	WMA - Bulking up with or without sorting with a capacity that does not exceed 2,500 tonnes a year.	£2,000	£2,164
389	WMA - Bulking up with or without sorting with a capacity that exceeds 2,500 tonnes a year.	£2,000	£3,497

364	WMA - Treatment of other waste.	£2,000	£4,019
398	WMA: Any other waste management activity not described elsewhere in this table.	£2,000	£1,787

369	WMA - additional recovery costs.	NA	£132
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ANNEX C – MAPPING OF PREVIOUS TO NEW CHARGE CATEGORY FOR VARIATIONS, TRANSFERS AND SURRENDERS

Previous Application Charge Category and Summary Guidance	Previous Charge / Comment	New	NEW ASPECT
<p>CAR Administration Variation: In respect of any request for an Administrative Variation made in accordance with Regulation 24 of the 2011 Regulations.</p> <p>In respect of any Administrative Variation of an authorisation in accordance with Regulation 21 or 22 of the 2011 Regulations, no charge shall be payable.</p> <p>An administrative variation is a variation which does not require SEPA to carry out an environmental assessment as the proposed change will either not have environmental implications or it will reduce the impact of the activity on the environment.</p>	£87	Admin variation £0	
<p>CAR Variation:</p>		Standard variation – 30% of the application fee.	Not previously covered
<p>CAR Technical variation (incurring a charge): In respect of any request for a Technical Variation made in accordance with Regulation 24 of the 2011 Regulations,</p> <p>A technical variation is an application for variation of a licence, made by an operator, which will require SEPA to undertake an environmental assessment of the potential impact. It may lead to SEPA modifying the licence conditions or adding new licence conditions, as necessary, to mitigate the impact. Examples of technical variations would include adding an additional activity to a licence, a request to increase the volume abstracted or to change the composition of a</p>	75% of the Application Fee that would otherwise have been imposed in accordance with the Scheme.	Substantial variation. 70% of Application fee.	

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Previous Application Charge Category and Summary Guidance	Previous Charge / Comment	New	NEW ASPECT
<p>discharge.</p> <p>A technical variation fee will apply where an operator applies to vary the conditions of a licence which will require an environmental assessment to be carried out and will increase the impact, or risk of impact, upon the water environment or will not contribute to improvements to the water environment.</p>			
<p>CAR Transfer: In respect of any application for the transfer of an authorisation in accordance with Regulation 25 of the 2011 Regulations</p>	<p>£87 per authorisation.</p>	<p>Admin variation - £0</p>	
<p>CAR surrender</p> <p>The termination of an activity which leads to the surrender of an authorisation or part of an authorisation removes an environmental risk. Consequently, there will be no charge for such surrenders. This exemption from charges includes the:</p> <ul style="list-style-type: none"> • partial surrender of an authorisation where an activity is removed from a licence; • full surrender of an authorisation where all the activities covered by an authorisation cease. <p>No fee shall be charged by SEPA for the surrender of an Authorisation, in whole or in part, implemented in accordance with Regulation 27 and 28 of the 2011 Regulations.</p>	<p>£0</p>	<p>Admin variation - £0</p>	
<p>PPC Part A: Administration Variation</p>		<p>Admin variation £0</p>	<p>Not previously covered</p>

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Previous Application Charge Category and Summary Guidance	Previous Charge / Comment	New	NEW ASPECT
<p>PPC Part A Variation: A variation fee shall be payable for an application under Regulation 46 of the 2012 Regulations for the variation of the conditions of a permit, as it shall where SEPA itself determines that the conditions of a permit should be varied.</p>	<p>Varied from fixed fee to ~30%</p>	<p>Standard variation – 30% of application fee</p>	
<p>PPC Part A Substantial change: A substantial change variation fee shall be payable where SEPA serves a notice under Paragraph 4 (4) (a) of Schedule 7 to the 2012 Regulations. The substantial change variation fee shall be calculated in accordance with Table 1 of the Schedule annexed hereto.</p> <p>A substantial change variation fee shall be payable where Regulation 25(2) is applied.</p>	<p>90% of the application fee or fixed fee dependant on the activity</p>	<p>Substantial change: 70% of the application fee</p>	
<p>PPC Part A: Surrender</p>	<p>Varied between variable or fixed fees</p>	<p>Considered substantial surrender so 70% of application fee</p>	
<p>PPC Part A: Transfer</p>	<p>Fixed fees depending on activity type.</p>	<p>Fixed fee £1,200</p>	
<p>PPC Part B: Administration Variation</p>		<p>Admin variation £0</p>	<p>Not previously covered</p>
<p>PPC Part B: Standard variation</p>	<p>No previous provision</p>	<p>Standard variation 30% of the application fee. Essentially if</p>	<p>Not previously covered</p>

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		it is not administrative or substantial in this case it would be caught by the standard application.	
PPC Part B: Substantial variation	40% of application fee for Cat 2 activities, otherwise over 60%	Substantial change: 70% of the application fee	
PPC Part B: Transfer	£0 Charge	Admin variation – £0 charge	
PPC Part B: surrender	£0 Charge	Admin variation – £0 charge	
<p>WML Administration Variation:</p> <p>A charge will not be made for minor administrative amendments where professional input is not required, such as change of company name. (A change of company number is a Transfer and would require a full fee)</p> <p>A charge will not be made should a further application be required to make good any error on the part of the SEPA</p>	£0 Charge	Admin variation – £0 charge	
WML Substantial Variation:		70% of the	Not previously

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		application fee.	covered
<p>Waste management licenced activities: “modification charge”:</p> <p>Means the charge payable in respect of an application by the licence holder under section 37 of the Act to modify the conditions of his licence</p>	No fixed percentage it varied depending on the activity and the scale of the activity.	Standard variation - 30% of original application fee, unless it falls under the description of a ‘substantial variation’	
<p>WML Transfer:</p> <p>An application under section 40 of the Act for the transfer of a licence</p>	Fixed fee depending on the activity	Where a transfer requires an assessment of the competence of the new operator then a charge of £1,200 will apply. For example, this fee will apply if a fit-and-proper-person test is required at a waste management or	

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Previous Application Charge Category and Summary Guidance	Previous Charge / Comment	New	NEW ASPECT
		PPC site.	
<p>WML Surrender:</p> <p>“Surrender charge” means the charge payable in respect of an application by the licence holder under section 39 of the Act to surrender their licence;</p>	Fixed dependant on the activity type	Taken as substantial surrender so 70% of the application fee.	
<p>RSA Band B or C Application charges – guidance has been developed and will be placed here shortly.</p>			