

SCOTTISH ENVIRONMENT PROTECTION AGENCY

STRATEGY MEETING

The twenty-fourth Board Strategy meeting took place at 1.00 p.m. on Tuesday 21 June 2016 in the Board Room, Angus Smith Building, Eurocentral, Lanarkshire.

Present:

Terry A'Hearn	Martin Hill
Fran van Dijk	Nick Martin
Richard Dixon	Bill McKelvey
Bob Downes (Chairman)	Keith Nicholson (teleconference item 9)
Michelle Francis	Lesley Sawers

In Attendance:

Archie Alexander	Senior Business Consultant (item 10)
Donna Brodie	Corporate Officer
Sam Curran	Senior Business Consultant (Item 9)
Jean Fyfe	Board Observer
Fiona Gentle	Scientist (AMT Shadow)
Jo Green	Chief Officer Performance and Innovation
Luke Hanlon	Administrative Officer (AMT Shadow)
Fraser Lovell	Head Solicitor (item 8 only)
Fiona Martin	Chief Officer People and Property
Calum MacDonald	Executive Director of Regulatory Services
Stuart McGregor	Chief Officer Finance
Jennifer McWhirter	Clerk to the Board
Jane Morrison	Executive Officer
David Pirie	Executive Director of Evidence and Flooding
Allan Reid	Director, Commercial Services (item 9)
Anne Turner	Business Strategy Unit Manager

1. Chairman's Opening Remarks

The Chairman welcomed everyone to the meeting, particularly Luke Hanlon and Fiona Gentle as part of their AMT shadow experience.

The Chairman invited David Pirie to provide an update of the Life+ Awards. David Pirie reminded Board members of the competition for Life+ Best of the Best Awards and advised that SEPA had been successful in winning the award for SEWeb. He reported that a team had received the award at a ceremony in Brussels and that an article would be published in SEPA View. The Board congratulated the team on the achievement.

The Chairman updated the Agency Board of a recent introductory meeting held with the new Cabinet Secretary and advised that a fuller report would be provided in July.

The Chairman reported that buddying and engagement will become a standing item at all Board meetings and will provide the opportunity for Board Members to review and update the register of board buddying and exchange information.

Action: Clerk to the Board

The Agency Board asked for a review of the communications sent to Board Members to include notification of both good news stories as well as more negative issues. It was agreed that Board Members would receive all press releases and that this provision would be reviewed in a couple of months.

Action: Jo Green

2. Apologies for absence

Apologies for absence were received from Jackie Hyland. .

3. Order of Business

The order of business was confirmed as that on the agenda and an item of other business around planning was identified for discussion.

4. Declarations of Interests

No declarations of interests were raised.

5. Approval of the minutes of meeting held on 22 March 2016

The minutes of the meeting held on 22 March 2016 were approved without amendment as an accurate record of that meeting.

6. Matters Arising

The Clerk to the Board confirmed that a fuller briefing of the RAFF meeting (item 1) had been provided to the Agency Board in April, that the next iteration of the People Strategy was scheduled for July 2016 (item 10) and that feedback on examples of good practice in respect of the Information and Evidence Strategy (item 11) had been received. She confirmed that the action in respect of the People Strategy would remain open until the item had been considered by the Board and that the other actions had been closed.

7. Implementation of SEPA's Regulatory Strategy

The Chief Executive reminded Board Members of the approval of SEPA's Regulatory Strategy and presented examples of the Strategy in practice through sustainable growth agreements. He re-iterated the position that non-compliance was unacceptable and agreements would be voluntary and support businesses in going beyond compliance.

He highlighted initial discussions being held with Superglass and how the agreement could be used to exploit the environmental credentials of the product.

In discussion, the Board asked questions with regard to potential linkages with sustainable development goals, engagement with the Cities Agenda and the measurement of outcomes and outputs. The Chief Executive confirmed that the agreements are totally bespoke and that added value will come from understanding where the business is coming from and its drive. Discussion will not take place if the CEO is not prepared to be present. He clarified that there will not be a set number for measurements and that agreements will be judged against the level of impact, a test being press releases and media interest.

The Board queried whether there would be unfair commercial advantage with any cross over with commercial strategy in developing partnerships. In response the Chief Executive confirmed that he did not think that much of SEPA's commercial strategy would focus in Scotland but instead overseas and that there would be no unfair commercial advantage. The Board suggested introductions could be made abroad to companies being innovative. The Chief Executive commented that it was dangerous to try and manage commercial work with regulatory

work but acknowledged this was a new perspective. He advised that the agreements were more about market credibility in being seen as good enough to sign such an agreement with SEPA and declaring full compliance than applying SEPA's seal of approval.

The Board raised a concern about credibility and the importance of defining the agreement. In response the Chief Executive confirmed that if an agreement is signed and there is then non-compliance SEPA will pull out of the agreement as otherwise credibility will be lost.

It was noted that the next iteration will be a draft agreement either by circulation or at the next meeting.

Action: Chief Executive

8. Environmental Sentencing Guidelines in England - Presentation

Calum MacDonald introduced the agenda item and welcomed Fraser Lovell to the meeting.

Fraser presented an outline of the "Environmental Offences Definitive Guideline" introduced by the English Sentencing Council on 1 July 2014, considered the effect this has had in recent environment cases by way of example and whether it would be desirable to suggest to the Scottish Sentencing Council that they consider introducing environmental sentencing guidelines in Scotland. Calum MacDonald confirmed that he is attending a meeting with George Burgess and representatives of the Sentencing Council imminently.

In response to a question Fraser advised that the guidance was produced by the English Sentencing Council who are predominately members of the judiciary and that a Scottish Sentencing Council has recently been set up with the majority of members being the judiciary and leading advocates with a target of 2 to 4 sets of guidance over the coming year.

Jo Green advised that it would be more proportionate with the new enforcement tools.

The Board noted the update

9. Commercial Services – Presentation

Allan Reid and Sam Curran attended the meeting and Keith Nicholson joined the meeting by teleconference for this agenda item. Allan Reid presented to the Board early thinking around SEPA's strategy for Commercial Services highlighting a number of areas including why this is being done, how it fits in with SEPA's strategies, the direction of travel looking at not only where SEPA is now but where it may want to be in a few years' time and where efforts should therefore be focused.

The Board was supportive and discussed the need to look at SEPA's competencies and focus on these, parameters of scale of opportunities and risks and geographical areas of business to ensure SEPA can win business and be paid. The Board suggested the need for a business plan to determine where SEPA wants to be and define its unique selling point and level of ambition and highlighted the possible cultural challenge of those in the public sector who are uncomfortable in this type of environment, which is very different from being a regulator. The business structure, governance arrangements and possibility of a subsidiary were discussed with the Board supporting the need to understand the keys skills and niche market; where there is a demand for such skills. The Board also raised the requirement for the People Strategy to buy into this to help understand how to deal with the capacity to deliver and to forecast, which will require individuals who are commercially minded.

Bill McKelvey, Keith Nicholson, Fran van Dijk and Nick Martin agreed to provide support, with Allan Reid to follow this up and bring a structured approach back to the Board.

The Board noted the update.

10. Risk Workshop

Jo Green introduced the item and welcomed Anne Turner to the meeting and to present the workshop

The Board participated in a workshop to identify and prioritise risks associated with the organisation's new strategic direction under three specific areas; sector approach, commercial services strategy and maintaining a high performance organisation. The aim of the workshop was to draw on the wide experiences of Board members to ensure we have the right risks on our corporate risk register.

The Board identified the biggest risks in these areas as being; not having the skills needed to deliver our new strategy, failing to make money from our Commercial Services strategy owing to commercial naivety, and not spotting and / or adapting quickly enough to external developments such as new technology. The risks identified at the workshop will be profiled by staff and assessed by the Risk Management Group, who will report progress back to the Audit Committee.

11. Action Note

The Board noted the action note.

12. Any Other Business

Planning Workshop: Michelle Francis advised that she would be attending a planning conference in September and welcomed views from board members ahead of the event.

Violence and Aggression: Calum MacDonald advised the Board of a recent incident of violence and aggression against two members of staff. He reported that the members of staff had been supported through the management team to the Chairman and that an internal review would be undertaken to understand any lessons learned.

He also reported on another incident which occurred in 2014 and reported that the case had concluded with a non-proven verdict. He advised that he is keen to follow up with the Procurator Fiscal.

In response to questions, he confirmed that body worn cameras are used on site on occasion and that a staff counselling service is available and offered proactively in these circumstances.

Aberdeen Western Periphery Route – Calum MacDonald provided an update of enforcement activity in respect of the Aberdeen Western Periphery Route. He confirmed staff resource working on the issue and daily briefings being provided to Ministers. He advised that contact had been made with the Chief Executive of Transport Scotland and that a three party meeting (Transport Scotland, Contractor and SEPA) had been arranged for 22 June 2016. He confirmed that construction work had voluntarily stopped at the site with the exception of work required to protect the environment. He indicated a report will be submitted to the Procurator Fiscal.

13. Date and time of next meeting: 25 October 2016 at 1.00pm, Angus Smith Building