



## Agency Board Meeting 29 April 2014

Board Report Number: SEPA 11/14

### Chairman's Report

<b>Summary:</b>	This paper highlights points of interest from the Chairman's diary since the last Board meeting on 11 February 2014.
<b>Risks:</b>	N/A
<b>Financial Implications:</b>	N/A
<b>Staffing Implications:</b>	N/A
<b>Environmental and Carbon Impact:</b>	N/A
<b>Purpose of the report:</b>	For information
<b>Report Author:</b>	David Sigsworth, Chairman Jenny Faichney, External Engagement Unit Manager
<b>Appendices:</b>	None

<b>Chairman's Report</b>
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## 1. Government relations

### 1.1 Vulcan

On 7 March James Curran and I met with Alex Salmond, First Minister of Scotland, to discuss the Ministry of Defence's Vulcan test reactor at Dounreay and how these activities are regulated in Scotland. Vulcan is the test-bed for the pressurised water reactors used in Britain's nuclear submarines. SEPA's regulatory role is set out in the Cabinet Secretary for Rural Affairs and the Environment's, Richard Lochhead, statement to Parliament made on 11 March. This statement also provides more information on the topic. Additional information is also provided in [Richard Lochhead's announcement](#) that the Scottish Government plans to bring forward proposals to remove the Ministry of Defence's Crown immunity on radioactivity.

On 1 April Executive Director Calum MacDonald, Chief Officer Allan Reid and I met with Mr Lochhead and Minister for Environment and Climate Change, Paul Wheelhouse, in the Scottish Parliament to discuss the situation that arose over HMS Vulcan in more detail.

### 1.2 Climate Change Leadership

On 15 April I met in Edinburgh with Kirsty Lewin from the Energy and Climate Change Directorate at the Scottish Government, regarding climate change leadership.

Scottish Government is developing a climate change leadership programme following a workshop Graeme Dickson, Director-General Enterprise, Environment and Digital, hosted in October last year. I reported to the Board on this workshop in my November Board report.

Scottish Government and the Public Sector Climate Leaders Forum, the main governance group for public sector action on climate change, aspire to be exemplars in leadership of the climate change agenda. This means building on the work already underway, but also looking further at our roles, for example, as employers, procurers of goods and services, policy developers and implementers, and emitters. Indeed, SEPA has set itself a goal of reducing its emissions by 42% by 2020 based on a 2006-2007 baseline. Tasks include identifying potential gaps and opportunities for action on climate change, promoting good practice, and seeking solutions to issues within our respective organisations and sectors.

We discussed my thoughts and ideas, as Climate Change Champion, on the development of this leadership programme, and required input to get this work started. During our discussion I referred to the SEPA publication, '*Our Climate Challenge*'<sup>1</sup> launched on 3 March which sets out SEPA's vision to do everything in its power to help Scotland address climate change and ensure its environment, economy and communities flourish.

### 1.3 Low Carbon Investment Programme

On 25 February I attended the First Minister's Reception at Edinburgh Castle, as part of the Scottish Low Carbon Investment Programme. This programme connects with much that SEPA is doing to promote opportunities in the low carbon sector, for example looking at renewable energy sources.

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<sup>1</sup> SEPA's 'Our Climate Challenge' can be viewed at: [http://www.sepa.org.uk/climate\\_change.aspx](http://www.sepa.org.uk/climate_change.aspx)

#### 1.4 **Zero Waste Taskforce**

On 19 March James Curran and I attended the first meeting of a newly formed Zero Waste Taskforce led by Scottish Government and CoSLA. This meeting was held at the Scottish Parliament, chaired by John Swinney, Cabinet Secretary for Finance and Sustainable Growth, with Cabinet Secretary Richard Lochhead also participating. Both James and I are members of this new Taskforce.

This inaugural meeting focused on setting the scene on issues around the Circular Economy with discussion on economic opportunities and local authority progress. We also discussed how to make the most of public sector procurement and maximising existing policies and regulation to best effect.

As I reported to the Board in February, Scotland's Zero Waste Plan aims to change how waste is viewed and managed in Scotland. In 2010 this Plan established a 10 year vision to help provide investor confidence in Scotland's waste policy: *A Scotland where resource use is minimised, valuable resources are not disposed of in landfills, and most waste is sorted into separate streams for reprocessing, leaving only limited amounts of waste to go to residual waste treatment.* The work of the taskforce will be complementary to this existing vision.

Despite this aspiration of the Zero Waste Plan, more needs to be done to create the right investment conditions and to reduce public sector exposure to risk. This Taskforce will provide the leadership needed to stimulate and enhance the economic benefit of Scotland's waste materials, finding solutions between the various players.

#### 1.5 **Agriculture**

On 19 March, James and I met with Brian Pack OBE at the Forestry Commission's offices in Edinburgh.

Brian Pack has been charged by the Cabinet Secretary, Richard Lochhead, to reduce red tape in agriculture and land management. To date, he has produced an interim report published on the Scottish Government website<sup>2</sup>, *"Doing Better Initiative to Reduce Red Tape in Agriculture"*, containing 72 recommendations. This is an independent report prepared by Brian Pack on the current regulatory framework of Scottish Agriculture including the European dimension. A consultation, by the author, around the report's recommendations has helped improve understanding of the regulatory framework and the on-farm implementation of regulations. SEPA submitted a detailed response to this consultation in February, agreeing to the majority of the report's recommendations.

SEPA supports this initiative and we welcome the opportunities provided by Brian Pack for our contributions throughout the development of his report. This initiative will help ensure that agricultural regulation is transparent, accountable, proportionate, consistent and targeted - all principles which SEPA strongly supports.

At our meeting, Brian Pack was keen to hear our views on a section of the report dealing with structural reform within Scottish Government with a proposal to create a large merged body to be responsible for all farm regulation.

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<sup>2</sup> <http://www.scotland.gov.uk/Publications/2013/12/4967> and <http://www.scotland.gov.uk/Topics/farmingrural/Agriculture/doingbetter>

SEPA strongly recommends a continuation of our current approach and responsibilities to regulate the farming sector. In particular we recommend that more design and development is carried out on the SEARS<sup>3</sup> model to extend the effectiveness and efficiency of joint working between public sector organisations. This would help ensure a right balance is reached between formal regulation, funding, voluntary action, advice and guidance. We believe that the success of SEARS can be built on to further reduce any unnecessary administration on the regulation of farmers. Our proposal is that an expansion of the SEARS project and the ENFOR review (*the recent Review of the Policy and Delivery Landscape within the Environment and Forestry Directorate*) should be assessed further as an alternative to any proposed merger.

Following this meeting, additional strategic meetings with Brian Pack have been set up to provide advice on technical issues and to discuss how we can further improve some of our support services for the agricultural community.

#### 1.6 **SRUC/SEPA Biennial Conference**

Scotland's Rural College (SRUC) and SEPA held their latest Biennial conference in Edinburgh on 15-16 April in association with Forest Research (Research agency of the Forestry Commission), the James Hutton Institute, and Scottish Natural Heritage. The theme of this conference, attended by over 170 delegates, was *Agriculture and the Environment, delivering multiple benefits from our land: sustainable development in practice*. I attended the morning session on 15 April when James Curran provided the welcome to the conference and chaired a session on "*What do we need to know in order to incorporate the delivery of multiple benefits into planning and policies?*" Claire Baker MSP provided the opening address.

The conference considered the decisions that need to be taken on a wide range of land management issues, presenting an excellent scientific understanding of the complexities associated with meeting potentially competing demands. This included ecosystem service delivery, climate change, food and energy security, rural renewable energy, and reducing greenhouse gas emissions. Four of the conference presentations were given by SEPA staff. The conference also provided a useful forum to discuss ways in which policy and its implementation needs to be adapted to meet future challenges.

## 2. **External Engagement**

### 2.1 **Parliamentary engagement**

On 26 February, James Curran, Chief Officer Allan Reid and I met with Patrick Harvie MSP, Co-convenor of the Scottish Green Party. Items under discussion included the benefits to SEPA of the Regulatory Reform (Scotland) Bill, Unconventional gas, open cast coal, and community empowerment and citizen science.

As reported to the Board in November and February, following similar meetings with political parties, this forms part of our annual meetings with leaders and environment spokespeople. We meet with the main opposition political parties in Scotland to keep them informed of recent developments in SEPA, SEPA's direction and to hear their views and priorities.

### 2.2 **The Crown Estate**

On 12 February, James Curran and I met in Edinburgh with Gareth Baird, Scottish Commissioner, and Alan Laidlaw, Scotland Rural and Coastal Portfolio Manager, at The Crown Estate. Areas under discussion included: South of Scotland Economic

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<sup>3</sup> Scotland's Environmental and Rural Services

Forum Board and South of Scotland Alliance Report on *Building a Sustainable Low Carbon Economy*; Clyde Catchment Project Plan; Aquaculture developments; Fuel poverty and energy efficiency in The Crown Estate in Scotland. The focus was very much on how SEPA and The Crown Estate can work together to help develop the Estate.

### 2.3 **INEOS, Grangemouth**

On 17 February, James Curran, SEPA Deputy Chairman, Bob Downes, and I visited INEOS at Grangemouth. This visit was hosted by Gordon Grant, Chief Executive, and David East, Communications Manager, at INEOS, following an invitation from Gordon Grant to visit the site.

Grangemouth Refinery and Petrochemical complex is treated as one installation. It has five operators, including INEOS Infrastructure and INEOS Chemicals, each with a separate permit from SEPA to operate under the Pollution Prevention and Control Regulations 2012.

This was a very comprehensive site visit. It was particularly useful to hear a summary of INEOS's activities and learn a bit more about their immediate and future plans and ambitions. It is always valuable to SEPA to know and understand what lies ahead, so that we can be prepared to provide our input in the most efficient ways possible.

### 2.4 **National Farmers Union Scotland (NFUS)**

On 19 February I visited a farm in Dumfries and Galloway hosted by NFUS President, Nigel Miller, as a fact-finding exercise to see for myself the impacts of the December/January floods and clarify rules on river management in Scotland. In addition to Nigel Miller, Regional Chairman, Andrew McCornick, and Isla Flanagan, Regional Manager for Dumfries and Galloway were also present for NFUS. Representatives of Scottish Government and SEPA experts were also in attendance.

There was open discussion around the problems encountered by some farmers after recent storm events and it was evident that the farm visited was significantly impacted. Useful clarification of the actions which can be taken by farmers in relation to watercourse management on their farms was provided; it was clear that, in this case, most of the remedial work required did not need authorisation from SEPA.

As we have said in press articles around the issues discussed with NFUS, SEPA is aware of, and sympathetic to, the challenges facing farmers, particularly after damaging flood events. It was helpful for me to hear first-hand about the difficulties, and discuss what SEPA can do to help.

Subsequent to the visit, our officers have provided the flood history for this area, flow data, and advice to the farmers to support their recovery following these floods.

There are a number of activities land managers can carry out in respect of routine drainage and clearance measures without contacting SEPA for permission. However, more significant works do require further controls. At a local level SEPA staff are always available to discuss options for watercourse management and provide advice on levels of authorisation. Land managers are advised to contact their local SEPA office if they have any queries.

### 2.5 **Holyrood conference**

I was pleased to be given the opportunity on 20 February to speak at a Holyrood conference at Our Dynamic Earth in Edinburgh on "*Safeguarding Scotland's Resources*". Cabinet Secretary Richard Lochhead set the context at the start of the conference with a policy overview of the progress around zero waste, resource

efficiency and Scottish Government's commitment to a more circular economy. Iain Gulland, Director of Zero Waste Scotland then spoke on business resource efficiency highlighting the new Resource Efficient Scotland Service, offering information, advice and support to business, and the public sector. I followed Iain, speaking about SEPA's role in championing sustainable resource use and the framework we provide to support and regulate business. I highlighted that we seek to achieve environmental protection and improvement while helping to support innovation, a thriving economy and a high standard of health and wellbeing. I focused on the Regulatory Reform (Scotland) Bill as a new integrated regulatory model which rewards good practice. I also took the opportunity to highlight SEPA's role in providing advice to businesses through the SEPA and Netregs websites, and through productive partnerships including those with the Enterprise agencies, Scottish Government and Zero Waste Scotland.

As I had to leave the conference straight after my presentation in the morning, I was grateful to Adrian Bond, SEPA's Waste Unit Manager, for representing SEPA at the questions and discussion session following the presentations.

SEPA also ran a workshop in the afternoon to discuss the role of regulation in supporting sustainable resource use and in driving innovation. This was led by Jane Bond from SEPA's Advice and Engagement team, and Rebecca Walker from SEPA's Waste team.

## 2.6 **Scotch Whisky Association**

On 17 March James Curran and I met with the new Chief Executive of the Scotch Whisky Association (SWA), David Frost, and Julie Hesketh-Laird, Director of Operational and Technical Affairs at SWA.

As our most recent meeting with SWA was only in November 2013, this was a high level get-to-know-you meeting in March, which did not go into detail on specific issues. Our liaison links with SWA remain strong and we made a commitment at the meeting to maintain and develop the relationship that was built up during Gavin Hewitt's time in post as the previous Chief Executive.

Prior to joining the SWA in January 2014, David Frost worked at the Department for Business, Innovation, and Skills, as Director for Europe, Trade, and International Affairs, where he was responsible for external trade policy, EU issues, and the UK's export controls regime.

## 2.7 **David Hume Institute Lecture**

On 18 March I attended a David Hume Institute (DHI) Lecture at The Royal Society of Edinburgh on "*The Challenges facing the Scottish Energy Industry*", of importance to both businesses and consumers. The main speaker for the evening was Ian Marchant, Chair of Scotland's 2020 Climate Group, former Chief Executive of Scottish and Southern Energy, and Chairman-designate of the Wood Group. Ian's talk was followed by a perspective from the construction sector from Jim Steele of Morrison Construction, who was also sponsoring the evening. Chris Masters, Chairman of Energy Assets Group plc, was chairing. It was interesting to hear the different views on the energy sector into the future. It was also notable that this lecture was the last DHI seminar in Edinburgh with Jeremy Peat as Director.

Following the lecture I attended the David Hume Institute Dinner hosted by Walter Scott and partners at their offices.

## 2.8 **Scottish Canals**

On 25 February I met with Steve Dunlop, Chief Executive, and David Lamont, Director of Operations, Scottish Canals, accompanied by Jane Bond from SEPA's

Advice and Engagement team.

I provided a background to SEPA's priorities and we discussed where SEPA and Scottish Canals can act to get better environmental integration into communities. The work of the Green Growth Steering Group (see 2.9 below) was also discussed, including how Scottish Canals could provide a good demonstrator of how green growth works in practice. Examples referred to included Scottish Canals' innovation and regeneration work on the use of heat pumps, sensors, flood mitigation measures, and use of dredging material.

We will also follow up with senior managers in SEPA on opportunities for closer collaboration between SEPA and Scottish Canals, for example around river basin management planning and flood management. Steve Dunlop is to meet with SEPA's Agency Management Team on 23 June.

### 2.9 **Green Growth Steering Group**

On 26 February I participated in a meeting of the Green Growth Steering Group at Dundas and Wilson's offices in Glasgow, chaired by Laurence Ward (Chair of Dundas and Wilson<sup>4</sup>).

We discussed the draft presentation to the Scottish Energy Advisory Board (SEAB) that Lawrence Ward and I are to give seeking endorsement of the findings and recommendations from the Green Growth group to unlock additional opportunities for stimulating sustainable economic growth in Scotland. As reported to the Board in February, we were expecting to present a Green Growth Action Plan to SEAB in March, however a final date has yet to be confirmed.

Further information on the work of this steering group was provided in the February Board report.

### 2.10 **Future meetings**

On 16 April James Curran and I are due to visit the farm of **NFUS President**, Nigel Miller, in Selkirkshire. This follows a long-standing invitation from Nigel Miller to help our understanding of the practical issues facing the farming community.

On 23 April I am due to visit **Ravenscraig Innovation Park** and meet with Dr David Kelly, Associate Director, Construction Innovation, BRE Scotland, to discuss the Retrofit Scotland initiative.

I met David Kelly at the First Minister's low carbon reception in Edinburgh (see 1.3), and was keen to visit the innovation park at Ravenscraig to learn more about the Retrofit Scotland initiative and see some of the novel developments on site that BRE and Resource Efficient Scotland have developed.

## 3. **Action**

3.1 The Board is asked to **note** this report.

**David Sigsworth, Chairman**  
**15 April 2014**

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<sup>4</sup> Note that Dundas and Wilson, a leading Scottish law firm, is to join the CMS UK partnership. The merger will be completed by 1 May 2014.