About this plan

This Annual Operating Plan lays out our work for 2018-2019, the second year of our current Corporate Plan.

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Alternative Formats and Languages

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If you are a user of British Sign Language (BSL) the Contact Scotland BSL service gives you access to an online interpreter enabling you to communicate with us using sign language. http://contactscotland-bsl.org/
Chief Executive’s Foreword

At SEPA, we have set ourselves the aim of becoming a world class organisation. We believe that the people of Scotland deserve nothing less from their environment protection agency.

During SEPA’s first twenty years, we are proud of what we delivered, especially in reducing industrial pollution and playing a key role in setting up Scotland's flood management system.

Our 2017-2022 Corporate Plan sets out how we intend to build on that track record to become an environment protection agency suited to the next set of environmental challenges that societies face across the world. The massive over-use of the planet’s capacity to support our social and economic systems is the new additional challenge that must be tackled. Now.

At the end of our first year of the Corporate Plan, we have put some strong foundations in place.

We have established a new strategy for how we regulate - One Planet Prosperity. We have started changing our structures, culture and processes. This will focus us on on-ground delivery and allow staff to more powerfully use their skills and abilities. Importantly, we have started using new powers such as enforcement undertakings and fixed monetary penalties as well as making progress on new key initiatives such as our first six sector plans.

In short, we have put strong foundations in place upon which to build a 21st century environment protection agency.

So we are now in a good position to start delivering stronger results.

This will be our primary focus in this second year of our five-year plan Corporate Plan.

This will be a year in which our new strategy is powerfully turned into action. This will be a year in which we will ‘get our hands dirty’ in making an even bigger difference to environmental outcomes through our new approach.

This will be a year in which all SEPA staff gain much more clarity and confidence about how we will operate as a 21st century environmental regulator.

In the pages that follow, you will find targets for our regulatory and flooding work. You will also find targets for streamlining internal processes and strengthening accountability.

If you work at SEPA, we hope you can use this annual operating plan to help give powerful focus to your work. If you are a partner, customer or stakeholder, we hope it will make it easier for you to both identify opportunities to work with us and also hold us to account for delivering outcomes for Scotland.

Terry A’Hearn
Chief Executive
Facal-toisich bhon Àrd-oifigear

Tha sinne aig SEPA a' chur romhainn a bhith nar buidheann fior shoibrheachail a tha cho math ri buidheann sam bith eile air an t-saoghal. Tha sinne dhen bheachd gu bheil muinntir na h-Alba airidh air an leithid a bhuidheann a chuireas dion air an àrainneachd aca.

Tha sinne moiteil às na choleanan sin sa ciad 20 bliadhna aig SEPA, gu h-àraidh a thaobh mar a lùghdaich sinn an truailleadh bho obair gniomhachais agus an obair chudromach a rinn sinn airson cuideachadh le bhith a' stèidheadachd an t-siostaimi gus dèiligeadh ri tuiltean ann an Alba.

Sa Phlana Chorporra againn airson 2017-2022 tha sinne ag innse mu mar a tha sin a bhith a' mhuilgog air na rinn sin mu thràth feuch am bi sinn na buidheann dion na h-àrainneachd as urrainn dèiligeadh ris na dùbhlain ùra a bhios ro dhaoine air feadh an t-saoghail a thaobh na h-àrainneachd. Tha mar a tha sin a' cleachdadh faida cus de stòras is toraidhean na cruinne air naonachan sòisealta is eaconamach na dhùbhlan mòr, ùr ris am feum sinn dèiligeadh. Sa bhad.

Aig deireadh na ciad bhliadhna den Plana Chorporra againn, tha sinne air bun-stèidh làidir a thogail.

Tha sinne air ro-innleachd ùr a dheaithb airson ar n-oblàrach riaghlaidh - Soibrheachas Aon Phlanaid. Tha sinn air tòiseachadh air ar structaran, dòighlean-obrach is pròiseasan atharrachadh. Leigidh seo leinn a bhith a-muidh barracht a' coileanadh ar dleasatanach agus bidh cothrom aig an luchd-obrach barracht feum a dhéanamh de na sgilean is comasan aca. Gu cuideachadh, tha sinn air tòiseachadh air a bhith a' cleachdadh ar cumhachdan ursa leithid chumhachdan spàrradh agus peannasan far am feumar sùim airgid stèidhichte a phàigheadh, agus tha sinn air adhartas a dhéanamh le priomh iomairtean ùr leithid a' chiaid sìos planaichean roinnneal againn.

Tha sinne air bun-stèidh làidir a thogail do bhuidheann dion na h-àrainneachd a bhios comasach air dèiligeadh rì gach dùbhlan a thig san 21mh linn.

Mar sin, thèid againn air builean nas fheàrr a lìbhrigeadh.

'S e sin as motha a bhios fa-near dhuinn san dàrna bliadhna de ar Plana Corporra a tha a' gabhail a-steach còig bliadhna.

Seo a' bhliadhna far an tèid ar ro-innleachd ùr a chur an gniomh le buaidh is èifeachd. Seo a' bhliadhna far am bi sinn ri spàiriin is oighirp feuch an coilean sinn builean nas fheàrr buileach don àrainneachd tro ar modhan-oblàrach ùra.

Seo a' bhliadhna far am bi tòrr a bharrachd tuigse aig luchd-oblàrach SEPA air mar a bu chóir dhuinn a bhith ag obair mar buidheann-riaghlaidh na h-àrainneachd san 21mh linn agus bidh barrachd misneachd aca nan obair.

Sna duilleagan a leanas, chithear targaidean airson ar n-oblàrach riaghlaidh agus ar n-obair gus dèiligeadh ri tuiltean. Cuideachd, chithear targaidean gus modhan-oblàrach taobh a-staigh na buidhne a dhéanamh nas èifeachdaiche agus gus ar dèanamh nas cumntachailte.

Ma tha sibh ag obair do SEPA, thuinn sinn an dòchas gun dèan sibh feum dhèan phlana ghnìomh bhliadhnaile seos gus stiùireadh soilleir a thoiridh du ro n-obair. Ma tha sibh nur neach-compàirt, neach-cleachdaidh no neach-uidhe, thuinn sinn an dòchas gun dèan am phlana seo e nas fhasa dhuiubh cothrom a chomharrachadh gus obrachadh comhla rinn agus dòighlean fhascinn far an urrainn dhuiubh dèanamh cinnteach gu bheil sin a' coileanadh nam builean do dh'Alba mar bu chóir.

Terry A'Hearn
Àrd-oifigear
Our Strategy

**Purpose**

To protect and improve the environment in ways that, as far as possible, also help create health and well-being benefits and sustainable economic growth

**Strategic outcomes**

1. **Scotland is thriving in a low carbon world**
   The Scottish economy is becoming increasingly resource efficient and there is a general acceptance of the need to live within the planet’s regenerative capacity. The economy is becoming increasingly resilient to the threat of scarce raw materials. Scotland is developing innovative approaches to carbon and resource efficiency and is sharing and exporting its technologies and expertise.

2. **Scottish businesses are prospering from better environmental performance**
   Scottish businesses recognise the benefits to them of good environmental performance and take full advantage of them. SEPA regulated businesses secure and maintain full compliance with environmental rules and regulations. Non-compliance is not tolerated.

3. **The impact of flooding is reducing**
   The likelihood and potential impact of flooding across Scotland is understood and strategies are developed to tackle greatest risks. Flood warnings are provided and businesses, communities and individuals understand the steps they can take to protect themselves from the impact of flooding. Robust advice is given to ensure planning decisions are well informed and new developments are not located in high risk areas.

4. **People benefit from Scotland’s improving environment**
   The quality of the air, water and land in Scotland is improving, providing benefits to health and local amenities and better resources for local businesses. The impact of pollution and environmental crime is reducing. People understand the benefits a healthy environment provides for their quality of life and take full advantage of them. People have the information they need, when they need it, to help them make good decisions that improve the environment, society and the economy.

**Our core services**

- Regulation
- Flood risk management
**Actions**

<table>
<thead>
<tr>
<th>Sectoral approach</th>
<th>Sustainable Growth Agreements</th>
<th>Reform of Permissions</th>
<th>Tackling Non-Compliance</th>
</tr>
</thead>
<tbody>
<tr>
<td>We will develop Sector Plans, engaging across sectors to identify shared objectives which will help businesses benefit environmentally, socially and economically.</td>
<td>We will develop Sustainable Growth Agreements with those companies that want to prosper from better environmental performance and lead the way showing how businesses can thrive in a low carbon world.</td>
<td>We will transform the way we issue permits to improve customer service. We will simplify permits for a range of activities to be issued under the new Integrated Authorisations Framework.</td>
<td>We will use all tools at our disposal to ensure that regulated sectors meet compliance requirements. We will not tolerate irresponsible behaviour. We will focus on waste crime, working with partners to disrupt serious organised crime.</td>
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<table>
<thead>
<tr>
<th>Improvements to Enforcement</th>
<th>Flood Risk Management</th>
<th>Flood Forecasting and Warning</th>
<th>Organisation</th>
</tr>
</thead>
<tbody>
<tr>
<td>We will continue to take robust enforcement action to protect the environment and human health when we need to. We will phase in our new approaches to enforcement in order to tackle non-compliance at an earlier stage.</td>
<td>We will continue to work with partners to improve Scotland’s flood risk management strategies and plans. We will work with the sectors we regulate, planning authorities and other sectors, to minimise future disruption to people and businesses caused by flooding.</td>
<td>We will continue to deliver the Scottish Flood Forecasting Service to our flooding partners. We will increase flood warning schemes to provide more communities with advance notice of flooding.</td>
<td>We will embed our six organisational characteristics into how we work. We will adopt new and simpler ways of working to deliver our ambitions. We will attract, retain and develop the very best people to help us succeed.</td>
</tr>
</tbody>
</table>

**Supporting strategies**

- One Planet Prosperity – Our Regulatory Strategy
- Our People Strategy
- Our Information and Evidence Strategy
- Our Commercial Services Strategy
- Our Finance Strategy
- Our Communications Strategy
Our Contribution

The purpose of the Scottish Government is to focus government and public services on creating a more successful country, with opportunities for all of Scotland to flourish, through increasing sustainable economic growth.

Scotland’s environment provides the natural resources on which our society and economy depends. A good environment underpins iconic Scottish industries like tourism and food and drink. It plays a fundamental part in making Scotland the attractive place it is to live, work and invest. This is a critical time for our environment - if everyone lived as we do in Scotland, we would need three planets to sustain ourselves. Those nations, societies and businesses which will thrive in the 21st century are those which develop innovative ways to prosper within our environmental capacity. SEPA works every day to create environmental success in ways that, as far as possible, also create social and economic success. This is enshrined in our statutory purpose and reinforced in our Corporate Plan 2017-2022.

SEPA is responsible for delivering two core services - regulation and flood risk management. One Planet Prosperity - Our Regulatory Strategy, sets out how we will tackle environmental crime; support businesses in driving up compliance, and help those who want to go beyond compliance to reap the economic and social benefits of environmental excellence. As Scotland’s authority for strategic flood risk management, we will implement Scotland’s Flood Risk Management Strategies with our partners, develop new flood warning schemes, and further improve our flood forecasting to help people and businesses protect themselves and their property from the impacts of flooding.

To support its purpose, the Scottish Government has identified seven purpose targets and 16 national outcomes. We make a contribution to the ten national outcomes listed below:

- We live in a Scotland that is the most attractive place for doing business in Europe.
- We live longer, healthier lives.
- We have tackled the significant inequalities in Scottish society.
- We live our lives safe from crime, disorder and danger.
- We live in well-designed, sustainable places where we are able to access the amenities and services we need.
- We have strong, resilient and supportive communities where people take responsibility for their own actions and how they affect others.
- We value and enjoy our built and natural environment and protect it and enhance it for future generations.
- We take pride in a strong, fair and inclusive national identity.
- We reduce the local and global environmental impact of our consumption and production.
- Our public services are high quality, continually improving, efficient and responsive to local people’s needs.
Our Services - Regulation

Environmental compliance is non-negotiable. Every Scottish business will comply with the law, and we will work to ensure as many as possible will go even further.

Sector Planning

This year, we will

- Implement sector plans for landfill, metals processing, and whisky.
- Finalise sector plans for oil and gas decommissioning, aquaculture, and tyres.
- Deliver the evidence we need to help us develop our next sector plans.
- Develop and finalise at least ten new sector plans.
- Deliver all priority actions that are due this year in our sector plans.

Our work will help Scotland tackle the environmental challenges we face today and deliver One Planet Prosperity. To do this, we are building on our sector approach to regulation. We are developing sector plans for every sector that we regulate. We will do this by the end of March 2021. Sector plans will focus on practical ways of delivering environmental, social and economic outcomes. They will provide a clear and co-ordinated approach to regulation and engagement with a sector. Their success will depend on our permits, our evidence and our interactions with businesses. Our sector plans will adopt a range of approaches to tackle the remaining compliance issues in specific sectors. We will set out the role of enforcement in specific sectors as we introduce new sector plans. These plans will also identify where we will work with others to encourage businesses to move beyond compliance.
Achieving compliance and promoting beyond compliance

Permitting

This year, we will

- Issue simplified permits for at least 80% of operational non-hazardous landfills.
- Issue simplified permits for at least 80% of operational metal processing facilities.
- Issue simplified permits for at least 80% of operational whisky distilleries.
- Deliver the framework to implement the new regulations for radioactive substances by 1 September 2018.
- Issue new permits for at least 50% of authorised radioactive substances activities.
- Deliver the evidence we need to produce simplified permits.
- Launch online services for at least three different types of authorisation.

We want businesses to comply with environmental regulations so we are transforming our approach to permitting. We will make environmental permits easy to apply for and to understand. We want stakeholders to help us develop simple, outcome-based permits for a range of activities in a sector. We will do this as we introduce new sector plans. We will use our information and evidence to make sure that the simple permits improve the level of protection to the environment and human health. We will then issue all new permits for that sector in a simple format and gradually transfer existing permits to the simplified format. We will also continue to develop our digital permitting services to deliver a better service for customers.

Environmental Performance

This year, we will

- Tackle at least five sites that persistently cause problems for their local communities and the environment.
- Help at least ten businesses to go beyond compliance.

We want businesses to improve their environmental performance and prosper. Most businesses follow our advice and guidance and comply with environmental regulations. We will focus on businesses that have not complied with their permits for two years or more that cause real problems for local communities and the environment. Enforcement is a critical component of achieving compliance. We will adopt a Zero Tolerance approach to businesses that do not recognise, or do not take action to put right, the impacts they make. We will take appropriate enforcement action against those who threaten human health, damage the environment or undermine legitimate businesses in Scotland. We will take prompt action to stop these activities where appropriate. To help us, we will set up a new Enforcement department and develop our environmental crime intelligence capability. We will use our full range of enforcement measures to do this.

This year, we will

- Work with Scottish Water and other partners to deliver all targets due this year in priority improvement plans for 12 bathing waters.
- Achieve more than 75% uptake of required actions to alleviate diffuse pollution after first follow-up visits to non-compliant farms.
- Deliver targeted Duty of Care campaign in the Metals Recycling and Reprocessing, and North Sea Oil and Gas Decommissioning sectors.
- Deliver two general awareness campaigns on what Duty of Care means for everyone.

Environmental permits do not cover every activity that could harm the environment. We will use national campaigns to improve compliance for a range of issues. We will improve our understanding of the issues
that affect the quality of Scotland’s bathing waters. This will help us to better target our actions and improvement plans. We will continue to target communities where we know diffuse pollution is a problem. This year, we also want to highlight to people in Scotland that they have a legal duty of care for their waste. Waste duty of care applies to everyone so it is a powerful way to help Scotland move to a more circular economy. As a regulator, we can and will do more to make this happen. We will help everyone in Scotland understand and comply with their legal duty of care for waste. We will make it easy for people to find the information they need to help them do this. We will also support innovative ideas that help people go beyond compliance with the basic duty of care. There are many different times and places we can intervene to help people minimise their waste and make sure it does not damage the environment. We will do this through education and raising awareness. We will also take enforcement action when necessary.

**This year, we will**

- Reduce the number of reports of pollution in areas targeted for improvement.
- Develop and finalise our approach for responding to environmental incidents.

We receive lots of reports from people concerned about pollution affecting their community. We will continue to respond to these reports while we will work out how we can do this better.

We support businesses that are trying to achieve full compliance or want to move beyond compliance. We will help these businesses to reduce their use of natural resources, and minimise their waste and emissions. We will support them in ways that help them to increase the prosperity of their business.

### Water

**This year, we will work with Scottish Water and other water industry stakeholders to**

- Help make choices about priorities for investment.
- Develop new corporate sustainability and resource management indicators for Scottish Water.
- Carry out innovation projects that will:
  - Identify new ways of obtaining value from waste water; and
  - Develop new ways of informing investment decisions. This will include ways that take account of the benefits of nature-based solutions.

Modernising the ways Scotland manages and uses its water and waste water can make a large contribution to *One Planet Prosperity*. This year is important. Choices will be made about how Scottish Water should invest over the period 2021 to 2027 to maintain and improve these services.

**This year, we will work with Scottish Water, local planning authorities and other stakeholders to**

- Develop an innovative framework for 21st century urban drainage.

Climate change and the loss of soil and grass in urban areas are increasing the risk of sewer flooding and pollution from sewer overflows. The traditional solution to drainage problems has been to build bigger drainage infrastructure. In future, successful towns and cities will deal with rainwater very differently.
will use green infrastructure to soak up rainwater. This will take the pressure off the sewers and improve the urban landscape for people.

This year, we will work with partners to deliver projects that

- Restore at least 2.5 km of rivers in or near Scotland’s towns and cities.
- Open at least 50 km of rivers to restore the passage of migratory fish.

Scotland is renowned worldwide for the quality of its rivers, lochs, wetlands and seas. They are some of the country’s greatest natural assets. They contribute to the health and well-being of communities; support a rich diversity of wildlife; attract visitors and underpin the economic success of many businesses. However, some parts of the water environment are not in a good condition. For One Planet Prosperity, people need to restore degraded environments to help meet their social and economic needs. We will use the Scottish Government’s Water Environment Fund to support projects that help to restore the water environment.

Energy

This year, we will

- Publish and implement SEPA’s Energy Framework.
- Develop a Sustainable Growth Agreement to encourage the delivery of low carbon heat solutions.

Energy is one of Scotland's most important resources. We want to help Scotland deliver clean energy for businesses, communities and households. This year, we will work out the framework for how we can best do this as part of delivering One Planet Prosperity. Our framework will also set out how we support the Scottish Government’s Scottish Energy Strategy: The Future of Energy in Scotland. We will work with the energy industry and others to help regulated businesses minimise their energy use. We will also support opportunities to explore low and zero carbon solutions for commercial and domestic energy.

Materials - Plastics

This year, we will

- Understand SEPA’s interaction with the entire plastic lifecycle and take action to intervene where plastics are escaping into the environment.
- Work with others to increase plastic recyclate quality across the supply chain and carry out a pilot with a Scottish Local Authority.

Marine plastic pollution is a global concern. It poses far-reaching environmental, economic and health problems. It is estimated that more than 150 million tonnes of plastic has already accumulated in the world’s oceans. Around 12.7 million tonnes are being added every year. About 80% of this pollution is due to single-use products, poor waste management, product design and criminal activity. Through regulation and working with others, we will help to address this global issue in Scotland. Internationally, we will target work with partners to reduce marine pollution.

Materials - Benefits to Land

This year, we will work with partners to

- Develop a framework for beneficial application of organic materials to land.

We want to make sure that the application of organic materials to land really benefits the land and does not cause environmental harm. This happens when the right amount of the right material is used in the right place, at the right time. To help us do this, we will assess the capacity of agricultural and other land in
Scotland to accept organic materials. We also want to get a better understanding of the amount and characteristics of organic material generated in Scotland. This will help us to assess the effects of policy and guidance changes on land.

**Emissions - Air Quality**

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<th>This year, we will</th>
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<tr>
<td>• Provide local authorities the scientific evidence to deliver effective low emission zones.</td>
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<tr>
<td>• Provide educational materials and a mobile air pollution exhibit for use with schools and communities.</td>
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Clean air provides many benefits to society and the environment, and helps to reduce health inequalities. Scotland wants to have the best air quality in Europe. We will work with industry and local authorities to make sure that air quality in Scotland is protected through our regulatory activities. We will work with Scottish Government, local authorities, Transport Scotland, Health Protection Scotland and others to help deliver the Scottish Government’s strategy *Cleaner Air for Scotland – The Road to a Healthier Future*. We lead on providing the scientific evidence to help introduce low emission zones by 2020 that will improve air quality in Scotland’s four biggest cities. The first low emission zone will be introduced in Glasgow in 2018. We will provide teaching materials to schools to help children learn about air pollution and provide support and tools for citizen science projects.

**Breakthrough Partnerships**

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<th>This year, we will</th>
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<tr>
<td>• Deliver our current partnership commitments with:</td>
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<tr>
<td>o Superglass</td>
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<tr>
<td>o 2050 Climate Group</td>
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<tr>
<td>o Venture Trust</td>
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<tr>
<td>o Stirling City Region Deal</td>
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<tr>
<td>o Entrepreneurial Scotland</td>
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<td>o Green Healthcare Highlands</td>
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<tr>
<td>• Develop at least five new Sustainable Growth Agreements that focus on regulated businesses.</td>
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<tr>
<td>• Develop three new initiatives, including at least one with the finance sector.</td>
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</table>

We routinely work in partnership with other public bodies, such as Scottish Natural Heritage and the National Parks Authorities. Last year, we also started to place a focus on breakthrough partnerships. Working like this, we are able to achieve better outcomes for the environment, communities and businesses.
Our Services – Flood Risk Management

We help Scotland prepare more powerfully for future increased flooding

Improve Flood Risk Management in Scotland

This year, we will

- Consult on the National Flood Risk Assessment and proposed Potentially Vulnerable Areas by 1 May 2018.
- Publish the National Flood Risk Assessment and Potentially Vulnerable Areas by 22 December 2018.

We are Scotland’s strategic flood risk management authority. We publish national flood risk management strategies every six years. We use our evidence to inform the strategies by identifying the areas at highest risk of flooding. We explain what causes flooding in high risk areas as well as the impacts when flooding does occur. These strategies are used by flood risk management organisations to prioritise actions to ensure the impact of flooding is reducing now and in future. This helps communities and businesses to become more resilient to flooding and adapt to future climate changes. The National (preliminary) Flood Risk Assessment is an important tool to help us understand flood risk in Scotland and decide the best actions to take.

Focus our Service Delivery for Flood Risk Management

This year, we will

- Engage with staff to inform the development of SEPA’s Flood Strategy.
- Deliver a draft Flood Strategy for SEPA’s role in flooding.

We will develop a Flood Strategy for SEPA that supports One Planet Prosperity. This strategy will enable us to more powerfully deliver and direct our flood risk management service to benefit Scotland. We will look across flood risk management planning cycles and establish a direction that embeds our understanding of future challenges such as climate change. We will put people and communities at the heart of flood risk management. We will extend our influence amongst current and new sectors to advocate positive flood risk management action.

Deliver Flood Forecasting and Warning

This year, we will

- Publish timely daily Flood Guidance Statements.
- Develop a plan for providing Public Flood Guidance Statements.
- Deploy River Track river levels monitoring system.
- Trial real-time observation of flooding impact along the Solway Coast.
- Develop an approach to keep flood forecasting models up-to-date.

We want to give people advance notice of flooding and help them to be prepared and protect themselves. To do this, we will continue to develop our flood warning service and information campaigns. We will launch new flood warning schemes in Orkney and in the Aberdeenshire coastal area. We will also progress flood warning schemes for the River Ayr, Annick Water, the Outer Hebrides, the River Carron and Aberfoyle. We will work with the Scottish Flood Forum and others to develop community-based warning systems. We will also work with the Met Office and others to make better use of forecasting technology.
Provide Land Use Planning Advice

**This year, we will**

- Provide responses to all flood risk consultations received from planning authorities.
- Communicate clearly our position on development protected by flood protection schemes at a senior level to all 34 planning authorities.
- Engage with planning authorities to inform the implementation of our climate change and land use planning guidance.

We want to protect people from the distress caused by flooding, now and in future. One way we can do this is to make sure new developments are not located in high flood risk areas. Land use planning is an important way we can make sure that decision-makers recognise and consider the risk of flooding. We will give reliable and consistent advice to planning authorities that helps them make well-informed decisions. We will also provide guidance to help them embed climate change into the development of Local Plans.
### Our Organisational Characteristics

These characteristics describe how we will be operating by 2020.

<table>
<thead>
<tr>
<th>Producing information and evidence that people use to make decisions</th>
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<tbody>
<tr>
<td>As environmental issues become more central to health, well-being and sustainable economic growth, environmental information should be more needed to make decisions that achieve all three objectives. If our information and evidence is of top quality, people will use it in their decision-making; it will not just 'raise awareness'.</td>
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<table>
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<tr>
<th>Helping people implement successful innovation, not minor improvements on 'business-as-usual'</th>
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<tbody>
<tr>
<td>In a world of growing population, urbanisation, inequality, climate change and other systemic challenges, small incremental change is important, but not sufficient to generate improvements in environment, health and well-being and sustainable economic growth. Societies constantly innovating will best rise to these challenges. We will help people to innovate in ways that create success in all three objectives.</td>
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<tr>
<th>Helping communities see the environment as an opportunity to create social and economic success</th>
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<tr>
<td>For too long, too many people have viewed environmental, social and economic success as being in conflict. We will help change this 'mindset'. We will constantly seek to understand the health and well-being and sustainable economic growth outcomes that communities are trying to create. We will find new ways to support communities to participate in decisions and help them pursue their shared purpose.</td>
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<tr>
<th>Routinely interacting with regulated businesses through their Boardrooms, Executive teams and Owners</th>
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<tr>
<td>The major decisions in a business get made at Board, Executive and Owner level. Compliance is non-negotiable and the minimum expected of everyone. If we are to ensure businesses achieve compliance quickly and at low cost and help businesses create sustainable economic growth, we need to understand their commercial context to create as much alignment as possible between environmental and economic goals. We need to help businesses turn environmental management from a cost centre into a profit driver. This means interacting more at senior levels.</td>
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<tr>
<th>An organisation that people are clamouring to work for</th>
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<tbody>
<tr>
<td>Talented people want to work for organisations that achieve great outcomes and deliver powerful results to their customers. Our existing staff will want to stay with SEPA and new people will want to join SEPA because we give them the clarity and confidence to use their skills to deliver great outcomes for the people of Scotland.</td>
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<tr>
<th>Using partnerships as our principal way of delivering outcomes</th>
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<tbody>
<tr>
<td>The challenges of achieving progress across the three objectives are so large and so inter-connected that most solutions in the 21st Century will come through partnership working. We will strive to do as much of our work as possible through partnerships. In many cases, we will not be the 'lead partner'. We will be an organisation known for contributing to the co-production of outcomes.</td>
</tr>
</tbody>
</table>
Our Organisation

We’re changing today, creating a world class environment protection agency fit for the challenges of tomorrow.

SEPA’s ambition is to be a world class environment protection agency that people are clamouring to work for and work with. All of our people are responsible for making this happen. We want our people to deliver great things for Scotland. We will set them up to succeed in delivering our visionary Statutory Purpose. We want to help people comply with environmental regulations and prosper, and help them prepare for increased flooding. To do this we will make our services easier for people to access, simpler to understand and straightforward to deliver. We want to become the first ‘One Planet’ environment protection agency. We will work out how we can do this successfully, and share our learning with others. We will focus on partnerships that will help us to do these things best. We recognise that great communications is integral to achieving all of these things.

Improve our Business

This year, we will

- Start to embed a culture of communications across the organisation.
- Implement Flood Warning Service Review.
- Reform our Planning Service.
- Deliver Safe SEPA induction and first learning package.
- Launch Sector Planning and Safe SEPA intranet sites.
- Develop all Safe SEPA handbooks.
- Implement new Scheme of Delegation.
- Deliver our statutory legal and environmental reporting obligations.
- Engage with businesses and communities on simplifying permits and developing sector plans.

World class organisations have a small number of clear rules and processes that provide clarity and confidence to all their workforce.

We are introducing a new approach to governance that sets people up to succeed. We are simplifying the activities that keep our people, resources and services safe. Safe SEPA will provide people with the simple tools, clear guidance and bespoke advice they need to do their jobs easily. We want to give everyone in SEPA clarity about how we make decisions and the confidence they need to take part. We will focus on ensuring our decision making processes are easy to understand. We will also integrate sector planning into our decisions.

Our website is fundamental to helping people access our services. We will make it easier for people to find the information they need online. We will focus on making environmental permits easier to apply for and simpler to understand. This year, we will ask people for feedback about permits for landfills, metal processing facilities and whisky distilleries. We will also engage with people as we develop new sector plans. We will reform our Planning Service to most effectively support the delivery of One Planet Prosperity, our Flooding Strategy and the Scottish Government’s work to improve Scotland’s planning system. We will also strengthen our flood forecasting services.

Develop our People

This year, we will

- Develop a Workforce Plan.
- Implement new learning management system by end September 2018.
- Provide support to staff to allow them to successfully deliver our sector plans.
- Hold at least seven Senior Leadership Team events and four events for all managers.
- Increase shadowing opportunities.
We want to make sure our people have the skills and approach that a world class environment protection agency needs. To do that we need to understand our current workforce and the kind of workforce we will need in future. This year, we will develop a Workforce Plan which will allow us to identify workforce demographic and skills which we need to develop or change.

We will invest in the development of our senior leadership team and all managers. This is so that they can provide confidence and clarity to staff while SEPA transforms. We will also invest in a new learning management system. This will make it easier for staff to access a range of learning solutions. It will provide far greater flexibility in what and how we provide learning and development opportunities.

We will continue to use a range of tools to provide opportunities for staff to contribute ideas. In particular, we will involve staff in more Staff Ideas Groups and sector plan development workshops. We will also use new approaches. We will strengthen our ability to deliver more effective learning both inside and outside a training event. We will encourage staff to shadow and learn from each other. We will also implement an Associate Trainer programme. This will develop the skills and confidence of staff who help us deliver training to their colleagues.

**Deliver our Commercial Services**

<table>
<thead>
<tr>
<th>This year, we will</th>
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<tbody>
<tr>
<td>• Evaluate the learning from commercial services staff development opportunities.</td>
</tr>
<tr>
<td>• Provide targeted commercial services development opportunities to staff.</td>
</tr>
<tr>
<td>• Develop at least two new international commercial partnerships.</td>
</tr>
<tr>
<td>• Increase income generated from commercial services to £500,000.</td>
</tr>
</tbody>
</table>

Our Commercial Services will provide innovative products and services that helps deliver environmental improvement and extends the reach of ‘One Planet Prosperity’. We will focus on four key areas: consultancy, value added data, grant funding and marketing our assets. We will target work that aligns with our other corporate priorities. We will work with partners to help other nations find solutions to environmental challenges, including the Scottish Government through its Hydro Nation programme. We will co-ordinate grant funded projects and explore opportunities to use our assets – providing services that improve the environment and deliver wider benefits for Scotland.

**Reduce our Environmental Footprint**

<table>
<thead>
<tr>
<th>This year, we will</th>
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<tbody>
<tr>
<td>• Deliver at least three carbon management projects.</td>
</tr>
<tr>
<td>• Reduce the number of single-use plastic items we purchase.</td>
</tr>
<tr>
<td>• Develop a new internal environmental performance target that supports our ambition to be a world class environment protection agency.</td>
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</tbody>
</table>

As Scotland’s environment protection agency, we must be an exemplar of excellence in our own environmental performance. We have a strong track record of success over the years and 2018-2019 marks a year in which we will begin a next major ‘step up’. We will develop a completely refreshed environment management plan with ambitious aims. As we do this, we will continue to deliver our existing aims such as our 2020 target to reduce our carbon emissions one year early. Two specific areas of focus will be on reducing our business travel and single-use plastics.
Our Progress

These are the outcomes we want to achieve.

| Scotland is thriving in a low carbon world |
| Scottish businesses are prospering from better environmental performance |
| The impact of flooding is reducing |
| People benefit from Scotland's improving environment |

These are the measures that we will use to report our progress. Over the next year, we will:

<table>
<thead>
<tr>
<th>Corporate Plan 2017-2022</th>
<th>Annual Operating Plan 2018-2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Scotland’s Environment</strong></td>
<td></td>
</tr>
<tr>
<td>Improvement in the quality of Scotland’s environment</td>
<td>Increase the length of river or loch shore where physical condition is restored.</td>
</tr>
<tr>
<td></td>
<td>Increase the length of river where fish movement is not restricted by man-made barriers.</td>
</tr>
<tr>
<td></td>
<td>Achieve more than 75% uptake of required actions to alleviate diffuse pollution after first follow-up visits to non-compliant farms.</td>
</tr>
<tr>
<td>Reporting of the quality of Scotland’s environment</td>
<td>Deliver the evidence we need to help us develop our next sector plans and simplified permits.</td>
</tr>
<tr>
<td><strong>Our Services - Regulation</strong></td>
<td></td>
</tr>
<tr>
<td>Increase in the number of sector plans</td>
<td>Increase the number of finalised sector plans to at least 16.</td>
</tr>
<tr>
<td>Increase in the number of Sustainable Growth Agreements</td>
<td>Develop at least five new Sustainable Growth Agreements that focus on regulated businesses.</td>
</tr>
<tr>
<td>All permits have obligations which are clearer</td>
<td>Increase, in targeted sectors, in the percentage of permits which have obligations that are clearer.</td>
</tr>
<tr>
<td>Fewer instances of poor environmental performance</td>
<td>Reduce the number of licences classed as very poor at the end of March 2018.</td>
</tr>
<tr>
<td></td>
<td>Reduce the number of licences which were non-compliant for two years or more at the end of March 2018.</td>
</tr>
<tr>
<td><strong>Our Services – Flood Risk Management</strong></td>
<td></td>
</tr>
<tr>
<td>Achievement of milestones to deliver the next flood risk management strategies</td>
<td>Complete the preliminary flood risk assessment by 22 December 2018.</td>
</tr>
<tr>
<td>Increase in the number of properties covered by flood warning schemes</td>
<td>We are not introducing any new flood warning schemes this year.</td>
</tr>
<tr>
<td>We will progress flood warning schemes for the River Ayr, Annick Water, the Outer Hebrides, the River Carron and Aberfoyle.</td>
<td></td>
</tr>
<tr>
<td><strong>Our Organisation</strong></td>
<td></td>
</tr>
<tr>
<td>Improvement to our services based on customer feedback</td>
<td>Consult and engage on areas of our services.</td>
</tr>
<tr>
<td>Reduction in our greenhouse gas emissions</td>
<td>Reduce emissions of carbon dioxide by 42% compared to a 2006-2007 baseline.</td>
</tr>
<tr>
<td>Achievement of annual efficiency savings</td>
<td>Achieve organisational efficiencies of at least 3% of our grant-in-aid funding.</td>
</tr>
<tr>
<td></td>
<td>Recover at least 97% of our costs across our charging schemes.</td>
</tr>
<tr>
<td>Improvement in staff engagement</td>
<td>We are not carrying out a Staff Survey this year. We have a number of delivery targets that will support staff engagement this year.</td>
</tr>
</tbody>
</table>
Our Funding

Our planned income for 2018-2019 is £83 million, which will be used to fund an operating expenditure of £81 million and capital of £2 million.

SEPA has a responsibility to ensure that all relevant costs of regulatory activities are recovered through charges. We expect to recover 97% of these costs across our charging schemes in 2018-2019. The charging scheme income forecast is £41 million.

The Scottish Government has provided an indicative one year grant-in-aid allocation for 2018-2019. We expect to receive £35.8 million, based on a cash amount of £33.7 million and a non-cash element of £2.1 million. This includes an additional £850,000 we expect to be awarded for flood risk management.

The 2018-2019 budget includes estimated other income of £6.1 million. This represents:-

- £4,000,000 - River restoration funds
- £696,000 - Revenue Scotland funding for Scottish Landfill Tax compliance work
- £314,000 - Department of Environment, Food and Rural Affairs transfrontier shipment of waste
- £149,000 – Scottish Landfill Communities Fund
- £242,000 - Facilities cost recharges
- £183,000 - Other recharges and miscellaneous income
- £500,000 - Commercial Services

We expect to identify at least 3% efficiency savings required by the Scottish Government in 2018-2019.

<table>
<thead>
<tr>
<th>Income and expenditure account</th>
<th>2018-2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Planned budget £’000s</td>
</tr>
<tr>
<td>Grant-in-aid(^1)</td>
<td>35,813</td>
</tr>
<tr>
<td>Charging schemes</td>
<td>40,683</td>
</tr>
<tr>
<td>Other income</td>
<td>6,084</td>
</tr>
<tr>
<td><strong>Total income</strong></td>
<td><strong>82,580</strong></td>
</tr>
<tr>
<td>Staff costs</td>
<td>55,206</td>
</tr>
<tr>
<td>Other staff costs</td>
<td>935</td>
</tr>
<tr>
<td>Property costs</td>
<td>4,701</td>
</tr>
<tr>
<td>Transport costs</td>
<td>1,479</td>
</tr>
<tr>
<td>Supplies and services</td>
<td>14,784</td>
</tr>
<tr>
<td>Provisions and contingencies</td>
<td>1,755</td>
</tr>
<tr>
<td><strong>Total expenditure</strong></td>
<td><strong>78,860</strong></td>
</tr>
<tr>
<td>Depreciation and impairments</td>
<td>2,100</td>
</tr>
<tr>
<td><strong>Total operating costs</strong></td>
<td><strong>80,960</strong></td>
</tr>
<tr>
<td>Surplus to fund capital investment</td>
<td>1,620</td>
</tr>
</tbody>
</table>

\(^1\) Grant-in-aid is based on a cash element of £33.7 million and a non-cash element of £2.1 million