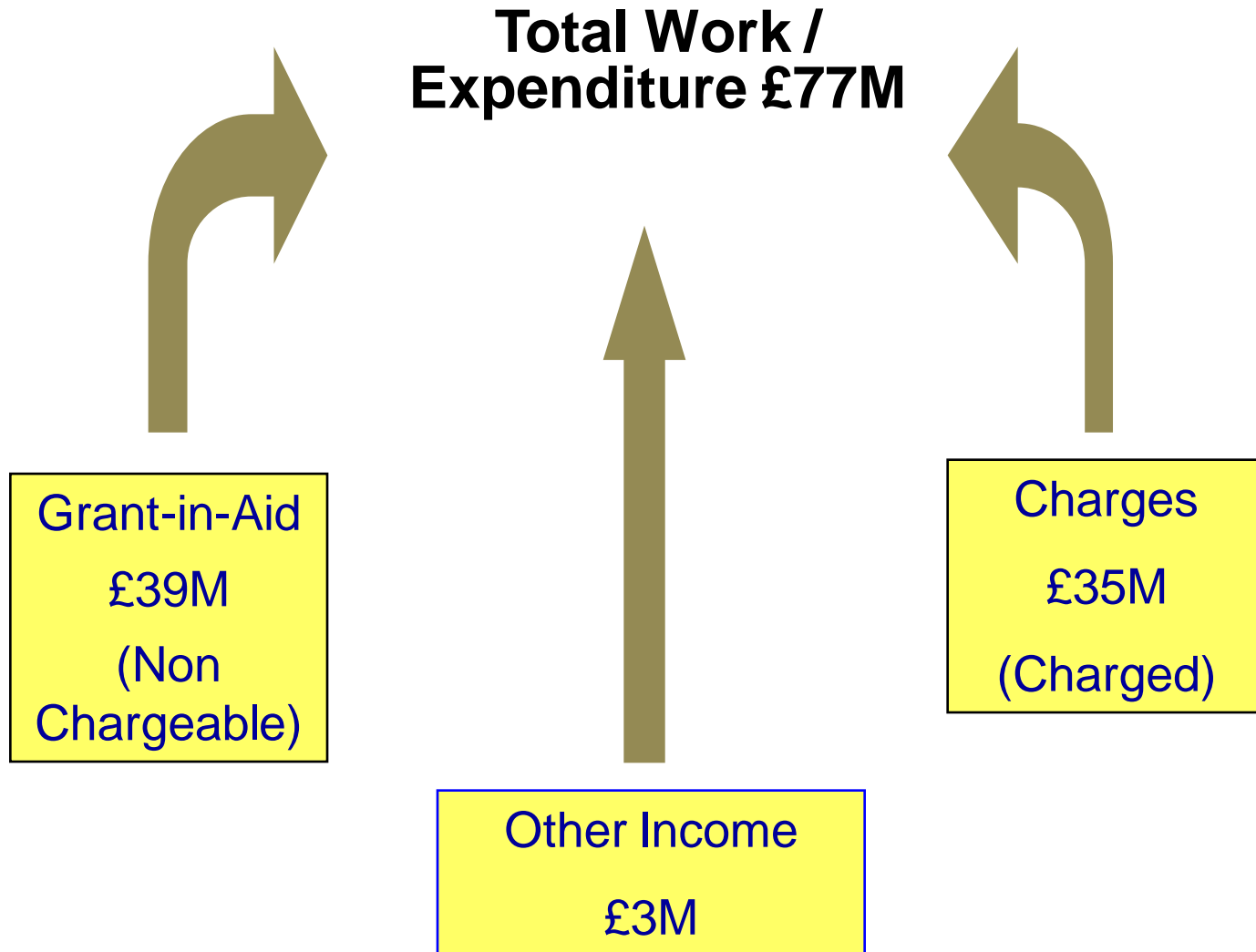




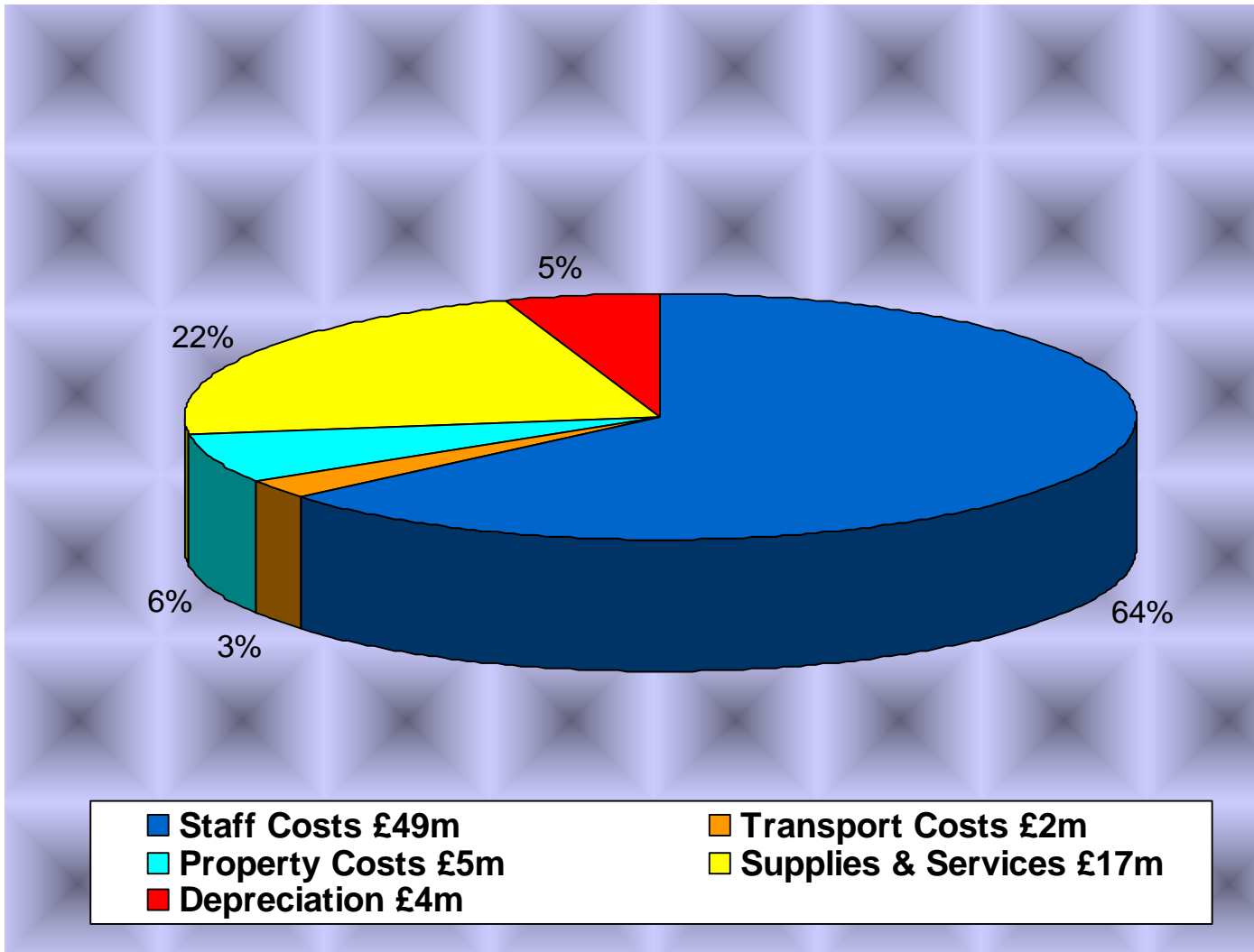
The Rules for GiA and Charging

John Shaw

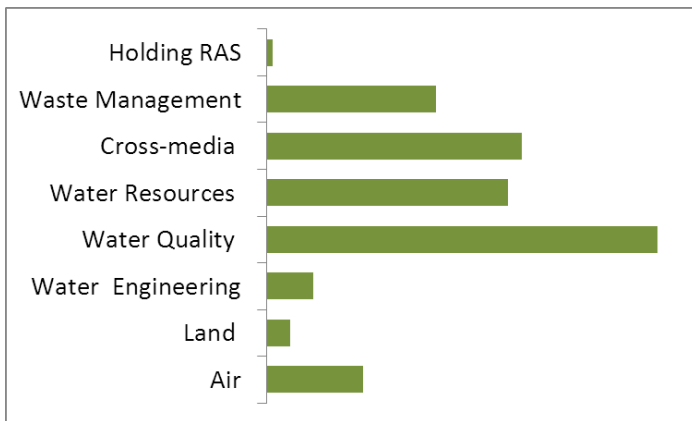
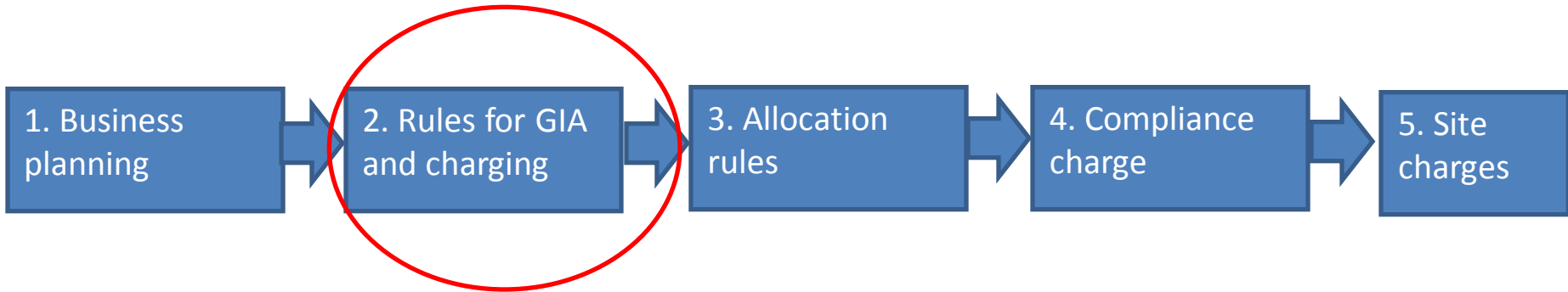
SEPA Funding



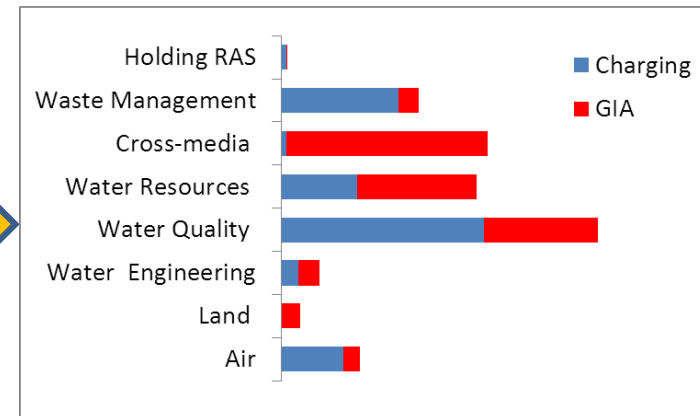
Expenditure split by type 2012-13



Overview



What is chargeable



Rules for charging

SEPA need to meet Government's Rules in the Scottish Public Finance Manual.

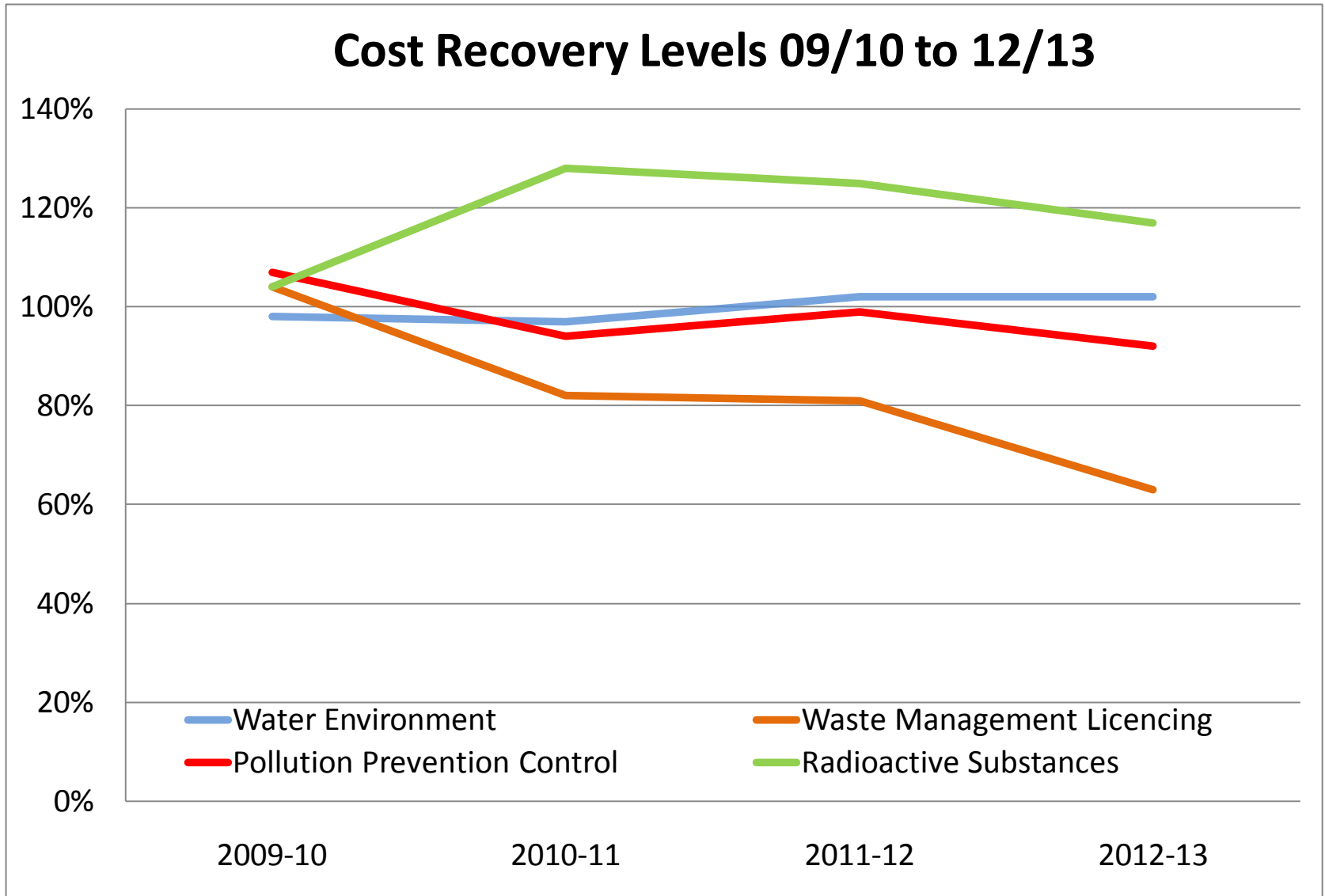
Work is chargeable if it relates directly or indirectly to the existence of the regulated activity.

- Direct - Inspection, sampling, reporting
- Indirect – environmental monitoring, research & development

Principles:

- full cost of the service;
- not deliberately over-recovering the cost of the service;
- reflect the cost of the providing the service;
- a clear and direct link between the charge payer and the benefits received;
- and
- cross-subsidies are not good practice.

Subsistence work



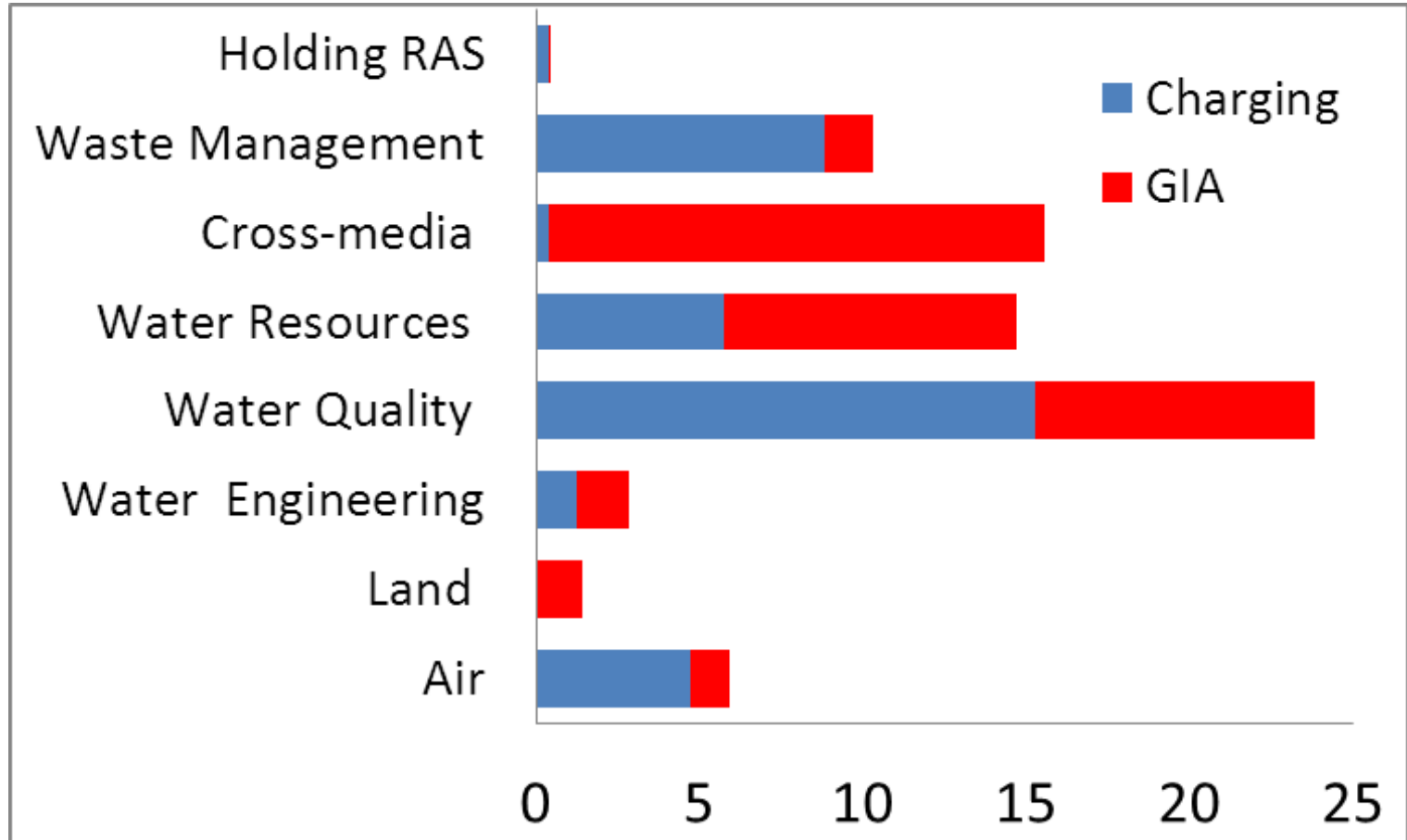
Allocation of expenditure

Chargeable	Split (elements of both chargeable and GiA)	GiA
<p>Processing and issuing permits, variation, surrender and transfer.</p> <p>Inspections</p> <p>Compliance monitoring</p> <p>Reporting</p> <p>Sampling and analysis</p> <p>Operational Policy</p> <p>Enforcement pre referral</p> <p>Sector Management</p>	<p>Environmental events/incidents</p> <p>Support services (Corp and local)</p> <p>Science monitoring, analysis and reporting</p> <p>Pre-application (scheme dependent)</p> <p>Engineering regime support</p> <p>RS Science</p> <p>Enforcement against non-permit holders</p> <p>Environmental monitoring, Research and policy work</p> <p>Prep work for EC Directives</p> <p>Advice to Government depts</p> <p>Assessing planning applications</p> <p>Preparing plans, surveys and advice</p>	<p>Planning</p> <p>Policy (Legislative development)</p> <p>Flood</p> <p>Diffuse Pollution</p> <p>RBMP</p> <p>Corporate Change</p> <p>Contaminated land, Some RSA monitoring, Enforcement after referral, Emergency planning</p> <p>Govt advice</p>

Re-allocation decisions

- **GIA**
 - Environmental service charges
 - Strategic reporting
 - SEPA change programme
- **Charging**
 - Environmental monitoring/reporting
 - Sector management

Results of applying rules



Regulatory Charging Scheme: level of cost recovery

£k	AIR	WASTE	WATER	RS	TOTAL
Expenditure	3,061	8,371	19,299	405	31,136
Income	2,465	6,850	19,838	581	29,734
Over/(Under) Recovery	(596)	(1,521)	539	209	(1,402)
% Recovery	80%	81%	102%	143%	95%

1.Special Waste, Carriers & Exemptions all included under waste (normally reported under permitting)

Existing Charging Schemes: level of cost recovery

£k	PPC	WML	WEWS	RS	TOTAL
Over/(Under) Recovery	(427)	(1,529)	392	341	(1223)

Allocation of charges: summary

ASSESSMENT OF PERFORMANCE IN RELATION TO PRINCIPLES
PRINCIPLE 1 – RISK-BASED & ENVIRON FOCUSED
PRINCIPLE 2 - FLEXIBLE AND TARGETED
PRINCIPLE 3 - ACCOUNTABLE, TRANSPARENT & FAIR
PRINCIPLE 4 - STABLE & RESILIENT
PRINCIPLE 5 - SIMPLE & PROPORTIONATE

Breakout Sessions

Group	Trade Association / Company		SEPA/SG
1	Scottish & Southern Energy	Rhona McLaren	John Burns
1	Scottish Land & Estates	Jackie McCreery	Paul Griffiths
1	Scottish Water	Neil Hemings	Neil Ritchie
1	SESA (WM Tracey)	Robin Stevenson	
1	UKPIA (Ineos)	Lesley Hemingway	
2	COSLA	Mirren Kelly	Martin Marsden
2	Oil and Gas (BP)	Steven Bygrave	Rob Morris
2	Scotch Whisky Association	Morag Garden	Simon Bingham
2	Scottish Renewables	Niall Stuart	Erik MacEachern
2	Scottish Water	Mark Williams	
3	CIA	David Pollard	John Shaw
3	Confed. of Paper Industries (UPM)	Sharon Gallagher	Simon Olley
3	NFUS	Andrew Bauer	Jo Green
3	Scottish Natural Heritage	Sarah Hutcheon	Richard McLeod
3	Scottish Power	Jane McMillan	
3	SESA (Veolia)	Dale Robertson	