



Agency Board Meeting 26 April 2022

Board Report Number: SEPA 14/22

Chief Executive's Report to the Board

Summary:	This report provides an update for Board members on some of the work we are currently undertaking.
Risks:	There are no risks highlighted in this report.
Resource and Staffing Implications:	Staff updates are included in the Organisation section of the report.
Equalities:	<p>Equality considerations have been built into decision making in several areas noted in this report.</p> <p>Equality Impact Assessments are being developed for the The Future of Work, and Job evaluation.</p>
Environmental and Carbon Impact:	There are updates relating to our environmental and carbon impact in section 3.5: Future Flood and Messaging Service and section 4.6: Regenerative SEPA.
Purpose and audience of the report:	The Agency Board is asked to note the report.
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Chief Executive's Report

April 2022

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1. Introduction

We continue to move on from the cyber-attack on SEPA. In March we gave evidence to the Public Accounts Committee which provided the opportunity to emphasise that our focus throughout our response and recovery has been on:

- protecting the environment and communities and protecting and supporting our staff;
- ensuring the most critical service delivery on flooding and environmental regulation; and
- building new rather than building back, in a way that sets us up better to meet current and future environmental challenges.

We also completed work to finalise and make public the costs of the cyber-attack.

The Agency Management Team's focus in the past few weeks has remained on developing the 2022 - 2023 Annual Operating Plan, our plan for regulation, climate resilience and recovery. In this last period, we have also maintained focus on important delivery, targeting non-compliance, supporting innovation and progressing important organisational work to support staff.

Jo Green

Acting Chief Executive Officer

2. Regulation

2.1 Enforcement (Lead AMT member: Ian Buchanan)

2.1.1 Multi-agency roadside stops

On 14 March, we joined with Police Scotland and partners to target waste crime on the move during a road stop in Perth.

We provided advice and guidance on waste carrier registration, duty of care and registration of waste exemptions to 40 operators. At least one vehicle stopped has triggered a follow up-investigation.

2.1.2 Tackling non-compliance – illegal waste activities and sites

Over the last year, we have developed a targeted, approach to tackling environmental crime. This crime directly impacts communities and the environment.

In the past 12 months we have closed out actions on 129 illegal sites, using a wide variety of enforcement tools available to us. Several of these closed out actions are a direct result of our own work, and some have occurred through joint working with partners.

There has been an increase in the number of potential illegal activities reported to us.

2.1.3 Enforcement training and development - 'How To' sessions

It has been challenging to deliver training and development because of the impacts of the cyber-attack and COVID. Despite this, we have been working to provide training and development resources.

During February and March, sessions were delivered to staff across the agency on 'How to Exercise Your Powers'. This is a basic introductory session on how to exercise our powers to enter a site to undertake investigations, inspections, sampling and all the other activities officers can carry out. Further 'How to' sessions are being developed for delivery over 2022. Feedback from staff has been very positive.

2.2 Collaborative working to reduce community noise impact

(Lead AMT Members: David Pirie and Ian Buchanan)

We received complaints from residents in the vicinity of a waste co-incineration plant. The complaints related to a continuous, low-frequency, tonal noise coming from the site. This noise had been going on for five years. This had led to frustration for both the community and the operator of the site.

Although in person observations confirmed that there was an issue, identifying the source and impact of the noise proved to be challenging. We investigated and developed detailed programmes of noise monitoring in 2018 and 2019. Our investigations discovered the tonal noise was coming from the steam turbine generator. This noise was causing an adverse impact to residents.

We issued noise-related permit variations. The operator had to complete an assessment of the best available techniques to prevent or minimise tonal noise emissions.

In July 2021, we asked the operator to make a significant investment in the installation of an acoustic enclosure around part of the steam turbine generator. Following installation, we carried out a further programme of monitoring in autumn 2021 and in February 2022 we produced a report confirming that tonal noise was no longer an issue. Feedback from residents following this has been positive.

There is now a focus to deal with steam venting noise at the site, which we identified through our monitoring. The operator has acknowledged this as an issue and is currently exploring options to reduce the steam venting noise.

2.3 Integrated Authorisation Framework

(Lead AMT member: Ian Buchanan)

The Integrated Authorisation Framework will bring together all the authorisation arrangements for our four main regulatory regimes (water, waste, radioactive substances and Pollution Prevention and Control) under a single standardised procedure. It provides a significant opportunity to simplify, streamline and standardise the system of environmental authorisations in Scotland. This is a long-running, joint project between the Scottish Government and us.

Radioactive substances were introduced as a standalone regime within the new regulatory framework on 1 September 2018. The Scottish Government is currently preparing draft regulations with the aim of bringing the Integrated Authorisation Framework into force for the remaining regimes in 2024. We are working closely with them to develop the draft regulations.

We have also started work on guidance which is necessary to support the implementation of the regulations.

2.4 River Almond

(Lead AMT member: Ian Buchanan and David Pirie)

2.4.1 Lighthouse project

On the 15 March we attended the first meeting with Scottish Water to discuss the scope of their Lighthouse project for the River Almond. Stirling University also attended in its Hydro Nation role.

The project aims to identify and implement new ways of reducing the load on the sewer network and treatment works in a way that benefits communities and the environment.

Through our [Sustainable Growth Agreement](#), we are also meeting with Stirling University separately to explore other opportunities to work together on the River Almond

2.4.2 Permitting Seafield Weir

We have worked with the Forth District Salmon Fishery Board and Forth Rivers Trust to agree on a construction method statement and pre-application requirements for the removal of a historic weir. The weir is a barrier to both migratory and indigenous fish in the River Almond.

The work was funded by Nature.Scot and an authorisation was issued in six working days. Migratory fish now have free access to significant new habitat upstream of the former weir.

2.5 Lyne Burn restoration project, Dunfermline

(Lead AMT Member: David Harley)

In January 2022, the Lyne Bum project team completed river groundworks at Rex Park in Dunfermline. The team restored a 500-metre straightened channel. This project involved us, partners from Fife Council, and Fife Coast and Countryside Trust, as well as local volunteers.

Now the river restoration is complete, the project will move onto stage two. This involves green infrastructure work, planned over the next three years. Work will include improving greenspace to incorporate a community food growing area, an orchard, and a nature area, improving habitat along the river area. Paths will be upgraded and there will be new planting, seating, and public art. Alongside the improvements Fife Council will also run an extensive community activity programme.



The Lyne burn before and after restoration, running through Rex Park

2.6 Emissions Trading Scheme appeal decision - Diageo – civil penalties (Lead AMT member: Ian Buchanan)

We received a decision in an appeal by Diageo Scotland Ltd against the civil penalty notices we issued to them under the Greenhouse Gas Emissions Trading Scheme Regulations 2012. We issued the penalties because of Diageo's operation of three of their sites without an emissions trading scheme permit from 2012 to 2019. Under the regulations, an operator carrying out such activity without a permit is liable to a civil penalty. We have discretion to waive the penalty or to reduce it where appropriate.

For each of the sites, we calculated the penalty in line with a formula prescribed by the regulations. We decided that the penalties should not be waived but reduced by 25%. The total of the penalty issued after the reduction in respect of all three sites was £1,398,911.28.

Diageo appealed against the penalty notices. They argued, firstly, that the imposition of a penalty was not correct and secondly, that the size of the penalties was not proportionate, fair, or reasonable.

The Reporter upheld the appeal on the basis that they considered that the civil penalties we had issued should be reduced by 35% and not 25%. They concluded that the use of a civil penalty was the correct and appropriate outcome.

In calculating the penalty, the Reporter reviewed the approach, taken by us, in assessing which factors were mitigating and those which were not was broadly correct. The penalty was reduced by a further £186,521.50. The total penalty was reduced by £186,521.50 to £1,212,389.78.

2.7 Storage and treatment of healthcare waste

(Lead AMT Member: David Harley)

We have published a new consultation on proposed guidance on the [Storage and Treatment of Healthcare Waste](#). This will run until 29 April 2022.

We designed the guidance to support those involved in the management of healthcare waste to understand and meet their compliance obligations, go beyond compliance standards, and ensure waste is managed in a way that minimises pollution of the environment and harm to human health. Additionally, as many operators work across the UK, there is a need to align with the rest of the UK where appropriate.

The guidance is for those who store and treat healthcare waste and those who produce healthcare waste. We may also use the guidance to support site compliance assessment.

2.8 Dalgety Bay radioactive contamination remediation

(Lead AMT Member: David Harley)

Radioactive material was first detected on a part of the foreshore at [Dalgety Bay](#) in 1990.

It is thought that the contamination originates from the residue of radium-coated instrument panels. The panels are from military aircraft incinerated and land-filled in the area at the end of World War II. Radium is a naturally occurring radioactive element and was historically used by the Ministry of Defence in luminescent paints.

Remediation work at the Bay had to be stopped in October 2021 due to the presence of overwintering birds.

Balfour Beatty, a contractor to the Ministry of Defence, will restart remediation of radioactive radium-226 contamination at Dalgety Bay in April 2022. We have made several recommendations to Balfour Beatty to improve aspects of the works before they restart.

We will have a presence on site to ensure that the public are protected during the remediation works. Topographical drone surveys will be undertaken to determine any changes in beach sediment accumulations over the coming year.

2.9 Scottish Water co-digestion project

(Lead AMT Member: David Harley)

We have been part of a trial with Scottish Water and the Chivas Brothers distillers at Aberdeen's Nigg Wastewater Treatment Works. The facility processes sludge from wastewater treatment into biogas. Since October 2021, the facility has trialled co-digestion. This involves processing residues brought in from Chivas Brothers distilleries and breweries alongside the sludge. This has increased the amount of biogas produced through this process.

The trial ran from mid-October 2021 until mid-January 2022. Almost 260 tanker loads of distillery and brewery residues were brought to the site during the trial. The addition of the residue led to a saving of 58 tonnes of carbon over the 12-week trial period. This equates to 250 tonnes of carbon per year.

Along with Scottish Water, we have agreed a process which enables a move from the trial phase to 'business as usual'. Through collaborative working and close monitoring throughout the Nigg trial, the teams involved have laid the groundwork to explore further opportunities in the future

2.10 Shipments of Waste Enforcement Actions project

(Lead AMT Member: David Harley)

The Shipments of Waste Enforcement Actions project is a five-year project funded by the [LIFE Programme](#). This is the EU's funding instrument for the environment and climate action.

The aim of the project is to improve waste shipment inspections across Europe. It will do this by building intelligence capacity through international collaboration. It will also develop unique inspection tools. Project partners include the Environmental Protection Agencies of England, Ireland, Northern Ireland, Malta and Slovenia and us. There is also input from all members of the EU Network for the Implementation and Enforcement of Environmental Law ([IMPEL](#)).

The project has launched an inspection app for mobile phones with a [web version](#) also available. The app allows inspectors to check the legality of shipments and record inspections. It can also flag suspected violations to inspectors.

We have developed a visualisation tool which shows inspection findings in real time using GPS locations. Data agreements are being drafted with all European competent authorities. These agreements will enable data sharing with Europol.

2.11 Pharmaceuticals in Scotland's water environment

(Lead AMT Member: David Pirie)

We have, along with the [One Health Breakthrough partnership](#), been part of the production and publication of Scotland's Centre of Expertise for Waters (CREW) report on [Pharmaceuticals in the water environment: baseline assessment and recommendations](#).

Our data is an important part of the report research. Our research provides valuable understanding of the presence, levels, and risks of pharmaceuticals in Scotland's water environment. The findings have important implications for future environmental monitoring, policy, and regulation.

We have made a commitment to the partnership to develop and implement interventions. This includes more appropriate disposal of medicines which will reduce and prevent the release of pharmaceuticals to the environment.

We have also contributed to [recent research](#), led by the University of York. This research has highlighted the global nature and extent of river pollution by pharmaceuticals.

2.12 EU Registration, Authorisation and Restriction of Chemicals Regulation - memorandum of understanding

(Lead AMT Member: David Harley)

The UK Environment Agencies have drafted and signed a memorandum of understanding which sets out the areas we will work together on to implement the EU Registration, Authorisation and Restriction of Chemicals Regulation (REACH). This will ensure all agencies work together.

The Department for Environment, Food and Rural Affairs has also established a UK governance structure. This provides a framework to support organisations, like us, to deliver the aims of the regulation now the UK has left the EU. This includes ensuring a high level of protection for health and the environment. The framework also sets out where we can work together on areas such as the Classification, Labelling and Packaging Regulation and on pesticides.

2.13 Private water supplies (Lead AMT member: Ian Buchanan)

Climate change pressures on private water supplies are resulting in water scarcity impacts. Private water supplies are also vulnerable to land use changes in their area. We have recently responded to complaints about the impact of new forestry planting on water availability and the impact on water quality from tree felling and building of access tracks.

To address forestry impacts on water supplies we will work with forestry companies and regulatory agencies. In response to incidents, the Scottish Government has set up a private water supply catchment group. The group includes the Scottish Forestry, Argyll, and South Ayrshire Councils, Citizens Advice Scotland, and us. The group is considering legislation, policy, and operational guidance.

We will also deliver workshop training to forestry companies during 2022. At the workshops we will raise awareness of forestry impacts on the water environment. We will also promote the need to comply with legislation and guidance.

2.14 VIBES Scottish Environment Business Awards

(Lead AMT Member: David Harley)

The virtual launch of the VIBES Scottish Environment Business Awards took place on 2 March. The Minister for Just Transition, Employment and Fair Work, Richard Lochhead, spoke at the event.

The launch featured presentations on case studies from two of last year's winners and a panel discussion on transitioning to net zero. There are 12 categories in this year's awards. The focus of the awards is on the business benefits of reaching net zero carbon emissions. Entries are open until the end of April, there will then be a three-stage judging process. The award ceremony will take place in October 2022.



We used the Flexible Deployment Scheme to provide resource for VIBES 2021. This was an effective use of resources and gave staff experience of events administration.

We will use the scheme again this year and staff involved will focus on securing and increasing entries to the award categories.

2.15 Increase in NetRegs users (Lead AMT Member: David Harley)

[NetRegs](#) is a partnership between the Northern Ireland Environment Agency and us. It provides free environmental guidance for businesses in Scotland and Northern Ireland.

NetRegs offers a range of interactive services. These include e-learning, video case studies, and compliance self-assessment checklists. In the last year, there have been 4041 e-learning course completed, 3795 users have accessed the self-assessment tool, 6435 users have signed up for monthly updates and case studies have been viewed 7900 times.

Over the last 12 months 341,905 users have visited the [NetRegs website](#). This is a 48% increase from the previous year.

The increase in usage is partly due to work that has been carried out to improve the website's search engine optimisation. This means that the site is more likely to be found in relevant google searches.

NetRegs is now listed on the [service status page](#) of our website under 'Advice for business'. These improvements have had a positive impact in securing and retaining new customers.

2.16 SEEBEYOND project (AMT Lead Member: Bridget Marshall)

We are an active partner in the [SEEBEYOND project](#), which is now nearing completion. The project aims to standardise metrics for the food and drink sector. A final report will be issued to all partners for comment and feedback in April 2022.

Our role in the project has included participating in regulator workshops. These workshops have informed the development of the standardised environmental metrics for the food and drink sector. The metrics include greenhouse gas emissions, water consumption and usage, effluent, and waste generation (including food waste).

3. Flooding

3.1 Future Flood and Incident Messaging Service

(Lead AMT Member: David Pirie)

We signed a multimillion-pound 12-year contract for the Future Flood and Incident Messaging Service at the end of March. This will replace our current Flood Warning Dissemination system that has been operational since 2011.

The new service will continue to support the dissemination of flood messages and support our business continuity messaging service. It will also deliver a multi-hazard incident service. This will include water scarcity and new digitally transformative innovations. The service will be operational by April 2023.

The contract has been awarded to our existing supplier BT, supported by software company HTK. The procurement process included an audit from the Scottish Government Digital Assurance team. The award was made based on a combined cost and quality assessment.

The contract, which could run beyond 2030 if all extensions are exercised, includes net zero targets aligned with our Regenerative SEPA goals. The new contract also offers assurance in terms of continuity of service delivery. It provides a seamless transition for our circa 34,000 customers registered to Floodline and over 900 responders who receive our daily Flood Guidance Statements.

3.2 Flow measurements from space

(Lead AMT Member: David Pirie)

We are always looking for ways to make our data gathering more effective, safer, and have less impact on greenhouse gas emissions. This year we are piloting flow measurement from drones, cameras, and satellites.

This is part of the [FluViSat](#) research project which is funded by the European Space Agency. The project is led by the Centre for Ecology and Hydrology with the Queensland Government and RSS-Hydro.

A method for using video footage from drones to measure the flow rate of rivers has recently been developed and is a proven 'non-contact' way to collect this data. The FluViSat project aims to develop this further. It will see if it is possible to use high-resolution video of rivers and other water bodies captured by satellites to measure their flows.

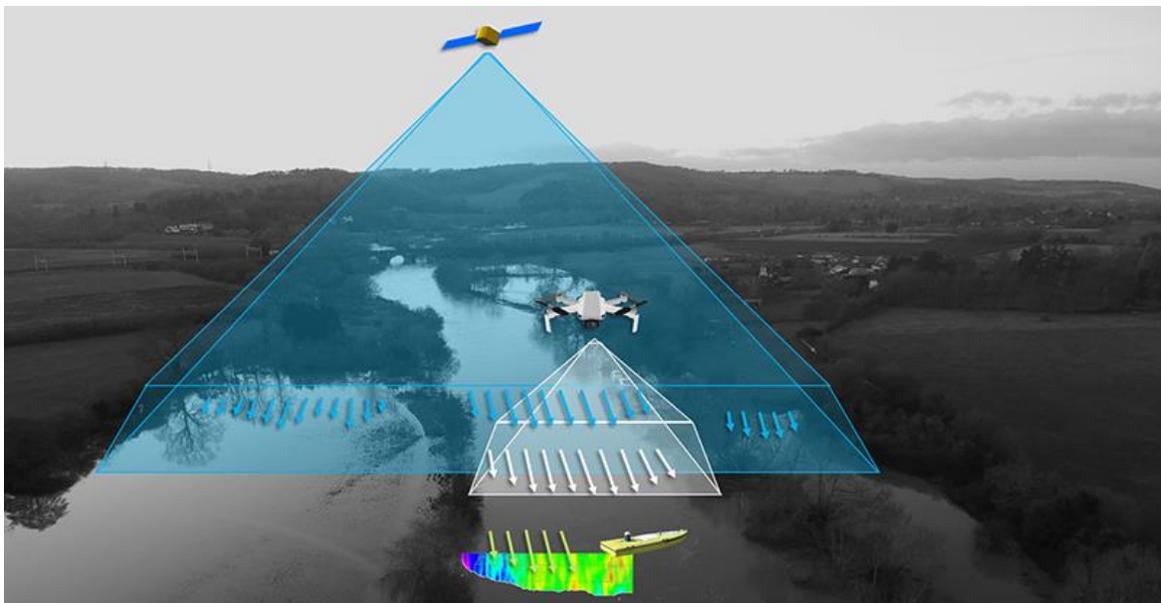


Diagram showing different methods of measuring flow rate

In March, we supported the project by identifying suitable sites in Scotland to use for pilot studies. We took flow measurements at three of our gauging sites and drone footage, while high resolution satellite video was being collected. This allows the project to find out if the methods they are using to calculate the flows provide accurate results or if further work is necessary.

If the methods are successful, it will open a new way of delivering data for floods, drought, and regulation on a global scale.

3.3 Maintaining gauging stations (Lead AMT Member: David Pirie)

We are continuing our programme of gauging station rebuilds and upgrades. The stations at Peebles, Fairholm, Oxbang, and Dalhousie, which are all key flood warning sites, are now completed. We also completed the removal of three redundant sites at Dalkeith Palace. We restored the sites and removed any health and safety risks and associated financial obligations.



Dalhousie

3.4 Water scarcity situation (Lead AMT Member: David Pirie)

We published our latest [Water Situation report](#) in March and planned this update to coincide with [World Water Day](#). The theme of the day was the importance of groundwater.

The conditions over autumn and winter have a major influence on water resources. This can lead to the risk of water scarcity in the summer. Winter recharge this year was average for most areas except parts of eastern Scotland. Angus has been affected and the area is now at an increased risk of water scarcity this spring and summer.

We continue to monitor the water scarcity risk using available data. We will also produce regular Water Situation reports to update our partners, businesses, and the public.

Our work will focus on redeveloping our Spotfire and Geographic Information System (GIS) tools. This will make our water scarcity advice and regulatory response more resilient and efficient. We will continue to work with key stakeholders to help them plan and manage in times of water scarcity.

We are also increasing our social media presence to promote our key messages.

3.5 Flood Risk Management plans- consultation digest

(Lead AMT Member: David Pirie)

We have launched the public consultation digest for the Flood Risk Management plans [on our consultation hub](#). This follows the publication of the plans in January. In the digest we analyse and summarise all responses and demonstrates how they have been responded to. This includes feeding responses into the future parts of the Flood Risk Management planning cycle.

4. Organisation

4.1 Job evaluation (Lead AMT Member: John Kenny)

We continue to hold panel meetings under our current job evaluation scheme. The panel considers outstanding re-evaluation cases and appeals. We are finalising the processing of our re-evaluation caseload and expect all re-evaluation cases will have been heard in a panel setting by 31 March 2022. There will then only be a few outstanding appeals to be processed. New post evaluations will continue as required.

We have signed a contract for the development of a new job evaluation system with Beamans Ltd. The scheme will be based on the Job Evaluation Grading Systems. This scheme is already widely adopted across the Scottish and UK Civil Service. The planning to deliver this project will start in May 2022.

4.2 Keeping our staff safe (Lead AMT Member: John Kenny)

In March, we provided key health and safety reminders for all staff. This included everyone's health and safety responsibilities and a new risk assessment procedure. Further seasonal communications are planned on ticks and Lyme disease this month.

COVID guidance remains in place to keep staff safe wherever they are working.

4.3 Future of Work (Lead AMT Member: John Kenny)

4.3.1 Staff preferences – second survey

The purpose of the second 'Future of Work: Our Workspaces - Staff Preference' survey was to gather information and responses on staff's geographical workspace preferences. It also provided information on the potential scale and pattern of usage of our workspaces. The survey was open from 28 January to 25 February 2022, 80% of staff responded. The survey responses are helping to inform and plan the phased re-opening of our workspaces and other decisions about our estate.

4.3.2 Phased re-opening of SEPA workspaces

A phased workspace re-opening plan will be available in April 2022. In the meantime, all our buildings continue to be statutorily maintained.

Our Angus Smith Building, Aberdeen office and stores are COVID secure. This allows access for priority essential services. We have also established COVID secure Science Support Centres and Regulatory Incident Hubs. The hubs are at the Angus Smith Building, Aberdeen, Perth, Dingwall, and Dumfries

Safe access to our buildings is also available to staff in exceptional cases. This can be to collect kit, equipment, or undertake short term activities in support of priority essential services and field work.

We continue to support staff who find it difficult to work from home, by providing access to our COVID secure buildings. Where our buildings are not open, we have arranged for some staff to access our public sector partners buildings.

4.4 International services (Lead AMT Member: Bridget Marshall)

International Services continues to partner projects in Malta and Cyprus. The projects are part of the EU Network for the Implementation and Enforcement of Environmental Law (IMPEL). They are funded by the European Commission Structural Reform Support Services (DG Reform).

In February and March, due to the easing of COVID restrictions, we were able to carry out two in-person site visits along with the European Commission and key stakeholders.

4.5 Regenerative SEPA (AMT Lead: Bridget Marshall)

The Regenerative SEPA route map was approved by the Agency Management Team on the 18 March. The route map details work that will be undertaken over the next two years to meet our Regenerative SEPA goals and targets. These goals and targets were approved by the Board in October 2021.

Work to implement the Regenerative SEPA route map has now started. Our initial focus will be on the procurement of major contracts. We will also build our regenerative goals into proposals for the Future of Work and the development of a staff engagement and involvement plan.

The route map has three main aims:

1. To fully understand our main emissions and impacts and to establish ways to measure them.
2. To establish successful long-term delivery of actions that reduce our impacts and emissions.
3. To continue to take actions that reduce our emissions and impacts where we can.

Before completing the route map, we consulted with board buddies and staff. The draft route map was available for all staff to comment on from mid-February to mid-March and we held three informal drop-in staff sessions. We then held two sessions with external stakeholders from the Environment and Economy Leaders Group (public sector environmental partners) and some Sustainable Growth Agreement partners.

4.6 Rebuild on our financial system

(Lead AMT Member: Stuart McGregor)

We are on track to complete phase four of our finance and staff data system build by the end of April 2022. This will put in place several improvements to processes including billing, financial reporting, and staff training.

4.7 Charging (Lead AMT Member: Stuart McGregor)

We carried out the main annual billing run in September 2021. The delayed statement runs have now been completed and were issued on 29 March. Reminder letters will be issued in line with normal debtors process. The statement delays were primarily due to some further refinements required to the financial system build and the number of queries raised due to changes in authorised activities, which were not reflected in the September 2021 billing run.

The statement run delay provided the opportunity for the 2020-2021 debt to be included. This will help reduce the overall workload and the allocation of cash already received that we are currently unable to associate with specific accounts.

We are planning our 2022-2023 invoice run, which is likely to take place in May or June 2022. We are continuing the development and maintenance work on the database and charging tool which allows us to calculate the charges.

We anticipate there will be significant work in preparing for the implementation of the Integrated Authorisation Framework which will require a consultation to be conducted in 2023.

4.8 Procurement (Lead AMT Member: Stuart McGregor)

The procurement workload is significant, and this is expected to continue into 2022-2023. Additional resource has been secured through the Scottish Government Shared Procurement Service. A procurement specialist has been recruited and started with us in March. Their appointment will help to ensure the Annual Operating Plan priorities can be delivered.

Work is underway on planning capital procurement for the next two financial years. The Procurement Operating Plan 2021-2024 has been published and shared with the Scottish Government. The 2020-2021 Annual Procurement Report was completed in early February. This was shared with the Scottish Government outside the statutory deadline. This did not impact their collation of annual reports for Scottish Ministers.