



**ANNUAL OPERATING
PLAN 2022-2023
OUR PLAN FOR
REGULATION,
CLIMATE RESILIENCE
AND RECOVERY**



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Foreword

Over the last two years the world as we have known it changed immeasurably as a result of the pandemic.

Scotland's public services moved quickly to adapt. At SEPA we set out and published our approach to how we would regulate throughout the pandemic. We committed to, and made, a significant contribution to helping the nation get through the public health emergency whilst protecting Scotland's environment.

At SEPA, we also faced a twin challenge. On Christmas Eve 2020, our agency, our people and the public services we deliver were the victims of a serious and significant cyber-attack, orchestrated overseas by international serious and organised criminals.

The Board was clear that we wouldn't use public funds to pay a ransomware demand and we worked closely with the Scottish Government, Police Scotland, the National Cyber Response Centre and Scottish Business Resilience Centre. The impact of the attack was significant and recovery is ongoing.

Despite the challenges, together our people continued to deliver a lot for Scotland in the last period:

- In Scotland's COVID response, we continued our important work to monitor COVID across Scotland's wastewater network,

helping public health colleagues track the spread and intensity of the virus across the country.

- In regulation, we undertook a programme of compliance checking activity, focusing on high-hazard sites, illegal activity and sites of community concern – taking action where appropriate. We maintained our 24-hour Pollution Hotline and incident response, prioritising incidents with the highest potential impact on the environment or communities.
- In flooding, our work helped Scotland avoid and protect against the impact of flooding, including through the introduction of new flood risk management plans, and we continued to warn through real-time flood alerts to communities across the country.
- We published a new river basin management plan to secure sustainable use of Scotland's water environment in ways which meet the needs of society, economy and wildlife. We helped Scotland prepare for water scarcity, issuing regular information for farmers, land-owners, businesses and abstractors. We successfully monitored Scotland's designated bathing waters throughout the 2021 season, providing the public with sampling results for all 85 beaches and, for 29 popular sites, real time water quality predictions.

Protecting and enhancing the environment in ways that create economic and social success remain our focus. Through our One Planet Prosperity strategy we are committed to ensuring all Scottish businesses meet Scotland's environmental standards and helping as many as possible to voluntarily move beyond those standards.

As we look to the future, we're building on solid foundations and moving to a new phase of our recovery. Our Annual Operating Plan 2022-2023 is our plan for regulation, climate resilience and recovery.

The plan recognises that we still face daily challenges delivering our work. It recognises we can't do everything at once and makes clear, practical choices to support our people. It focuses on organisational recovery which will strengthen our delivery of important regulation and flooding priorities and it supports transformational change.

But more than that, our plan helps Scotland tackle the climate and nature emergencies and supports our transition to a net zero economy.



Bob Downes
Chair



Jo Green
Acting Chief Executive

Ro-ràdh

Thar an dà bhliadhna a dh'fhalbh tha an saoghal mar as aithne dhuinn e air atharrachadh gun tomhas mar thoradh air a' ghalair lèir-sgaoilte.

Gus fàs ri seo ghluais seirbheisean poblach na h-Alba gu sgiobalta. Aig SEPA, chuir sinn a-mach agus dh'fhoillsich sinn ar dòigh-obrach air mar a bhiodh sinn ri riaghladh air feadh a' ghalair lèir-sgaoilte. Gheall sinn, agus rinn sinn, tabhartas cudromach gus an dùthaich a chuideachadh a dh'fhaighinn tro èiginn slàinte a' phobaill mar a bhios sinn a' dìon àrainneachd na h-Alba aig an aon àm.

Aig SEPA, bha dùbhlann dùbailte romhainn cuideachd. Air Oidhche na Nollaige 2020, dh'fhuiling a' bhuidheann againn, ar daoine agus na seirbheisean poblach a bhios sinn a' libhrigeadh fìor dhroch ionnsaigh-siobair, air a chur air dòigh bho thall-thairis le eucoirich eagraichte eadar-nàiseanta.

Bha Bòrd SEPA soilleir nach biodh sinn a' cleachdadh maoinneachadh a' phobaill gus iarrtas bathar-èirig a phàigheadh agus dh'obraich sinn gu dlùth le Riaghaltas na h-Alba, Poileas Alba, an Ionad Nàiseanta airson Freagairt Siobair agus Ionad Ath-leumachd Gnothachasan na h-Alba. Bha buaidh na h-ionnsaigh de chudrom agus tha ath-shlànachadh leantainneach.

A dh'aindeoin nan dùbhlann, lean ar daoine orra còmhla mòran a libhrigeadh airson Alba anns ùine mu dheireadh:

- Ann am freagairt na h-Alba ri COVID, lean sinn oirnn leis ar n-obair chudromach gus COVID a sgrùdadh thar lìonra uisge-caithe na h-Alba, a' cuideachadh co-obrachaidh slàinte a' phobaill ann a bhith a' cumail sùil air sgaoileadh agus dèineadh na bhiorais air feadh na dùthcha.

- A thaobh riaghladh, ghabh sinn os làimh prògram de ghnìomhachd sgrùdadh gèillidh, a' cur fòcas air làraich de dh'àrd-chunnart, gnìomhachd mì-laghail agus làraich a bheir dragh dhan choimhearsnachd – a' gabhail cheumnan gnìomha far a bheil sin iomchaidh. Ghlèidh sinn ar Loidhne-èiginn Truailleachd 24-uaireach agus freagairt mhòr-thachartais, a' cur prìomhachas air tachartasan leis a' bhuidheann as àirde a dh'fhaodadh a bhith air an àrainneachd no coimhearsnachdan.
- A thaobh tuiltean, thug ar n-obair cuideachadh do dh'Alba a bhith a' seachnadh agus a' dìon an aghaidh buaidh thuiltean, tro toirt a-steach planaichean ùra airson stiùireadh chunnartan thuiltean, agus lean sinn oirnn a' toirt rabhaidhean fìor-ama air tuiltean do choimhearsnachdan air feadh na dùthcha.
- Dh'fhoillsich sinn plana stiùiridh amar-aibhne ùr gus cleachdadh seasmhach a dhèanamh cinnteach ann an àrainneachd uisge na h-Alba ann an dòighean a bhios a' coileanadh feumalachdan a' chomann-sòisealta, eaconamaidh, agus fiadh-bheatha. Chuidich sinn Alba deisealachadh airson gainneadh uisge, a' cur a-mach fiosrachadh bitheanta airson tuathanaich, luchd-fearainn, gnothachasan agus luchd-tarraing às sgrìobhainnean. Rinn sinn sgrùdadh soirbheachail air uisgeachan-ionnlaid sònraichte ann an Alba air feadh an tràtha 2021, a' toirt seachad toraidhean samplachaidh dhan phoball airson na 85 tràighean uile agus, airson 29 làraich mheasail, fàisneachdan fìor-ama air càileachd uisge.

'S e ar fòcas fhathast a bhith a' dìon agus a' meudachadh na h-àrainneachd ann an dòighean a bhios a' cruthachadh soirbheachas eaconamach agus sòisealta. Tron ro-innleachd againn, One Planet Prosperity, tha sinn an geall air dèanamh cinnteach gu bheil a h-uile gnothachas Albannach a' coileanadh inbhean àrainneachd na h-Alba agus a' cuideachadh nas urrainn dhuinn ri gluasad seachad air na h-inbhean sin gu saor-thoileach.

Mar a choimheadas rinn dhan àm ri teachd, tha sinn a' togail air stèidh làidir agus a' gluasad gu ìre ùr de ar n-ath-shlànachadh. 'S e am Plana Obrachaidh Bliadhna 2022-2023 againn am plana againn airson riaghladh, fulangas gnàth-side agus ath-shlànachadh.

Tha am plana ag aithneachadh gu bheil dùbhlain làitheil fhathast romhainn ann a bhith a' libhrigeadh ar n-obrach. Tha e ag aithneachadh nach urrainn dhuinn a h-uile rud a dhèanamh aig an aon àm agus tha e a' dèanamh roghainnean soilleir, practaigeach gus taic a chumail ri ar daoine. Tha e a' cur fòcas air ath-shlànachadh eagrachail a bhios a' neartachadh ar libhrigeadh de riaghladh cudromach agus prìomhachasan a thaobh tuiltean agus tha e a' toirt taic do dh'atharrachadh cruth-atharrach.

Ach a bharrachd air sin, tha ar plana a' cuideachadh Alba ann a bhith a' dèiligeadh ri èiginnean na gnàth-side is nàdair agus tha e a' cumail taic ris an eadar-ghluasad againn gu eaconamaidh a bhios a' cothromachadh carboin.



Bob Downes
Cathraiche



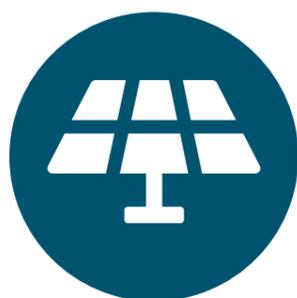
Jo Green
Àrd-oifigear an Gnìomh

Our strategy

Purpose

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

Strategic outcomes



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.



Scottish businesses are prospering from better environmental performance

Scottish businesses recognised 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.



The impact of flooding is reduced

The likelihood of potential impact of flooding across Scotland is understood and strategies are developed to tackle greatest risk.

Flood warnings are provided and businesses, communities and individuals understand the steps they can take to protect themselves from the impacts of flooding.

Robust advice is given to ensure planning decisions are well informed and new developments are not located in high risk areas.



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

Introduction

The Scottish Government's Purpose is to:

- create a more successful country
- give opportunities to all people living in Scotland
- increase the wellbeing of people living in Scotland
- create sustainable and inclusive growth
- reduce inequalities and give equal importance to economic, environmental and social progress.

To help achieve its purpose, the Scottish Government has identified national outcomes, which are aligned to the United Nations' Sustainable Development Goals. We make the most significant contribution to the following national outcomes.

People:

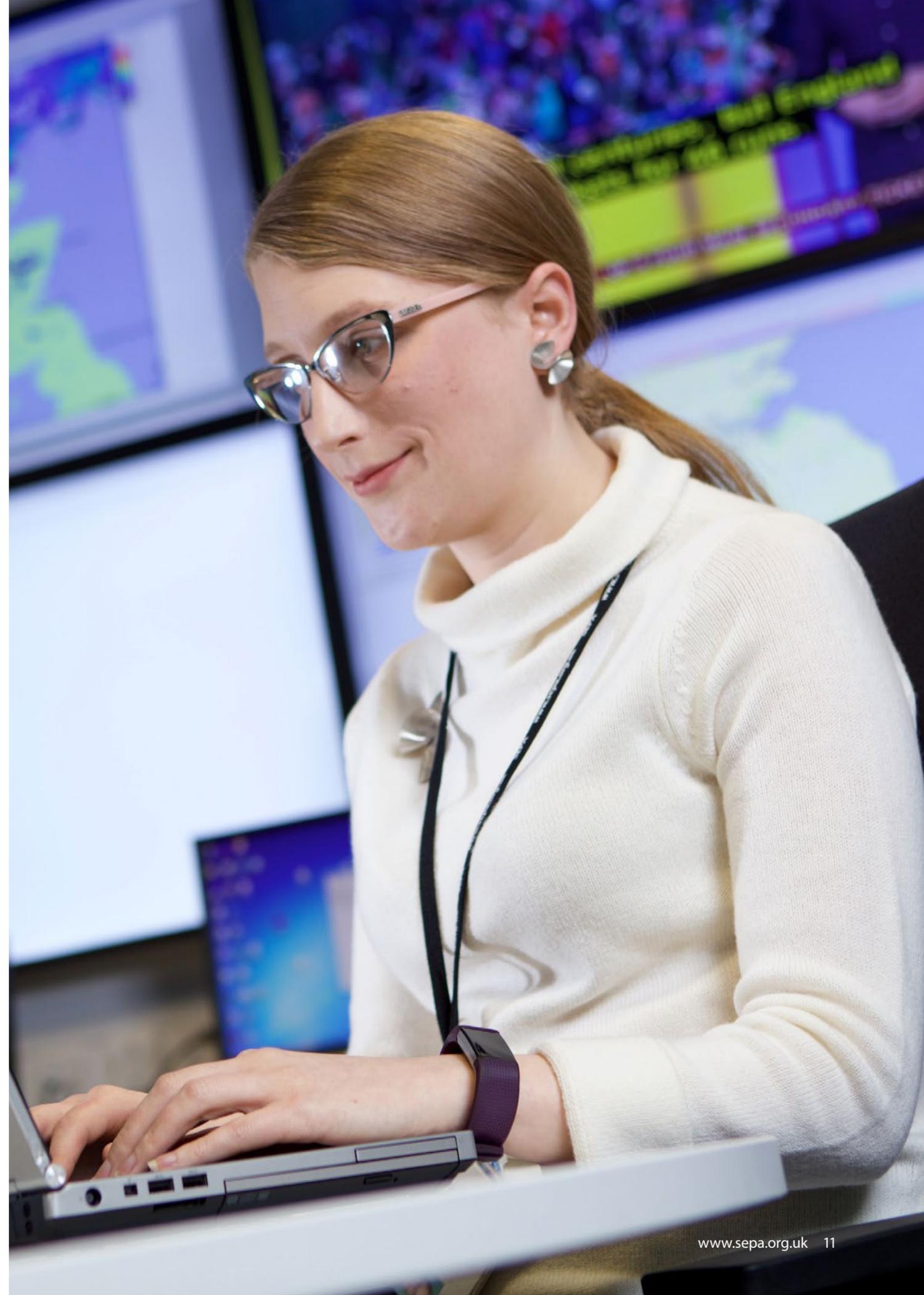
- value, enjoy, protect and enhance their environment
- live in communities that are inclusive, empowered, resilient and safe
- have a globally competitive, entrepreneurial, inclusive and sustainable economy.

We deliver two core services – environmental regulation and flooding. We recognise that as a society, we are over-using our planet's resources. If everyone lived as we do in Scotland, we would need three planets to sustain ourselves. Every day we work to protect and enhance Scotland's environment, helping communities and businesses thrive within the resources of our planet. We call this [One Planet Prosperity](#).

We are clear that compliance with environmental regulations is non-negotiable. Every Scottish business will comply with environmental laws. We are moving our regulation from individual sites to a sectoral approach to support this aim and to help as many businesses as possible to achieve the environmental, economic and social benefits that come from voluntarily moving beyond compliance and adopting more sustainable business practices. We are also focusing our efforts on targeted places where great partnership working and collaboration can deliver environmental improvements along with social and economic opportunities. This year we are going to consolidate the regulatory activity we have already organised around sectors and places. As we recover and reform, we will increasingly organise our activity this way.

Climate change presents the greatest risk to humanity. It is happening now and the impacts are already evident. There is evidence that the frequency of flooding will increase significantly in Scotland in the coming decades. To reduce the impact of flooding in a changing climate, we work with our partners to avoid new developments in areas of flood risk, protect existing developments from future floods and warn communities and businesses to help them prepare when flooding is likely.

This Annual Operating Plan provides an overview of our priorities for 2022-2023 and the budget we have available to deliver our work. We have included a set of performance measures and will publish quarterly performance reports to show our progress.





Regulation

“At SEPA we’re clear that compliance is non-negotiable, and we’ll support Scottish business to realise the opportunities of a net zero economy.”

**Ian Buchanan
Chief Officer, Compliance & Beyond**

Regulation

Policy implementation

“At SEPA we know the scale of the challenge and opportunity presented by the climate and nature emergencies, and the urgency to act. Working in partnership to deliver better outcomes, we’ll support Scotland’s transition to a net zero, circular economy.”

**David Harley
Interim Chief Officer
Circular Economy**



Policy implementation

Priority	Net zero and just transition
What success looks like by March 2023	We have supported policy development aimed at enabling Scotland to meet its climate change priorities. This includes: hydrogen; carbon capture and storage; the application of our climate change duties; supporting the Cleaner Air for Scotland strategy and the Grangemouth Regulatory Hub.

Priority	Deposit Return Scheme
What success looks like by March 2023	We have launched a Deposit Return registration service by 1 January 2023.

Priority	Post EU Exit
What success looks like by March 2023	We have supported post EU policy development, in particular in relation to chemicals and new approaches to industrial emissions policy.

Permitting

Priority	Land-use planning and development
What success looks like by March 2023	We have provided timely, proportionate advice and increased capability to engage more strategically with the planning process.

Priority	Applications for environmental authorisations
What success looks like by March 2023	We have protected the environment through timeous, robust, risk-based permitting decisions.

Priority	Review and modification of environmental authorisations
What success looks like by March 2023	We have set revised controls in permits and authorisations to drive improved protection and performance, in areas including: waste treatment; intensive agriculture; food and drink; hydro-power schemes; Scottish Water assets; fish barriers and marine pen fish farming.

Compliance

Priority	Our programme of verification activity
What success looks like by March 2023	We understand the level of compliance and non-compliance across key activities and sectors so that we can identify where to act, with a focus on those with the greatest potential for harm, including impact on climate change.

Priority	Non-compliance and illegal activities
What success looks like by March 2023	We have addressed non-compliance and illegal activity on a prioritised basis.

Priority	Environmental event response
What success looks like by March 2023	We have provided a prioritised 24/7 response to environmental events. We have fulfilled our duties as a Category 1 responder under the Civil Contingencies Act 2004 and supported resilience partners in emergency response arrangements.

Priority	Environmental monitoring
What success looks like by March 2023	We have undertaken a prioritised programme of environmental monitoring of water, land and air to understand the state of Scotland's environment. Our monitoring has identified the most important recent changes in the Scottish environment and has informed our regulatory response. We have updated our long-term monitoring networks, in preparation for updating critical water classification reporting in 2023.

Priority	Water Environment Fund
What success looks like by March 2023	We have scaled up delivery and made targeted improvements to the habitat of rivers and for the passage of migratory fish

Priority	Beyond compliance opportunities
What success looks like by March 2023	We are identifying and using place and sector-based opportunities to drive forward transformational change in focused areas.

Reform

Priority	Key capabilities needed for core compliance work
What success looks like by March 2023	We have prioritised and built core regulatory capabilities. We have made significant progress in key areas such as the public register and compliance assessment.

Priority	One Planet Prosperity regulatory services
What success looks like by March 2023	Regulatory services are becoming simpler, quicker and more efficient at delivering to purpose and user needs. We have supported the development of new legislation for the Integrated Authorisation Framework and are planning for its implementation. Staff and managers are better equipped, with the methodologies and resources in place, to design and implement user-friendly regulatory services.

Flooding



“At SEPA we’re clear on the impacts of our changing climate and we’ll help Scotland avoid the risk of flooding to new communities and businesses; protect those existing communities and businesses that are at risk from the effects of climate change; and warn if flooding is imminent so action can be taken to reduce the impact.”

David Pirie
Executive Director, Evidence & Flooding

Flooding

Priority	Help Scotland AVOID the risk of flooding to new communities and businesses
What success looks like by March 2023	The number of flood risk development management applications is decreasing over time.

Priority	Help PROTECT those existing communities and businesses that are at risk from the effects of climate change
What success looks like by March 2023	We are providing the necessary information and guidance to all responsible authorities so that they can deliver the cycle 2 Local Flood Risk Management Plans and end of cycle 1 reporting.

Priority	WARN if flooding is imminent so action can be taken to reduce the impact
What success looks like by March 2023	<p>Warnings and alerts have been issued for all significant flooding events.</p> <p>Our new flood warning information system is operational.</p> <p>We have delivered our flood warning service 24/7, 365 days a year.</p> <p>We have launched the new Carron flood warning scheme.</p> <p>We have launched the new Public Flood Forecast.</p>



Organisation

“At SEPA we’re building back better – supporting staff, developing new systems, introducing progressive working practices and committing to becoming a regenerative organisation by 2030.”

John Kenny
Interim Chief Officer, People & Property

Organisation

People

Priority	Future of Work
What success looks like by March 2023	<p>All staff have access to a SEPA office or readily available workspace as an alternative to working from home.</p> <p>We have a geographical spread of business-critical capabilities.</p> <p>We have a medium to long-term plan for our estate.</p>

Priority	How we work together
What success looks like by March 2023	<p>We all have clarity on expected behaviours.</p> <p>We are all demonstrating the expected behaviours, and leaders are supported and empowered to set expectations.</p> <p>We have the necessary range of supportive processes and procedures to address concerns and have clarity on the routes for raising concerns.</p>

Priority	Flexible workforce: we have the right skills in the right areas
What success looks like by March 2023	<p>We have progressed a workforce plan which identifies the skills we need for the future, the gaps we need to address and opportunities for succession planning.</p> <p>We have several options when there is a need to fill a vacant post or resource a priority area. These options will include a flexible deployment process, providing opportunities to develop existing staff into different posts and robust, inclusive recruitment processes.</p>

Priority	Supporting staff
What success looks like by March 2023	<p>Health and well-being levels among staff have improved. We are prioritising and supporting health and well-being, and this is recognised by staff.</p> <p>Using a variety of techniques, we have invested in staff development to ensure our staff are competent, trained and have the knowledge and experience to undertake their activities safely. We have:</p> <ul style="list-style-type: none"> ■ supported staff in their development, so they can adapt to new ways of working, meet emerging challenges, and have increased confidence in their roles. ■ developed a technical learning and development programme which strengthens our skills and confidence to carry out our work.

Regeneration

Priority	Become a regenerative, net zero organisation by 2030
What success looks like by March 2023	<p>We understand the most significant sources of our direct and indirect emissions and impacts and have established new baselines and ways to measure them.</p> <p>We have in place measures that put our regenerative goal at the heart of our decision making.</p> <p>We have taken actions that reduce emissions and impacts where we can.</p>



Progressive operating practices

Priority	Modernising information management
What success looks like by March 2023	<p>Good governance, built into our new systems, makes it much easier for us to manage information well.</p> <p>All staff have a much better understanding of the principles we have set for good information management.</p> <p>We have a much more sustainable approach to responding to statutory requests for information.</p>

Priority	Improving the clarity of our governance framework
What success looks like by March 2023	Our governance framework is clearly set out, simple to access and is understood by our staff.

Priority	Continuous improvement of operating practices
What success looks like by March 2023	<p>We have:</p> <ul style="list-style-type: none"> ■ improved financial management and reporting ■ developed a new corporate plan with a supporting performance management framework ■ embedded our new equality outcomes ■ refreshed our internal communications programme ■ implemented the findings of the strategic review of our Contact Centre ■ applied effective governance and controls ■ developed our approaches to risk management and resilience ■ implemented our revised Model Customer Services Complaints Handling approach.

Developing our systems

Priority	Securing our systems
What success looks like by March 2023	<p>We have completed the actions from the cyber reviews.</p> <p>We have maintained Cyber Essentials Plus accreditation</p>

Priority	Implementing our underpinning capabilities and technology
What success looks like by March 2023	<ul style="list-style-type: none"> ■ We have in place all the key capabilities to implement our strategy. ■ It is quick and simple to create, find and manage the documents we need – implement SharePoint. ■ We have begun development of a data store fit for the future. ■ We understand the systems needed to make our services simpler, quicker and more user-friendly and have a plan for developing them. ■ We have begun a phased refresh of SEPA's websites. ■ We are restoring and making our key information available via SharePoint and the data store. ■ We are modernising our telephony and mobile phone systems.





Our Funding

“At SEPA we have a clear responsibility to deliver nationally important public services effectively, prudently and within a balanced budget.”

Stuart McGregor
Chief Officer, Finance

Our Funding

Our planned income for 2022-2023 is £91.9 million, which will be used to fund an operating expenditure of £87.8 million and capital of £4.1 million.

SEPA has a responsibility to ensure that all relevant costs of regulatory activities are recovered through charges. We expect to recover 98% of these costs across our charging schemes in 2022-2023. The charging scheme income forecast is £43.6 million.

The Scottish Government has provided an indicative one-year grant-in-aid allocation for 2022-2023. We expect to receive £45.8 million, based on a cash amount of £40.5 million and a non-cash element of £5.3 million.

The 2022-2023 budget includes estimated other income of £2.4 million.

Income & Expenditure Account	Draft Budget 2022-2023	Other Income	Draft Budget 2022-2023
Grant in Aid	£45,844,000	Water Environment Fund	£600,000
Charging Schemes	£43,568,000	Scottish Landfill Tax	£600,000
Other Income	£2,442,000	Scottish Landfill Communities Fund	£149,000
Total Income	£91,854,000	Facilities Recharges	£229,000
Staff Costs	£62,488,000	Scottish Wide Area Network	£115,000
Other Staff costs	£364,000	Greenlist	£314,000
Transport Costs	£1,082,000	Vibes	£70,000
Property Costs	£5,073,000	Netregs	£60,000
Supplies and Services	£13,447,000	International Services	£300,000
Total Expenditure	£82,454,000	Bank Interest	£5,000
Depreciation / Impairments	£5,300,000	Total Other Income	£2,442,000
Total Operating Costs	£87,754,000		
Surplus to fund capital investment	£4,100,000		

Performance measures

We will use this set of performance measures to assess our progress delivering this plan through the year. We will publish quarterly performance reports.

Regulation

No deterioration in the length of time it takes to determine licences.

Our plans to review and modify authorisations are on track.

We have significantly increased monitoring to improve our understanding of the effect of regulation on the environment.

An improvement in compliance at prioritised, non-compliant sites.

We have implemented a registration system to support the Deposit Return Scheme by 1 January 2023.

Flooding

Warnings and alerts issued for all significant flooding events.

Our new flood warning information system is operational

We have launched the new Carron flood warning scheme.

Organisation

Health and well-being levels among staff have improved from the average levels in 2021-2022 pulse surveys

Reduction in our direct greenhouse gas emissions by 70% from our 2006-2007 baseline.



