

Environment, Climate Change and Land Reform Committee

Draft Budget 2020-21

Written submission from SEPA

SEPA's role is to protect and improve Scotland's environment. This includes playing a key role in responding to the climate emergency and Scotland's transition to a low carbon, more sustainable and inclusive economy. We do this by delivering two core services: environmental regulation and flooding.

SEPA's regulatory strategy - [One Planet Prosperity](#) – recognises two needs: (1) the need to address remaining non-compliance pollution and legacy issues much of which are a symptom of an unsustainable society and economy; and (2) the need to drive more systemic “beyond compliance” across sectors to tackle systemic issues including resource use and climate change and help drive a genuinely sustainable economy. There is a very strong preventative spend case for this: lack of action on (2) will simply increase the amount of resource Scotland and SEPA needs to deploy on (1).

Furthermore, by supporting the development of a ‘new’ more resilient and less resource-hungry economy, SEPA's work supports a form of inclusive growth that will better support the economic prosperity and, therefore, the robustness of Scotland's public finances. This helps prevent spend in various social and economic programmes from a less successful form of economic development.

We find it helpful that the Scottish Government has produced the Medium Term Financial Strategy. This approach provides more clarity and SEPA is therefore working with the Scottish Government on this longer term strategy so that it provides a stable framework from which to drive innovation and implement transformational change.

By doing so we will be able to continue to invest in transforming as an Agency to deliver *One Planet Prosperity*. There are great examples of practically implementing this new approach such as the [Superglass Sustainable Growth Agreement](#), the [collaboration around the Leven](#), working with the [whisky sector](#) and [natural flood risk management](#) with some land managers. We are investing in internal improvements to set the Agency up to systematically deliver in this way. This investment is aimed, in the long term, to reduce the effort we need to make in tackling non-compliance and responding to pollution events which allows us to focus resources on the systemic and multi-disciplinary issues we face today. This investment in transformation therefore has a preventative approach right at its core.

While we invest in this transformation, our existing Scottish Government priority areas continue to be a focus, including aquaculture, wild fish, landfill, plastics, deposit return, bathing waters, air quality and flooding. We anticipate that our future priorities will more strongly reflect the broader transition needed in Scotland to a low carbon, low resource use and inclusive economy. The table below summarises these future strategic priorities.

Current Priorities	Future Priorities
<p><i>Sector Approach</i> - The development and implementation of sector plans for each business sector we regulate to clarify remaining non-compliance challenges and identify “beyond compliance” opportunities.</p>	<p>Implementing the sectoral approach, including strategic long-term alignment with other public sector bodies to drive the transformative changes needed to transition to a low carbon, more sustainable and inclusive economy.</p> <p>Supporting sectors to work towards net-zero emissions and climate change adaptation.</p> <p>Tackling serious environmental crime and supporting sectors in decline to manage environmental legacy issues.</p>
<p><i>Place</i> - Piloting place-based projects which drive environmental, social and economic success</p>	<p>Collaborating with partners and community groups on place-based projects where environmental improvements can drive significant social benefit and inclusive economic growth – eg Stirling Region City Deal.</p>
<p><i>Adaptation</i> - Developing our new flooding strategy, whilst rolling out new flood warning schemes and piloting new approaches</p>	<p>Working through the sector and place based approaches to support Scotland in adapting to climate change, with an increased focus on ensuring new developments are not subject to unacceptable flood risk, adapting to water scarcity, coastal erosion and flood risk.</p>
<p><i>Transformative Change</i> - Reforming our Agency to radically transform the way we work</p>	<p>Continuing to reform our Agency, aligning resources, services and activities to delivery of our sector and place based approach in support of net zero emissions and a more sustainable inclusive economy.</p>
<p><i>Brexit</i> - Preparing for EU Exit including a potential no deal.</p>	<p>Responding to EU Exit, working with partners to support sectors in the transition / recovery phase and supporting Scottish Government on post exit arrangements.</p>

Thus our work has a strongly increased focus on transitioning sectors, including to net zero emissions. Some sectors, like landfill, are in decline and will require increased effort to protect the environment, while in sectors that are growing, there will be increased focus on how they can do so whilst achieving net zero emissions and operating within environmental limits.

These priorities are strategic preventative spend measures that invest in Scotland’s environment, communities and economy now in order to save bigger costs of dealing with these issues later. For example, working across the landfill sector to manage its decline will help to prevent or reduce environmental and financial risks that could arise through abandonment. Similarly, by working with growing sectors to increase

their adaptation to a changing climate we can help ensure that future investment in Scotland's economy and infrastructure is resilient and sustainable.

We are also directing resources into contingency planning to ensure that in the event of a no deal Brexit we are able to continue to protect the environment and human health to high standards, while also providing support for the post exit recovery phase. Being well prepared for the potential effects of the UK's departure from the EU will mean a more effective, proportionate and resource efficient response that enables us to recover more quickly and at less cost.

Some examples of our work that delivers preventative spend:

Flood Warning

SEPA is delivering a programme of 14 new flood warning schemes by 2020/21. There is a strong preventative spend case for flood warning. Research has shown that 82% of [Floodline](#) customers take action on the back of receiving a message, thereby reducing the impacts and costs of flood events, while also potentially saving lives. Continued investment in hydrometric infrastructure and digital technologies will allow SEPA to further develop this valued public facing service.

Borderlands Inclusive Growth Deal

SEPA has been working closely with the development of this cross border [project](#) with the aim that *One Planet Prosperity* has a defining influence in the shape of the Deal. Working collaboratively, SEPA is using its existing and planned sector plans to help to build sustainability into the projects from the outset – an approach that fits with the philosophy of preventative spend. Working in this way, we can bring our knowledge and ideas about how to enable growth to take place in an inclusive way and within planetary limits. Working in partnership helps us not just to achieve these aims but to unlock greater value from the public resources we invest.

River Leven Partnership

In July, SEPA and ten other partners signed a [Sustainable Growth Agreement](#) (SGA) to deliver a series of outcomes across the River Leven catchment in line with a joint 2030 vision. This SGA is the first in Scotland involving multiple organisations working in partnership to achieve shared outcomes across a river catchment. It takes an innovative partnership approach to realise ambitions that go beyond the scope of the individual organisations involved, leveraging stronger value from the resources invested across the public sector.

Decommissioning Regulatory Hub

SEPA was instrumental in the creation of the DecomRegHub to support early engagement between the offshore decommissioning industry and regulators. Through the hub we aim to deliver our decommissioning sector plan and streamline the regulatory journey through the decommissioning process. This will better help industry understand what is needed to comply with the various regulatory regimes, and improve communication between the various offshore regulators so we can create efficiencies and identify and address competing regulatory demands.