

CIWM Scotland Centre Consultation Response

August 2017

SEPA Consultation - Environmental Regulation (Scotland) Charging Scheme 2018.

The Chartered Institution of Wastes Management (CIWM) is the professional body which represents over 6,000 waste management professionals, predominantly in the UK but also overseas. The CIWM sets the professional standards for individuals working in the waste management sector and has various grades of membership determined by education, qualification and experience.

The Scottish Centre Council of the Chartered Institution of Wastes Management welcomes the opportunity of contributing to SEPA consultation on Environmental Regulation (Scotland) Charging Scheme 2018.

CIWM is recognised as the foremost professional body representing the complete spectrum of the waste and resources sector. This gives the Institution the widest possible view and, perhaps more pertinently, an objective rather than partial view, given that our goal is for improvement in the management of all wastes and resources.

CIWM Scotland offers these comments based on the extensive experience of a number of our senior members.

Question 1.

What are your views on the scale and escalation of the Compliance Factor?

CIWM Scotland considers that this consultation is directly related and should be considered in line with the responses to the CAS consultation. Provided that some of the points raised in the CAS consultation about what will be considered 'non-compliance' are clarified and resolved, CIWM Scotland considers the scale and escalation of the compliance factor to be reasonable.

In particular, CIWM Scotland seeks clarification from SEPA as to how it intends to deal with the potential for a double charge where a variable monetary penalty has already been rendered by SEPA and the non-compliance for which that VMP was rendered is thereafter taken into account in the compliance factor which would be disproportionate.

Question 2.

Do you have any suggested changes to the way the Compliance Factor is calculated?

CIWM Scotland considers that there may be scope for even further weighting for major non-compliance (i.e. a more extreme scale and escalation).

NB: with regard to the key message below, please note our responses in the CAS consultation that the period for bringing the new CAS in by January 2018 is, in CIWM Scotland's view a very tight timescale.

Key message

SEPA plans to start using its new Compliance Assessment Scheme on 1 January 2018. It is proposed that the Compliance Factor will start to affect charges from 1 April 2019.

Question 3.

What do you think of the rules for hydropower schemes between 0.1 and 2MW?

Given its remit and interests, CIWM Scotland has no comment on this question.

Question 4.

Should we continue with the exemption from charges for small hydropower schemes that generate less than 0.1MW after 2020/21?

Given its remit and interests, CIWM Scotland has no comment on this question.

Question 5.

Do you agree with the scale of the proposed charges for non-active permits, if not why not?

Given its remit and interests, CIWM Scotland has no comment on this question.

Question 6.

Does the scale of the charges for 'not routinely monitored activities' - have any adverse or beneficial consequences?

CIWM Scotland considers that the proposal to charge for these activities will prove to be beneficial.

Question 7.

Do you have any changes that you would like to see in the methodology proposed for calculating Environmental charges for abstractions?

CIWM Scotland has no comment on this question.

Question 8.

What adverse or beneficial consequences do you consider will result from the application of the new methodology?

CIWM Scotland considers that the proposal to base the charge (in part) on the volume actually extracted will prove to be more accurate and therefore will be beneficial in the longer term.

Question 9.

Do you have any changes that you would like to see in the methodology proposed for calculating waste management charges?

CIWM Scotland welcomes the revisions which have been to try and take into account some of the complexities of the waste management industry raised in relation to the 2015 consultation. However, the imposition of the environmental charge on lower thresholds could impose an additional financial burden on the smaller operators who are already dealing with increasing administrative and cost burdens and should perhaps be re-considered.

In addition, CIWM Scotland would welcome some clarification as to how much consideration has been given to the need for SEPA and operators in the waste management industry to respond to significant global/national issues – such as the sudden closure of output markets to China. Clearly issues, such as the restriction of the Chinese market, will lead to substantial pressure on a limited number of sites that are able to receive and deal with the materials that would ordinarily have been exported (at least in the interim pending new markets or new infrastructure development). CIWM Scotland would question the benefit in placing extra burdens on the industry in situations such as that when finances are required to invest in infrastructure.

References to 'storage and treatment' should be to 'storage **and/or** treatment'.

Question 10.

What adverse or beneficial consequences do you consider will result from the application of the new methodology?

The beneficial consequence should be to level the playing field in the industry over the next few years.

See response to Q9 above for the adverse consequences.

Question 11.

What are your views on the options proposed for BATC reviews and which is your preferred option?

Provided that there is an accurate assessment of when a review becomes a 'major BATC review' and why – i.e. if variations are required due to errors or inaccuracies on the part of SEPA rather than as the result of a change required by an operator's actions or requirements then that should not automatically be classified as a 'major BATC review', then CIWM Scotland would support the introduction of Option 2 to reflect the difference between a more standard review and a more complex and detailed review.

Question 12.

What are your views on the proposed changes for para 47 exemptions below 20 tonnes?

CIWM Scotland supports this change.

Question 13

What are the benefits / disadvantages of: a) making it a condition of all permits under the scheme that charges shall be paid, b) charging interest on the late payment of charges?

CIWM Scotland's view is that it depends what the consequence of having payment as a condition of all payments would be – i.e. what action would be taken if payment wasn't made or would the permit simply be considered invalid until payment was made? Clarification on this point would determine CIWM Scotland's view as to whether there will be any benefits to making it a condition of all permits.

CIWM Scotland considers that interest at that level should only be charged: (a) where there is no ongoing dispute as to the level of charge payable and (b) after a set period of time (say 14 or 21 days) of non-payment. Furthermore, CIWM Scotland considers that it should be subject to an advance notice being served by SEPA after the first day of non-payment indicating that interest would become due in the specific number of further days if payment isn't made. That would allow operators with intention to pay but difficult or complex payment systems to make payment without attracting an additional interest payment immediately on non-payment.

Question 14.

Do you agree with the principle of SEPA returning and / or charging for the time spent on poor quality applications?

CIWM Scotland supports this in principle providing that proper guidance for how that will be dealt with is developed. CIWM Scotland acknowledges that the HSE already utilises a similar approach (i.e. the more non-compliant a site is, the more time the regulator requires to spend with it and, as such, the more they charge).

Question 15.

We would welcome responses on the further development of the Charging Scheme over the period to 2020/21.

CIWM Scotland would support a review and development of the charging scheme at that stage.