

**RURAL ECONOMY AND CONNECTIVITY COMMITTEE**  
**SUBMISSION FROM SCOTTISH ENVIRONMENT PROTECTION AGENCY**  
**THE DRAFT CLIMATE CHANGE PLAN (RPP3)**

**Introduction**

1. SEPA welcomes the publication of draft Climate Change Plan (CCP) and the opportunity provided to submit our views on it. Significant progress in reducing emissions has been made since the publication of the second Report on Policies and Proposals (RPP2) in 2013 and Scotland is recognised as a climate leader internationally. As a nation, we have a great story to tell. The CCP is vitally important in helping Scotland to build on this strong progress, enabling it to continue to make deep cuts in emissions whilst simultaneously growing the economy.
2. SEPA has a [statutory purpose](#)<sup>1</sup> to protect and improve the environment (environmental success) in ways that, as far as possible, also help create health and well-being benefits (social success) and sustainable economic growth (economic success). Our practical delivery to the people of Scotland is primarily through two services: regulation and flood risk management. Delivering these core services puts SEPA in a great position to contribute powerfully to climate change mitigation and adaptation.
3. In this evidence, we focus primarily on the contributions that we, as Scotland's environmental regulator, can make to delivering emissions reductions. We would also express our strong support for the CCP, particularly:
  - The recognition that taking strong climate action is good for Scotland's economy, creating opportunities for Scottish based companies to compete globally in a low carbon future;
  - The commitment to compensate for excess emissions incurred from 2010-14;
  - The apportioning of carbon envelopes for each sector to provide greater clarity;
  - Use of the TIMES model to help prioritise and make the best strategic choices robustly and transparently;
  - The identification of the multiple benefits of climate action not just for the environment, but for improving the health and wellbeing of people and making Scotland's towns, cities and villages great places to live, work and invest;
  - The identification of delivery routes and public sector partners for policies and proposals; and
  - The establishment of a monitoring framework to facilitate effective tracking of implementation.
4. We also strongly welcome the proposal made in the CCP for a new Climate Change Bill that will set a more ambitious target and increase transparency in assessing progress. We look forward to the consultation and discussion on these proposals later in the year.

**Practical ways SEPA can best contribute to delivering the Climate Change Plan**

**Using our regulatory role to help deliver emissions reductions**

5. In August 2016, we published our regulatory strategy: [One Planet Prosperity](#)<sup>2</sup>. This sets out our vision for delivering environmental success in ways which will also create social and economic success. Through *One Planet Prosperity*, we will get all regulated businesses meeting environmental laws quickly, easily and as cost effectively as possible. We will also help as many Scottish businesses as possible go even further, helping them find profitable ways to go beyond what the law requires in reducing their emissions, reducing their use of energy, water and materials and reducing the amount of waste that they produce. All of these will make a significant contribution to delivering the CCP.

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<sup>1</sup> [www.gov.scot/Resource/0047/00474230.pdf](http://www.gov.scot/Resource/0047/00474230.pdf)

<sup>2</sup> [www.sepa.org.uk/media/219427/one-planet-prosperity-our-regulatory-strategy.pdf](http://www.sepa.org.uk/media/219427/one-planet-prosperity-our-regulatory-strategy.pdf)

6. There is now wide recognition of the role that businesses can and are playing to reduce emissions. There is an enormous opportunity for businesses to create prosperity through their actions to mitigate climate change, and be a powerful driver for delivering a low carbon economy. SEPA, through delivery of *One Planet Prosperity* and by being progressive in the way we use our regulatory functions, can play a very significant role in helping these businesses to achieve this.
7. A key strand of our work in this area is the development of Sector Plans for our interactions with each sector we regulate, focusing on practical ways of delivering environmental, social and economic success across each sector. Working in this way we can understand how that sector wants to grow and identify, in partnership, how these aspirations can be met in ways that minimise emissions, reduce resource use and minimise waste. Through this, we hope to drive improvements across not just an individual business, but across a whole sector. This has the potential to unlock significant emissions reductions in ways that enable those sectors we work with to grow and prosper. The CCP is a plan that supports our work in this area.
8. Another commitment in our regulatory strategy is to develop “Sustainable Growth Agreements” (SGAs) with those progressive businesses wishing to take practical actions that go beyond basic compliance. SGAs are voluntary but formal agreements that identify mutual issues and opportunities and set out targets or goals that enable the businesses to grow in ways that increase efficiency, reduce emissions and cut down waste. Doing this enables us to implement joint opportunities to go beyond compliance. We aim to develop SGAs with many businesses – and indeed with other entities – and by doing so we can unlock innovative emissions reduction opportunities that can contribute significantly to Scottish efforts on carbon abatement.
9. Through these initiatives and by delivering our regulatory strategy, we will build on our existing climate change action and make it central to our regulatory work so we can contribute significantly to the CCP . For example, it is our aim:
  - For all Sector Plans to include compliance and beyond compliance initiatives specifically aimed at reducing greenhouse gas emissions;
  - That all SGAs we negotiate should include at least one action to reduce carbon emissions;
  - That all Enforcement Undertakings proposals<sup>3</sup> will include at least one 'sustainability' action. This will sometimes be a carbon reduction action; and
  - To develop a Sustainable Growth Agreement with the 2050 Climate Group<sup>4</sup> to further develop this world-class Scottish initiative to enable it to do more to help reduce carbon emissions.

**Using our regulatory role to maximum benefit: changing behaviour, supporting innovation**

10. We support the recognition in the CCP that understanding and influencing behaviour is key in achieving the transformational changes required. Our regulatory strategy is rooted in using our regulatory functions in ways that influence the choices that people and businesses make. Understanding why businesses and sectors behave the way they do is key if we are to devise regulatory approaches that maximise opportunities for reducing emissions and minimising resource use.
11. Recognising this, we aim to regulate for maximum benefit by combining our regulatory role with other influences on the environmental behaviour of a business, such as supply chain requirements, investor demands and trade association standards. We are therefore in the process of moving some of our work to engaging these wider

**Example: Working in partnership to change behaviours**  
 Working with local authorities, we completed 7,000 business inspections to assess compliance with recycling duties. While the majority (over 80%) of businesses complied, we have successfully used tactics to change behaviour in non-compliant businesses with an initial focus on advice and support. For those who have not engaged this support, we are trialling the use of Fixed Monetary Penalties. The threat of a penalty has been sufficient to change behaviours in over 80% of these cases. The impact of this work has helped to divert waste from landfill and we will continue this collaborative work so that recycling is routine in all Scottish businesses.

<sup>3</sup> An enforcement undertaking (EU) is an offer, made voluntarily by a business and accepted by SEPA, to make amends for the effects of non-compliance and prevent recurrence. An EU encourages positive behaviour by allowing broadly compliant businesses to use their resources to the greater benefit of the environment and communities rather than a penalty being imposed or prosecution for the offence.

<sup>4</sup> The 2050 Group, Scotland's youth climate group, is a collection of young professionals across Scotland who all share a commitment to climate change mitigation and adaptation and accelerating Scotland's transition to a low carbon economy.

influences on business behaviour. We are developing our capacity and capability to work with businesses in these ways to support behavioural change, innovation and problem solving. By doing so, we aim to bring about further incentives for businesses to reduce greenhouse gas emissions.

12. To meet the ambitions of the Paris Agreement, all nations will need to take radical action to de-carbonise. Small incremental change is important, but will not be enough. We need transformational change: huge strides in energy efficiency, de-carbonisation of power generation systems, development of ultra-low carbon transport and widespread protection and improvement of carbon sinks such as forests and peatlands. The CCP recognises and plans for this.
13. Many of the solutions we have today will not be enough and we will need to develop innovative technologies and approaches to help us. SEPA can play a significant role in fostering innovation through the way we regulate. For example, we are developing a new [integrated environmental authorisation framework](#)<sup>5</sup> for permitting which will result not only in simpler and more joined up permits for businesses, but which will also be more flexible and supportive of innovation. We believe that the changes we are making will make it easier for regulated businesses to test and implement innovative technologies without compromising environmental protection.
14. Supporting innovation through our regulation has the potential not only to unlock new approaches that can reduce emissions, but also enable commercial benefits for Scottish businesses: reducing costs, reducing supply chain risks and even opening up new, potentially global, markets for the products and expertise they develop here. By operating a more supportive regulatory framework that fosters innovation, we can help Scottish businesses to develop their reputation as low carbon leaders.

### **Helping to deliver a circular economy**

15. Emissions from the waste management sources have dropped by 51% since the passing of the Climate Change (Scotland) Act in 2009 and by 77% since 1990. This is an impressive performance, better than any other sector. The next phase will increasingly focus on getting people and businesses switched on to thinking of waste a resource – the circular economy. The Scottish Government (SG) has ambitious plans for a [more circular economy](#)<sup>6</sup>, where we make things last and keep materials circulating in the economy. Doing so not only reduces carbon emissions, but also reduces resource use, pollution and waste.
16. There are also very significant economic opportunities too: reducing need for raw materials, reducing cost of managing waste materials and stimulating innovation. It is estimated that globally the circular economy represents a trillion dollar opportunity. Through our role as Scotland's environmental regulator, we can help Scottish businesses to take advantage of this opportunity, enabling them to prosper and grow while reducing their environmental footprint. There are wider advantages also: if legitimate businesses can make more money either out of not creating waste in the first place or doing something productive with waste, then this reduces the opportunities for waste crime – benefitting businesses, communities and the environment.
17. In October 2016, we published our [Waste to Resources Framework](#)<sup>7</sup>. This sets out a framework for SEPA to help deliver a circular economy in Scotland, which will deliver emissions reductions. For example, we will:
  - Embed circular economy thinking across all our sector plans, mapping material flows and identifying ways in which virgin inputs can be replaced with recovered alternatives;
  - Continue to work with Scotland's largest industrial facilities on resource efficiency (waste, raw materials, water, energy and heat), facilitating the use of secondary materials;
  - Work with industry to identify innovative opportunities to increase resource efficiency, displace virgin raw materials with secondary materials and pilot new technologies and techniques;
  - Through our regulatory work, champion sustainable resource use across industries and supply chains, helping them to take practical actions to improve environmental performance in ways that deliver business success; and
  - Influence product design and waste prevention using our regulatory tools.

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<sup>5</sup> [www.gov.scot/Publications/2017/01/5439](http://www.gov.scot/Publications/2017/01/5439)

<sup>6</sup> [www.gov.scot/Publications/2016/02/1761/1](http://www.gov.scot/Publications/2016/02/1761/1)

<sup>7</sup> [www.sepa.org.uk/media/219528/one-planet-prosperity-a-waste-to-resources-framework.pdf](http://www.sepa.org.uk/media/219528/one-planet-prosperity-a-waste-to-resources-framework.pdf)

## Working in partnership with others to deliver more powerfully

18. The challenges of transitioning to a prosperous low carbon economy are so interconnected that most solutions will come through partnership working. There is recognition that delivering action to meet Scottish ambitions requires a broad-based effort, engaging a large number of stakeholders. Leadership by key players and delivery across that broad base of stakeholders is therefore vital. Recognising this, SEPA continues to be committed to doing as much of its work as possible through partnerships to ensure that our resources make the biggest difference. Examples include:
19. *Spatial planning* - Scottish Planning Policy<sup>8</sup> makes it clear that “the planning system should support the transformational change to a low carbon economy”. Planning can also influence people's choices to reduce the environmental impacts of consumption and production, particularly through energy efficiency and the reduction of waste. SEPA already works closely with planning authorities and we provide advice to help them to make decisions on new developments. A key element of our approach is to work not just with planners but with other partners to ensure that development plans fulfil their potential to deliver emissions reductions. We will also work closely with SG to deliver proposals arising from the Independent Review of the Planning System<sup>9</sup> in ways which can accelerate delivery of emissions reductions.
20. *Mandatory Public Sector Reporting* - In our role as Scotland’s environmental regulator, we recognise that we need to act as an exemplar in reducing our own emissions. Through a strategic programme of carbon reduction initiatives we have reduced our greenhouse gas emissions by nearly a quarter since 2007 and are on track to meet our target of a 42% reduction by 2020. We have worked with the SG and other partners in the development of the mandatory climate change reporting template for public bodies and are actively supporting partner organisations in their carbon reduction work.
21. *Peatland Protection and Restoration* – Scotland’s peatlands store vast amounts of carbon<sup>10</sup>. Protecting intact peatlands and restoring areas which are degraded are vital aspects of any plan to tackle climate change. Through our core roles of regulation and flood risk management, we work with partners to prevent loss and restore damaged peatlands. For example, our advice to planning authorities on peat management at windfarm and hydropower development sites has minimised the amount of peat being excavated during construction. In 2012 we developed [joint guidance](#)<sup>11</sup> with the renewables industry to promote best practice in construction in peatland environments and this has helped to significantly reduce the volumes of peat being excavated. Our work in this area is guided by the common platform set out in the joint agency [Peatland and Energy Policy Statement](#)<sup>12</sup>.
22. *Tackling emissions from closed landfills* – Landfills are a potent source of greenhouse gas emissions. SEPA continues to work in partnership with the SG, Zero Waste Scotland, local authorities and operators to facilitate the capture of emissions. Innovative flaring technology already applied to two sites in the Scottish Borders is now being implemented at two further sites in Glasgow and East Lothian. Investigations are being conducted at a further seven sites across the country and another six are currently being assessed for potential yield and suitability. Together these have the potential for very significant reductions in greenhouse gas emissions.
23. *Low Carbon Heat* – We welcome the targets set in CCP for domestic and non-domestic buildings to be served by low carbon heat technologies (80% and 94% by 2032 respectively). Through our regulatory role and through pursuit of initiatives such as sector plans and SGAs, SEPA will continue to support partners to help achieve these stretching targets. We already work closely with planning authorities and recently supported the development of the [Consultation on Regulation of District Heating](#).
24. *Air Quality* – SEPA is a lead agency in supporting the SG and other partners in the implementation and delivery of [Cleaner Air for Scotland](#)<sup>13</sup>. The links between climate change and air quality are well recognised as greenhouse gases and pollutants are often co-produced by human activities. By helping as many Scottish businesses as possible go beyond compliance we have the potential to help them to reduce greenhouse gas emissions in ways that also improve air quality. If we can achieve this

<sup>8</sup> [www.gov.scot/Publications/2014/06/5823](http://www.gov.scot/Publications/2014/06/5823)

<sup>9</sup> [www.gov.scot/Resource/0051/00512753.pdf](http://www.gov.scot/Resource/0051/00512753.pdf)

<sup>10</sup> The current estimate of the amount of carbon held in Scotland’s peatlands is [2,000 million tonnes](#).

<sup>11</sup> [www.gov.scot/Resource/0045/00455955.pdf](http://www.gov.scot/Resource/0045/00455955.pdf)

<sup>12</sup> [www.gov.scot/Resource/0050/00502389.pdf](http://www.gov.scot/Resource/0050/00502389.pdf)

<sup>13</sup> [www.gov.scot/Resource/0048/00488493.pdf](http://www.gov.scot/Resource/0048/00488493.pdf)

then we will help to unlock multiple benefits that improve the health and wellbeing of people and make our urban areas healthier places to live and work and more attractive to invest in.

Scottish Environment Protection Agency  
1 February 2017