

SCOTTISH WATER STRATEGIC PLAN – A SUSTAINABLE FUTURE TOGETHER: SEA SCREENING REPORT

Submitted by Scottish Water pursuant to Section 9 of the Environment
Assessment (Scotland) Act 2005

STEP 1 – DETAILS OF THE PLAN

Responsible Authority:

Scottish Water (as public corporation directly accountable to Scottish
Ministers and the Scottish Parliament)

Title of the plan:

Scottish Water Strategic Plan: A Sustainable Future Together

What prompted the plan:

(e.g. a legislative, regulatory or administrative provision)

The Scottish Government invited Scottish Water to work with those engaged in the water sector to develop an ambitious long term vision which sets out how the sector will deliver its vital services and provide leadership in responding to the climate emergency. The vision, which is aligned to the United Nations Global Goals and the Scottish Government's National Performance Framework is Scotland's Water Sector Vision.

Our Strategic Plan is focused on how we will meet our customers' current and future expectations; pursuing excellence in all we do, seeking always to act responsibly and ethically, building trust, leading and inspiring others, to achieve three strategic outcomes that are aligned with our role in achieving Scotland's ambitious Water Sector Vision.

A series of business, programme and delivery plans operating on a rolling rather than traditional fixed term basis will then implement the Strategic Plan, based on responding to particular challenges. The Strategic Plan is not itself required specifically to implement statutory duties or regulatory requirements applicable to Scottish Water.

Scottish Water's current legislative and regulatory position has not changed, and the legal context covering the water industry and water environment continues to apply. The Strategic Plan will however enable Scottish Water to transition to a longer term and more holistic way of working that is better able to address key challenges and opportunities facing the water sector.

Plan subject:

(e.g. transport)

Water management (with associated links to and implications for agriculture, forestry, fisheries, energy, industry, transport, waste management, tourism, town and country planning and land use)

Screening is required by the Environmental Assessment (Scotland) Act 2005.

Based on Boxes 3 and 4, our view is that:

An SEA is required, as the environmental effects are likely to be significant: Please indicate below what Section of the 2005 Act this plan falls within

Section 5(3)

Section 5(4)

An SEA is not required, as the environmental effects are unlikely to be significant: Please indicate below what Section of the 2005 Act this plan falls within

Section 5(3)

Section 5(4)

Contact details:

Regulation@scottishwater.co.uk

Date:

16.12.2019

STEP 2 – CONTEXT AND DESCRIPTION OF THE PLAN

Context of the Plan:

The Strategic Plan is being developed to help deliver Scotland's Water Sector Vision and underpin a new, long-term approach to planning by Scottish Water.

The Strategic Plan is not being prepared in response to any specific legislative, regulatory or administrative provisions and does not set a framework for the future development consent of specific projects. In line with caselaw including the judgement of the English High Court in *Friends of the Earth v HM Government* [2019] EWHC 518, the Strategic Plan therefore falls outwith the scope of EU Directive 2001/42/EC ('the SEA Directive') and Section 5(3) of the Environmental Assessment (Scotland) Act 2005 ('the Act'). This means the Strategic Plan only falls to be considered under Section 5(4) of the Environmental Assessment (Scotland) Act 2005 ('the Act'), which is less restrictive than Section 5(3). The Strategic Plan will however support the functioning of Scottish Water as required under the Water (Scotland) Act 1980 and the Water Industry (Scotland) Act 2002, whilst also indirectly supporting the implementation of renewable energy duties under Section 24 of the Water Resources (Scotland) Act 2013.

In helping implement the Water Sector Vision, the Strategic Plan clearly responds to the need for climate change mitigation and adaptation and the need to deliver inclusive growth. With reference to Schedule 2 of the Act, this long term and holistic approach will set strategic objectives for subsequent implementation plans to address environmental and other issues, in particular by identifying key challenges, risks and opportunities. In relation to environmental issues, the Strategic Plan responds to the climate emergency declared by the Scottish Government and discusses other environmental challenges facing the water sector, all of which Scottish Water will need to address.

The Strategic Plan therefore engages with key environmental issues and sets a positive direction of travel to tackle these. On this basis the Strategic Plan has the potential to result (whether directly or indirectly) in a range of environmental effects and it was not considered appropriate to exempt the plan through pre-screening under Section 7(1) of the Act. Under Section 8 of the Act, the identification of any 'likely significant effects' is therefore key to determining whether an SEA would serve the purposes and deliver the benefits of the 2005 Act. Whilst building trust is front of mind and this SEA Screening Report demonstrates that there are clear positive relationships between components of the plan and the environmental factors specified in the Act ('the SEA topics'), the high level nature of the plan and its setting of strategic objectives (rather than operational approaches) precludes the identification of any specific likely significant effects and means that undertaking a full SEA is not suitable at this stage. Rather, as the Strategic Plan sets a direction of travel that will be delivered through subsequent implementation plans and projects, the environmental implications of these and any associated SEA requirements may require further consideration on a case by case basis. Informal consultation undertaken by Scottish Water with the SEA Consultation Authorities indicates they are supportive of this approach and that it would be more appropriate, valuable, and meaningful to undertake SEA of implementation plans. This approach will add greater value in terms of usefully judging the impact of individual plans on the environment and minimising negative and enhancing positive effects.

Description of the Plan:

Scottish Water has to date operated successfully within the traditional regulatory framework of delivering clear commitments for an agreed level of funding over a fixed period. To meet the challenges and uncertainties of the future, Scottish Water are embracing a demanding new regulatory approach that will enable longer term investment prioritisation, planning and delivery through a rigorous, dynamic and rolling process. The Strategic Plan is needed to underpin this new approach and support the implementation of Scotland's Water Sector Vision. This is a long-term vision which sets out how the sector will deliver its vital services and provide leadership in responding to the climate emergency and addressing other sustainability challenges.

The Strategic Plan will therefore outline Scottish Water's key aims over the next 25 years. Over this period, the implementation of the Strategic Plan will enable Scottish Water to transform how services are delivered, respond to climatic threats to services, renew ageing assets, contribute to the circular economy and enhance the natural environment.

The Strategic Plan will be structured around delivering 3 Strategic Outcomes:

- *Service excellence – adapting to a changing climate, dealing with our ageing assets and meeting our customers' evolving expectations.*
- *Beyond net zero emissions – showing leadership in mitigating climate change and enhancing Scotland's natural environment.*
- *Great value and financial sustainability - customers will receive great value, now and in the future, and we will be financially sustainable*

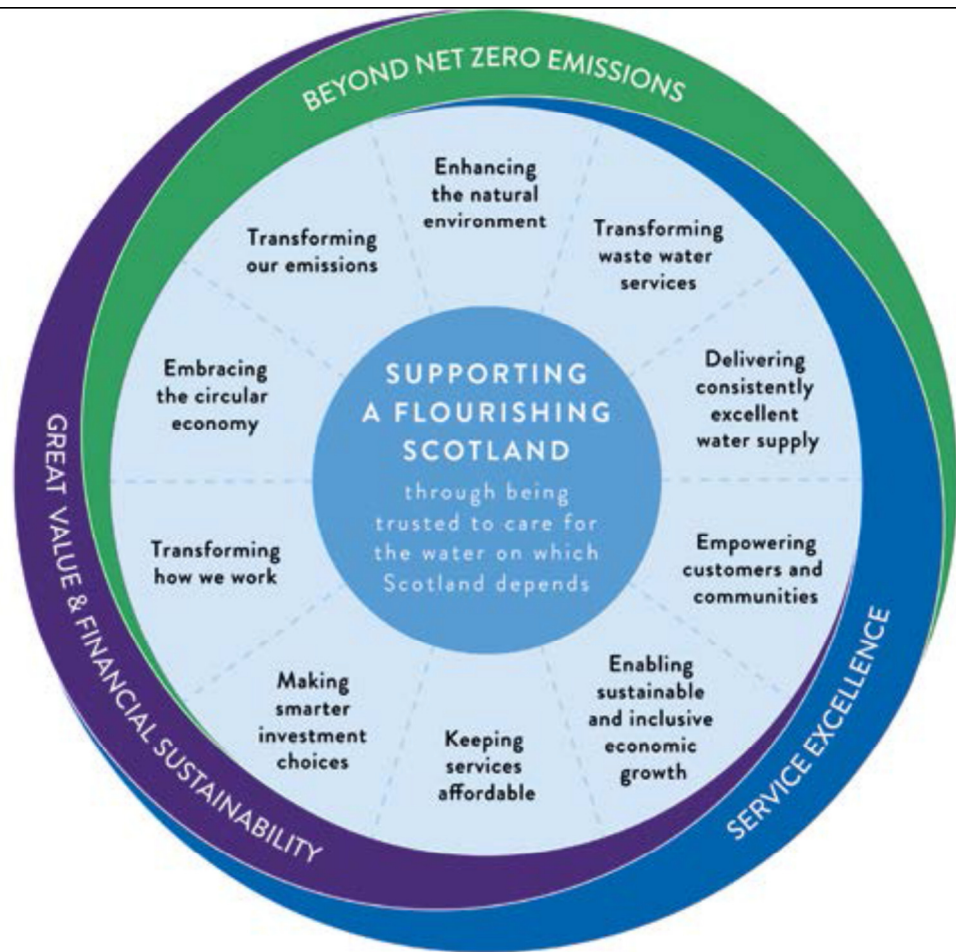
From these 3 Strategic Outcomes, 10 Strategic Objectives will guide a larger number of defined Commitments which Scottish Water and its partners deliver the Strategic Plan.

Whilst the Strategic Plan will set the future direction of travel for Scottish Water's future operations, the objectives and commitments within the plan (which are still subject to refinement) will only be high-level in nature. They will apply across Scotland rather than to specific locations and will not themselves provide a framework (i.e. detailed rules and criteria) for the consent of future development projects or trigger specific investment decisions (e.g. new capital infrastructure). Rather, an Asset Management Improvement Plan, a Net Zero Emissions Roadmap and other implementation plans and projects will be developed and implemented as required to deliver the outcomes and objectives of the Strategic Plan. SEA (and EIA) will be carried out as appropriate on these and in accordance with the 2005 Act and other relevant statutory provisions.

What are the key components of the plan?

In overall terms the Strategic Plan seeks to support Scottish Water in achieving its purpose of supporting a flourishing Scotland.

The Strategic Plan will be structured around 3 Strategic Outcomes (see above), a number of thematic Strategic Objectives and associated high-level targets, priorities and commitments. Of note, the Strategic Objectives will be designed to be highly interconnected and applicable to multiple Strategic Outcomes in order for the plan to be as holistic as possible.



All of these components have the potential to generate environmental effects and are thus considered in detail in Step 3 below.

Have any of the components of the plan been considered in previous SEA work?

The Strategic Plan is being developed in the context of the existing statutory, regulatory and policy frameworks applicable to Scottish Water. This includes related plans such as the Scottish Water Bioresources Strategy, which was subject to a full SEA in 2018. The Strategic Plan also relates directly to SEPA's Water Supply and Waste Water Sector Plan (2019), which similar to the Strategic Plan was subject to a negative SEA screening owing to reasons including its high level nature and strategic focus.

The consideration of SEA requirements for the Strategic Plan therefore needs to take account of previous SEA work already been completed for other relevant plans and strategies, including those in particular at the national level:

- The Climate Change (Scotland) Act 2009, Climate Change Bill (2019)
- Scotland's Climate Change Plan (3rd Report) 2018-2032
- The Scottish Energy Strategy 2017
- The National Planning Framework 3 and Scottish Planning Policy (2014)
- Scotland and Solway Tweed River Basin Management Plans;
- SEA of Scotland's Flood Risk Management Strategies and subsequent individual 14 Flood Risk Management Plans covering Scotland;
- Scotland's 2nd Land Use Strategy

Developed in the context of these existing plans and previous SEA work, the Strategic Plan will explain how Scottish Water will transition to a longer-term

operating model and, in doing so, play its part in addressing the key challenges and opportunities facing the water sector in Scotland. As reflected in the 3 proposed Strategic Outcomes, the Strategic Plan will include an explicit focus on tackling climate change (including net zero emissions and adaptation), improving water quality and enhancing the reliability and resilience of the water network.

Having regard to the criteria in Schedule 2 of the Act, the analysis summarised below combined with the assessment provided in Step 3 below indicates that all relevant environmental and policy issues have been taken account of in the Strategic Plan. Previous SEA work undertaken for relevant national plans and policies also helps to mitigate the need for a full SEA to be undertaken in respect of the Strategic Plan.

In terms of your response to Boxes 7 and 8 above, set out those components of the plan that are likely to require screening:

As noted in Box 1, the Strategic Plan has clear links to a range of environmental issues and it is not considered appropriate to exempt the plan from SEA requirements through pre-screening under Section 7(1) of the Act. Rather, the Strategic Plan is a proactive response from Scottish Water to the Scottish Government's climate change and inclusive growth agendas. This necessitates further examination of all (emerging) substantive components of the Strategic Plan which address or impact on environmental issues, before confirming the identification or absence of likely significant environmental effects on the SEA topics in accordance with Section 8 of the Act. All substantive components of the Strategic Plan (3 Strategic Outcomes, 10 Strategic Objectives and relevant associated commitments) have the potential to generate environmental effects and therefore need to be screened in Step 3 below.

With reference to Schedule 2 of the Act, the Strategic Plan will explain how Scottish Water will respond and contribute to a range of existing high level environmental targets, plans and policies at the national level (in particular regarding climate change and renewable energy) but it will not itself set a new policy framework and is not itself likely to result in significant environmental effects. To allow the screening assessment below to focus on the environmental implications of each substantive component of the Strategic Plan, in accordance with Schedule 2 of the Act it is first necessary to consider factors including the degree to which the Strategic Plan as a whole influences other plans and programmes and the relevance of the Strategic Plan for the integration of environmental considerations, in particular with a view to promoting sustainable development. The screening assessment provided in Step 3 therefore needs to be read in the context of the following national policy drivers which have informed and relate to the Strategic Plan. As detailed below, this policy context already sets out relevant environmental priorities and targets, as well as identifying environmental problems, which relevant Strategic Plan components respond to:

Scottish Government Co-ordination

- The Scottish Government's Economic Strategy (2015)¹ is built around two interdependent pillars of increasing competitiveness and tackling inequality. It sets goals for sustainable economic growth and ambitions for investment in infrastructure. This includes prioritising investment which protects and nurtures Scotland's natural resources and captures the opportunities offered by the transition to a more resource efficient, lower carbon economy.
- Progress towards achieving the Scottish Government's Purpose and Values, National Outcomes and National Indicators are measured via the National Performance Framework². The activities of Scottish Water cut across the National Outcomes, particularly the themes of Environment, Health, and

¹ <https://www.gov.scot/publications/scotlands-economic-strategy/>

² <https://nationalperformance.gov.scot/>

Economy.

- The Scottish Government's Programme for Government³ (2019-20) is guided by the National Performance Framework. Produced in a context where the Scottish Government has declared a 'global climate emergency', ending Scotland's contribution to global climate change is a central focus of the Programme. It states that Scottish Water will become a zero-carbon user of electricity by 2040 – five years before Scotland's new 2045 zero target. Two key interrelated policy issues that the Strategic Plan must respond to are encapsulated in this target: delivering sustainable economic growth through climate change adaptation, and enhanced infrastructure investment.

Climate Change

- The Climate Change (Scotland) Act 2009 has recently been updated by the Climate Change (Emissions Reduction Targets) (Scotland) Act 2019⁴. This increases what are again more ambitious legally binding reduction targets than the UK or EU. It now requires an interim 75% reduction in GHG (1990 baseline) by 2030 and 'net zero' by 2045, meaning any remaining emissions would have to be entirely offset with measures such as increased tree planting and carbon capture and storage technology.
- Scotland's Climate Change Plan (3rd Report) 2018-2032⁵ will be updated following the new targets, but it remains highly relevant in terms of how sustainable economic growth and carbon reduction will be mutually achieved. It contains high-level sectoral strategies relevant to the water sector including improving agricultural practices for water quality, the circular economy's potential for the water sector, opportunities overseas for a world-leading water sector, and the growing idea of 'natural capital' and 'eco-system services'.
- The second Scottish Climate Change Adaptation Programme (2019-2024)⁶ accounts for the Scottish Government's declaration of a 'global climate emergency' and the new 2045 zero carbon target. A requirement of the Climate Change (Scotland) Act 2009, it sets out policies and proposals to prepare Scotland for the challenges of climate change. The activities of Scottish Water are important to achieving Outcome 4 (of seven): 'Our society's supporting systems are resilient to climate change'. Mentioned are Scottish Water's investment plans; the SR21 SR21's development; a new Sustainable Growth Agreement with SEPA; ongoing work on improving private water supply resilience; and, the Blue-Green Cities Programme - which aims to retain more water in rivers and soils. It also emphasises Scottish Water's role in ensuring Scotland becomes the world's first 'Hydro Nation'.

Planning, Infrastructure and Development

- The Planning (Scotland) Act 2019 has, amongst other changes, introduced a new framework for development planning. Scottish Ministers are now commencing work on a new National Planning Framework (NPF)4. The NPF4 will, for the first time, incorporate Scottish Planning Policy and will take on enhanced status as part of the statutory development plan. NPF4 will have a longer time-horizon, fuller regional coverage and improved alignment with wider programmes and strategies, including on infrastructure and economic investment.

³ <https://www.gov.scot/programme-for-government/>

⁴ <http://www.legislation.gov.uk/asp/2019/15/contents/enacted>

⁵ <https://www.gov.scot/publications/scottish-governments-climate-change-plan-third-report-proposals-policies-2018-9781788516488/>

⁶ <https://www.gov.scot/publications/climate-ready-scotland-second-scottish-climate-change-adaptation-programme-2019-2024/>

- The Infrastructure Investment Plan (2015)⁷ sets out priorities for public investment through a long-term strategy. With progress updated annually, it sets out why the Scottish Government invests, how it invests and what it intends to invest up to 2040 by sector. The Plan recognises Scottish Water has agreed a £3.5 billion investment programme over a six-year period up to 2015-21, without customer rate increases, in support of the Scottish Government's Vision. Alongside this, the National Infrastructure Commission⁸ is establishing Scotland's future infrastructure priorities and a new Scottish Government Infrastructure Investment Plan 2023 will follow this. The points to increased infrastructure spending in future, driven by the need to deliver sustainable economic growth in a zero-carbon economy.
- Scotland's 2nd Land Use Strategy (2016)⁹ is intended to realise the full potential of Scotland's land in ways that result in multiple benefits for the economy, environment and communities. In encouraging 'a quality land environment', in addition to continuing regulatory methods, it supports pre-emptive remedial measures to improve water quality and regulate flooding. It also points to the need to address land and waterway contamination. Scotland's Land Commission Vacant and Derelict Land Taskforce¹⁰ is currently working with SEPA and other stakeholders in exploring ways of improving this, making best reuse of urban land. Scottish Water's existing work on major projects such as Clyde Gateway will continue to evolve in line with this strategy.

Water

The Hydro Nation¹¹ strategy places Scottish Water and the wider water sector at the heart of a new approach to the value of water to society and the economy. The Scottish Government's has committed to the Hydro Nation. The emphasis of the Hydro Nation programmes points to a growing understanding of the multidimensional importance of the water sector.

- As already detailed in Boxes 5 and 8, Scotland's Water Sector Vision and SEPA's Waste Water and Water Sector Plan (2019) have directly informed the development of the Strategic Plan. Taken together, these documents confirm two policy drivers for Scottish Water to respond to: the need to adapt to and mitigate the effects of climate change and for increased infrastructure investment to drive sustainable economic growth.

Energy

- The Scottish Energy Strategy¹² draws together existing Scottish energy policies and new ambitions within a single overarching strategy and vision. It also sets a new 2030 "all-energy" target for the equivalent of 50% of Scotland's heat, transport and electricity consumption to be supplied from renewable sources.

Biodiversity and Natural Heritage

- Scotland's Environment Strategy¹³ was consulted on in 2018. When complete it will set out a shared vision of Scotland's environment and climate change policies and their contribution to social wellbeing and inclusive, sustainable economic growth. It will provide a strategic statement of the

⁷ <https://www.gov.scot/policies/government-finance/infrastructure-investment/>

⁸ <https://infrastructurecommission.scot/>

⁹ <https://www2.gov.scot/landusestrategy>

¹⁰ <https://landcommission.gov.scot/notsoprettyvacant/>

¹¹ <https://www.gov.scot/policies/water/hydro-nation/>

¹² <https://www.gov.scot/publications/scottish-energy-strategy-future-energy-scotland-9781788515276/>

¹³ <https://consult.gov.scot/environment-forestry/environment-strategy/>

ambition and high-level environmental outcomes that individual strategies (existing or future) work to deliver. Drawing from EU legislation, the strategy will be underpinned by four key principles: Polluter pays; Preventative action; Tackling pollution at source; and the Precautionary principle.

- The 2020 Challenge for Scotland's Biodiversity (2013)¹⁴, is Scotland's response to the EU biodiversity targets and UN Aichi targets. It sets a target of halting the loss of biodiversity and degradation of ecosystem services by 2020 and is accompanied by a Route Map (2015)¹⁵, which sets out six 'Big Steps for nature' and Priority Projects to deliver them. Priority Project 3: 'Restoration of freshwaters' aims to secure good ecological status for more rivers and lake in Scotland in accordance with the EU Water Framework Directive.
- Scotland's Natural Capital Asset Index (NCAI)¹⁶ now creates an account of Scotland's natural capital stock changes annually. Scotland's natural capital is increasing (albeit slightly) for the first time in a century but is still low by historic standards. Importantly for SR21, freshwaters, woodland, coast and urban greenspace are most improved. The policy importance of the NCAI is likely to increase in future.

¹⁴ <https://www.gov.scot/publications/2020-challenge-scotlands-biodiversity-strategy-conservation-enhancement-biodiversity-scotland/>

¹⁵ <https://www.gov.scot/publications/scotlands-biodiversity-route-map-2020/>

¹⁶ <https://www.nature.scot/professional-advice/planning-and-development/social-and-economic-benefits-nature/natural-capital-asset-index>

**STEP 3 – IDENTIFYING INTERACTIONS OF THE PLAN WITH THE ENVIRONMENT AND
CONSIDERING THE LIKELY SIGNIFICANCE OF ANY INTERACTIONS (Error! Reference source not found.)**

Plan Components	Environmental Topic Areas										Explanation of Potential Environmental Effects	Explanation of Significance
	Biodiversity, flora and fauna	Population and human health	Soil	Water	Air	Climatic factors	Material assets	Cultural heritage	Landscape	Inter-relationship issues		
<p>Strategic Outcome 1: Service excellence</p> <p>Strategic Objectives:</p> <ol style="list-style-type: none"> 1. Delivering consistently excellent water supply 2. Transforming waste water services 3. Enabling sustainable and inclusive economic growth 4. Empowering customers and communities 	✓	✓	✓	✓	✓	✓	✓	?	?	✓	<p>This component of the Strategic Plan will set out Scottish Water’s long-term approach to climate change adaptation, dealing with ageing assets and meeting customer’s evolving expectations. This component sets out support for a flourishing Scotland by providing a reliable supply of high quality, great tasting drinking water, safely collecting, treating and recycling waste water, enabling sustainable and inclusive economic growth and empowering customers and communities. At this stage the component is likely to include the following targets and priorities of relevance to the SEA topics (not an exhaustive or finalised list):</p> <ul style="list-style-type: none"> • Reducing abstraction from source waters • Removing lead from the water network • Responding to increases in organic matter and bacteriological/algae growth • Enhancing interconnectivity of major water supply systems • Transformational changes in waste and surface water management • Increasing renewable energy generation from bio-resources from 40 to 100 Gigawatt hours (GWh) per annum • Significant growth in housing and business connections (responding to demographic projections) • Taking the lead role in strategic water infrastructure planning to facilitate growth • Encouraging development of water efficient homes <p>The component is also likely to include or be supported by the following commitments of relevance to the SEA topics (not an exhaustive or finalised list):</p> <p><i>Commitments to increasing the reliability and resilience of our water service and to provide excellent water quality to all of customers</i></p> <ul style="list-style-type: none"> • <i>To transform the capability of many of our water treatment works so that they deliver consistently excellent quality drinking water, particularly to meet the challenges from our deteriorating source waters and adapting to the changing climate.</i> • <i>Embrace innovative technologies and build partnerships to minimise resource use and reduce the emissions’ impact of treating drinking water</i> • <i>We will transform the interconnectivity of our major water supply systems over the coming decades, prioritising the highest risk systems first, so that customers will ultimately have a more resilient water supply</i> • <i>Taking a leading role in partnering others to support customers’ access to a lead free water supply</i> • <i>By reducing the amount of water we take from the natural environment through reduced leakage, improved operational efficiency and inspiring customers to use water wisely, in alignment with the Scottish Environmental Protection Agency’s (SEPA) water supply and waste water sector plan</i> • <i>Improving the integrity of our service reservoirs and pipe network</i> <p><i>Commitments to lead the transformation of the management of surface water, working</i></p>	<p>The Strategic Plan is a proactive response by Scottish Water to the need for longer-term and holistic planning to mitigate climate change and address wider environmental issues, while helping deliver inclusive growth. Acting together, the three substantive components of the Strategic Plan set a positive direction of travel for addressing many environmental challenges of relevance to the water sector. Each substantive component of the Strategic Plan therefore links with multiple SEA topics and is likely to generate (whether directly or indirectly) a range of environmental effects.</p> <p>However, the high level nature of the Strategic Plan and its strategic focus means that whilst relevant targets, priorities, and commitments have been identified, it is not possible to at this stage to confirm how these will be implemented and thus to identify specific likely significant environmental effects from the delivery of the Strategic Plan. Assessing any such effects would depend upon how the Strategic Plan is implemented through future implementation plans and projects. With reference to Section 8 of the Act, it is therefore considered that no specific likely significant environmental effects can be identified from the three high-level components of the Strategic Plan and thus it is the view of the Responsible Authority that a full SEA is not required at this stage.</p> <p>As noted in Box 5, in accordance with the Act any SEA requirements for future implementation plans will need to be considered on a case by case basis, taking account of the characteristics of the plan and of likely environmental effects. Should formal SEA pre-screening or screening be considered applicable for implementation plans, this would be undertaken fully in accordance with the Act. As a guide, in considering potential SEA requirements for implementation plans, Scottish Water intends to consider the following general criteria:</p> <ul style="list-style-type: none"> • Whether the plan or project itself is required

in partnership with Local Authorities, SEPA, house builders and communities.

- We will promote blue-green approaches and drive innovative solutions to reduce flooding and pollution and create better places to live*

Commitments to boost our work to influence and inspire manufacturers and our customers to change their approach to disposal of inappropriate items to sewers, to minimise blockages, and the harmful chemicals, plastics and debris that can reach our rivers and beaches and endanger aquatic species

- To understand and mitigate the associated risks, we will continue to work in partnership with others to undertake research, identify and implement source control and promote regulatory change where necessary and possible.*
- Where necessary source control is not feasible, we will assess how to optimise or improve our waste water treatment works*
- We will develop Drainage and Wastewater Management Plans for all our sewer catchments to ensure we understand and manage the risks to their effective operation*
- We will transition to smart sewer networks; to provide the visibility and capacity control to reduce the risk of customer flooding and pollution incidents.*

A commitment to keep optimising and maintaining our assets, extending their life and ability to provide essential environmental protection.

Commitments to transform waste water treatment works to recycling and recovery centres over the coming decades, continuing to safely treat and return waste water to the water environment, while converting these assets into being energy positive

- We will improve the capability and energy efficiency of our waste water treatment works, taking advantage of developments in control and instrumentation technology to maximise their potential and reduce their energy use. We plan to demonstrate this, and other technologies, at scale and then roll them out across our asset base as treatment assets need replacing or earlier to achieve our beyond net zero emissions' commitment.*
- We plan to explore co-digestion with other wastes to maximise the potential of this resource*

Commitments to grow the value of Scotland's water resources, contributing to the creation of a vibrant and dynamic water economy that brings benefits to all of the people of Scotland

- We will work with partners to fulfil Scotland's potential to support, attract and develop opportunities for businesses or industries for whom a large volume of water is a critical resource*

Commitments to enable new housing and business growth sustainably and cost effectively we will continue to work collaboratively with developers, planning authorities and other agencies to understand the timing and scale of their new developments

- Encourage development where we have already have capacity by influencing decision makers in government, local authorities and developers*
- Develop schemes for new strategic capacity where it is highly likely that expansion will be required, commencing delivery of new investment as development is confirmed so that our new assets are ready 'just ahead of need'*
- Take the lead in providing strategic water and waste water infrastructure where it is most cost effective to do so, and there is high confidence that the associated development will progress*
- Encourage development of water efficient homes and provide access for developers to low carbon, standard water and waste water infrastructure products to make adoption of new assets easy and efficient for everyone*

to discharge statutory duties or requirements applicable to Scottish Water;

- Whether the plan sets a framework for the consent of future development projects;
- Whether the nature, scope and content of the plan (e.g. specific policies or projects) indicates that environmental effects may occur from its implementation; and,
- Whether any likely environmental effects from the plan are clearly understood, can be quantified, identified spatially or otherwise examined in detail in order to determine the presence or absence of likely significant effects.

Irrespective of potential SEA requirements for future implementation plans and projects, the following general criteria will be applied to embed environmental considerations within implementation plans from the outset:

- Does the plan or project support the delivery of the Strategic Plan as a whole, rather than a single commitment or target?
- Does the plan or project include quantifiable, location specific or development activities likely to result in physical environmental effects or net changes in greenhouse gas emissions?
- Is the plan or project likely to generate specific environmental effects at local, regional or national level? Consider the probability, duration, frequency and reversibility of likely effects; their cumulative or transboundary nature; risks to human health or the environment; the magnitude and spatial extent of likely effects; the value and vulnerability of the area likely to be affected; the effects on areas or landscapes which have a recognised national, European Community or international protection status.
- Are there likely to be positive or negative relationships (e.g. policy synergies or tensions) between elements of the plan/project, or with other existing or emerging plans (at national, regional or local levels)?
- Are all relevant environmental issues, impacts and enhancement opportunities identified and addressed within the plan or project?
- Is there a clear audit trail to document to evolution of the plan or project, including

											<p><i>involved</i></p> <p><i>A commitment to support the Scottish Government with private supplies, making this area a key focus for innovation and developing support services for those on private supplies on a not-for-profit basis.</i></p> <p><i>Commitments to consistently understand, anticipate and meet evolving customer expectations these as they grow and change:</i></p> <ul style="list-style-type: none"> <i>• We will adopt new technology</i> <i>• Enhance our support for customers in vulnerable circumstances</i> <i>• Enhance our support for customers who experience service issues caused by their own plumbing</i> <i>• We will create the best possible retail environment and ensure we are a great wholesaler, pursuing charging structures that reward good practice</i> <i>• Enhancing the way we involve them in investment projects; embracing joint working with communities where this creates better places to live; implementing world leading public engagement; and extending our education programme</i> <i>• We will continue to prioritise investment to deal with assets whose repeat failure causes regular service impacts to a small number of household or business customers</i> <i>• Our customer principles will guide the way we interact with customers and communities</i> <p><i>Commitments to enable a deeper understanding among customers of their water and the water environment, empowering customers and communities to play their role in keeping the water cycle running smoothly, managing surface water and becoming more water efficient, to achieve a more sustainable future together</i></p> <ul style="list-style-type: none"> <i>• We will extend our 'Your Water Your Life' campaign, including our network of Top Up Taps</i> <i>• We will continue to work in partnership with Scottish Swimming to deliver swimming lessons to pre-school and primary school-aged children</i> <p>The targets, priorities and commitments identified above indicate that this component of the Strategic Plan is likely to have positive effects on many of the SEA topics:</p> <ul style="list-style-type: none"> • The focus on transforming water management is likely to have positive effects on Water through its focus on working in partnership to protect source waters and investing in transforming the capability of water treatment services to increase resilience and reduce pollution impacts. • Positive effects on population and human health are likely through the focus on improving water quality and eliminating lead from the water network, as well as indirectly through reducing flooding and supporting rural private water supplies. • Increasing renewable energy generation from bioresources and increasing recycling and recovery in waste-water treatment works would contribute to climate change mitigation, resulting in positive effects on climatic factors. • Increased infrastructure investment would protect and enhance operational resilience, efficiency and capabilities, resulting in positive effects on material assets. • Reducing source abstraction and adopting blue-green approaches to flood risk management are likely to have positive effects on Biodiversity, flora and fauna and Soil through directly and indirectly protecting habitats, species, soil resources and ecosystem services. <p>Any effects on landscape and cultural heritage would depend on the implementation of the Strategic Plan and subsequent implementation plans through individual infrastructure projects and are therefore currently uncertain.</p>	<p>how environmental and wider sustainability issues have been considered from the outset?</p> <p>These criteria will be applied throughout the development of implementation plans and projects to support the implementation of the Strategic Plan. They will also support the identification of SEA (and potentially EIA) requirements on a case by case basis. Adopting this pro-active approach will ensure that future implementation plans support the Strategic Plan and deliver the best possible environmental outcomes.</p>
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																																			<p>The identification of a range of positive relationships between this component of the Strategic Plan and the SEA topics means that, in relation to Section 7(1) of the Act, it is not possible to conclude that the Strategic Plan would have either no or minimal environmental effects.</p>	
<p>Strategic Outcome 2: Beyond net zero emissions</p> <p>Strategic Objectives: 5. Transforming our emissions 6. Embracing the circular economy 7. Enhancing the natural environment</p>	✓	✓	✓	✓	✓	✓	✓	x	x	✓																									<p>This component of the Strategic Plan will set out Scottish Water’s long-term approach to leading on climate change mitigation, contributing to the circular economy and protecting and enhancing the natural environment. At this stage the component is likely to include the following targets and priorities of relevance to the SEA topics (not an exhaustive or finalised list):</p> <ul style="list-style-type: none"> • Achieving net zero emissions by 2040 and going further thereafter, including by increasing renewable energy generation from 200% to 300% of electricity usage by 2030, investing in energy efficiency measures and seeking out new technology to eliminate greenhouse gas emissions from processes, fleet and buildings. • Developing a new ‘circular economy’ approach to waste water treatment, including converting sewage to energy and recovering nutrients and bio-resources. • Using land and assets to increase biodiversity, planting trees, restoring peatlands and creating better places to live. <p>The component is also likely to include or be supported by the following commitments of relevance to the SEA topics (not an exhaustive or finalised list):</p> <p><i>A commitment to embrace circular economy thinking across all we do</i></p> <ul style="list-style-type: none"> • <i>When constructing any new asset we will embrace low carbon construction and pursue opportunities to reduce the amount of carbon that is embedded in the materials and services we purchase</i> • <i>Developing a new ‘circular economy’ waste water recycling and recovery concept works that will convert sewage into energy and recover nutrients and bio-resources</i> • <i>Build partnerships to maximise the unique opportunity that we have for recovering heat from our sewers.</i> <p><i>Commitments to achieving net zero emissions by 2040 and going beyond that thereafter</i></p> <ul style="list-style-type: none"> • <i>During 2020 we will produce a route map setting out our plans to achieve net zero emissions by 2040</i> • <i>Increasing our own and hosted renewable energy generation from 200% to 300% of our electricity usage by 2030</i> • <i>Working in partnership with communities, NGOs and others to maximise the role our land and catchments can play in capturing and storing carbon.</i> • <i>Investing in energy efficiency to further reduce our operational carbon footprint.</i> • <i>Transforming our investment decision making to encompassing six capital approaches</i> • <i>Partnering with our supply chain to support low carbon construction, innovation and the transformation in skills needed.</i> • <i>We will seek out new technology to climate reduce greenhouse gas emissions from our processes, fleet and buildings, working with our regulators where innovative approaches are required</i> <p><i>A commitment to build partnerships to maximise the unique opportunity for recovering heat from our sewers</i></p> <p><i>A commitment to use our land and assets to increase biodiversity, planting trees, restoring peatlands</i></p>	

																																			<p><i>A commitment to seek to connect communities to their local environment and support tourism by enabling access to our assets, particularly reservoirs and upland catchments for leisure purposes.</i></p> <p>The targets, priorities and commitments identified above indicate that this component of the Strategic Plan is likely to have positive effects on many of the SEA topics:</p> <ul style="list-style-type: none"> • Adopting a circular economy approach to waste water management and treatment is likely to result directly in positive effects on Water and Material Assets as well as indirectly on other SEA topics. • The very strong focus afforded to tackling climate change through decarbonising Scottish Water’s operations, generating renewable energy and restoring peatlands is likely to result in positive effects on Climate factors, with associated effects linked to air, soil, population and health. • Maximising the role that catchments play in storing carbon and using land and assets to increase biodiversity and increase tree cover is likely to result in a range of positive effects on biodiversity, flora, and fauna as well as soil and landscape. Indirect effects are also likely on population and human health, including through increasing the use of upland sites and reservoirs for recreation and leisure. <p>Any effects on cultural heritage would depend on the implementation of the Strategic Plan and subsequent implementation plans through individual infrastructure projects and are therefore currently uncertain.</p> <p>The identification of a range of positive relationships between this component of the Strategic Plan and the SEA topics means that, in relation to Section 7(1) of the Act, it is not possible to conclude that the Strategic Plan would have either no or minimal environmental effects.</p>
<p>Strategic Outcome 3: Great value and financial sustainability</p> <p>Strategic Objectives:</p> <p>8. Keeping services affordable</p> <p>9. Making smarter investment choices</p> <p>10. Transforming how we work</p>	x	✓	x	✓	✓	✓	✓	x	x	✓																									<p>This component of the Strategic Plan will set out Scottish Water’s long-term approach to asset management, infrastructure investment, maximising value and financial sustainability. At this stage the component is likely to include the following targets and priorities of relevance to the SEA topics (not an exhaustive or finalised list):</p> <ul style="list-style-type: none"> • Delivering excellence in asset management, including by increasing investment in asset replacement from around £250m pa to over £800m per annum in 2045. • Adopting a capitals based approach to infrastructure planning, prioritisation and delivery. • Bringing waste water treatment works back into public control (upon the maturing of existing PFI contracts) <p>The component is also likely to include or be supported by the following commitments of relevance to the SEA topics (not an exhaustive or finalised list):</p> <p><i>A commitment to embrace circular economy thinking:</i></p> <ul style="list-style-type: none"> • <i>We will transform our investment appraisals to support the three core principles of: design out waste and pollution, keep products and materials in use, and regenerate natural systems.</i> • <i>We will maximise the life of existing assets</i> • <i>When constructing any new asset we will embrace low carbon construction and pursue opportunities to reduce the amount of carbon that is embodied in the materials and services we purchase</i> • <i>We will manage maturing PFI contracts on a case by case basis to take advantage of cost and emission saving opportunities, while managing service risks</i> <p><i>An expectation of bringing WWTW's back under our control at the end of each contract or earlier if opportunities present themselves</i></p>

A commitment to transition to the necessary long term replacement level over the life of this plan

- We will seek to avoid the impact of this on service delivery through enhanced risk management*

Commitments to seeking excellence in our asset management approaches and building an ever deeper understanding of the capability and replacement needs of our assets

- We are working with industry experts to co-create a 10 year asset management improvement plan to transform our asset information and investment decision making capability*
- We will further improve our asset information and modelling techniques to understand the risk of failure to service and to strengthen the forecasts of our long term asset replacement needs.*
- The necessary investment to deal with climate change is much more uncertain and will be regularly assessed*
- We are therefore enhancing our approach to investment planning , including moving to a rigorous dynamic and rolling process We will publish this Improvement Plan during 2020*

The targets, priorities and commitments identified above indicate that this component of the Strategic Plan is likely to have positive effects on many of the SEA topics:

- Improving asset management, investing more in asset renewals and making smarter investment choices is likely to enhance efficiency, resilience and performance of Scottish Water against objectives set by the Scottish Ministers. This would result in direct positive effects on **Water** and **Material Assets** and indirect positive effects on many other SEA topics.
- A capitals based approach to infrastructure planning combined with increased public control of assets will enable longer term and more holistic decision making. Explicitly accounting for predicted impacts on ‘natural’ and ‘social’ capital would increase the weight afforded to environmental protection and enhancement and socio-economic impacts, resulting in positive effects on **biodiversity, flora, and fauna, soil, air, population and human health.**

Any effects on **cultural heritage** would depend on the implementation of the Strategic Plan and subsequent implementation plans through individual infrastructure projects and are therefore currently uncertain.

The identification of a range of positive relationships between this component of the Strategic Plan and the SEA topics means that, in relation to Section 7(1) of the Act, it is not possible to conclude that the Strategic Plan would have either no or minimal environmental effects.

STEP 4 – STATEMENT OF THE FINDINGS OF THE SCREENING

Summary of interactions with the environment and statement of the findings of the Screening:

(Including an outline of the likely significance of any interactions, positive or negative, and explanation of conclusion of the screening exercise.)

The Strategic Plan is being developed by Scottish Water in response to the need for a more collaborative, long-term approach to achieving Scotland's Water Sector Vision. It will provide a long term framework to ensure Scottish Water continues to deliver its vital services and responds to the climate emergency with a commitment to achieve net-zero emissions by 2040. The Strategic Plan is not however required by any legislative, regulatory or administrative provisions and is being prepared in the context of existing national statutory and policy frameworks, much of which has previously been subject to SEA.

Step 3 has identified that the emerging substantive components of the Strategic Plan are likely to have positive effects on a range of SEA topics, with no adverse effects identified at this stage. Owing to the high-level nature of the content of the Strategic Plan, including proposed targets and commitments, the Strategic Plan will not itself set a framework for the future consent of development projects. At this stage, the strategic and high-level nature of the Strategic Plan means it has not been possible to identify any specific likely significant effects from the plan, as any such effects would depend on how the plan is implemented through implementation plans and projects. This does not mean no environmental effects will result from the Strategic Plan. Rather, despite its clear environmental focus, it is not possible to assess likely significant effects due to the high-level nature of the Strategic Plan. It is also not possible at this stage to define a fixed list of future implementation plans that would be likely to result in significant environmental effects and thus trigger SEA requirements. On this basis, in accordance with Section 8 of the Act, it is the view of Scottish Water, as a Responsible Authority, that the Strategic Plan is not itself likely to result in any significant environmental effects and it would not be possible to usefully complete a full SEA at this stage. Instead, to provide sufficient flexibility for future implementation plans whilst respecting the requirements of the Act, Step 3 has set out a set of criteria to embed environmental issues in decision making and indicate the circumstances in which the implementation of implementation plans or projects would trigger a need to consider SEA (and potentially EIA) requirements. The Act will apply to any implementation plans which follow this Strategic Plan (in accordance with Sections 5, 7, and 8 of the Act). The Strategic Plan, with its environmental focus, will shape such implementation plans, and the SEA process for these plans are likely to deliver more value and eventually more positive environmental outcomes.

When completed send to: SEA.gateway@scotland.gsi.gov.uk or to the SEA Gateway, Scottish Government, Area 2H (South), Victoria Quay, Edinburgh, EH6 6QQ.

