

**Scottish Water Plan for Transformation
Strategic Environmental Assessment (SEA)
Post Adoption Statement**

Post Adoption Statement / Version 2

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1 Introduction

1.1 Context

- 1.1.1 M² was commissioned by Scottish Water to undertake a Strategic Environmental Assessment (SEA) of the emerging Plan for Transformation ('the Plan'). In accordance with Sections 18 and 19 of the Environmental Assessment (Scotland) Act 2005 ('the 2005 Act'), this report comprises a SEA Post Adoption Statement to explain how the SEA process and wider environmental considerations have informed the development of the Plan, which was formally adopted by Scottish Water on Monday 31st May 2022.
- 1.1.2 The purpose of the Post Adoption Statement is to demonstrate how the findings of the SEA have been incorporated into the Plan and how the consultation responses to the Environmental Report have been addressed. Key SEA findings are summarised along with any corresponding additional likely effects on Scotland's natural environment.
- 1.1.3 This Post Adoption Statement also sets out the monitoring framework to review how the environmental effects of the implementation of the Plan will be monitored, identifying any required remedial actions in the event of the identification of unforeseen adverse effects. Full details and results of the assessment undertaken of the Plan is provided in the Final Environmental Report.
- 1.1.4 This Post Adoption Statement has been provided as soon as reasonably practical after the formal adoption of the Plan for Transformation (31st May 2022) to provide specific information (as set out in the 2005 Act). Consultation Authorities will be informed of the adoption of the Plan and provided with a copy (as adopted) alongside the Post Adoption Statement.

1.2 Overview of the Scottish Water Plan for Transformation

- 1.2.1 The Plan for Transformation is being developed to help transform Scottish Water's water and wastewater services to improve the life and wellbeing of people, businesses, communities, and the environment across Scotland. The Plan also sets out a series of proposals for transformation to enhance operational effectiveness, achieve service excellence and go beyond net zero emissions.
- 1.2.2 The Plan for Transformation will underpin strategic decisions by Scottish Water, as a public body, regarding infrastructure development and asset management (including replacement) the Plan identifies a suite of initiatives to drive transformational change in how Scottish Water responds to the climate emergency and manages its portfolio of assets (existing and future) in the Plan period to 2040.
- 1.2.3 Sections for each theme include a set of objectives, deliverables, timescales and owners in order to outline the priorities and direction of travel for each theme. The themes will be implemented through nine related workstreams, under which individual initiatives will be developed and implemented through the longer-term Transformation Programme.

1.3 Strategic Environmental Assessment

Overview

- 1.3.1 The 2005 Act requires responsible authorities, including Scottish Water, to assess the likely significant effects on the environment of implementing relevant plans, programmes and strategies as defined within the 2005 Act. This assessment, which follows a staged process known as SEA, should support the preparation of the plan and must also examine the likely significant effects of implementing reasonable alternatives to the plan under consideration.
- 1.3.2 Scottish Water have taken the opportunity to use SEA as a plan-making tool throughout the development of the Plan, in addition to the need to demonstrate statutory compliance. This process was informed by a series of 'critical friend' reviews to identify opportunities to enhance the clarity and effectiveness of the document and the wider Transformation

- 1.3.3 Undertaking this process provided an opportunity for the environmental implications of all relevant plan components to be tested at the earliest opportunity and for any issues or mitigation requirements to be identified throughout Plan preparation.

Process

- 1.3.4 The SEA process was undertaken throughout the preparation of the Plan, with the following key documents published at each stage;
- SEA Scoping Report (April 2021);
 - Environmental Report to accompany Draft Plan for Transformation (December 2021); and,
 - Post Adoption Statement (June 2022).

Scoping Report

- 1.3.5 The SEA Scoping Report was prepared to provide the SEA Consultation Authorities with sufficient information to enable them to consider the proposed SEA Framework identifying level of detail and consultation period for an Environmental Report to accompany the emerging plan or programme under consideration. The Framework comprises a series of sustainability objectives and guide questions regarding identified socio-economic and environmental issues relevant to Scotland which may affect (or be affected by) the emerging Plan together with other relevant plans, programmes and strategies. The SEA objectives were accompanied by a set of guide questions and criteria to enable assessment of the proposed policies and interventions as well as any identified reasonable alternatives.
- 1.3.6 The Scoping Report was published for consultation with the SEA Consultation Authorities (NatureScot, Scottish Environmental Protection Agency (SEPA) and Historic Environment Scotland (HES) for a 5-week period beginning in April 2021.

Environmental Report

- 1.3.7 The Environmental Report provides the results of the assessment undertaken of all component parts of the Plan for Transformation and the wider transformation programme, identifying likely significant effects on the SEA Objectives. The Report sets out the systematic recording of potential effects and their significance together with any assumptions, uncertainties and suggested mitigation or enhancement measures. Consultation feedback received on the Scoping Report was also addressed within the ER.
- 1.3.8 The Draft Plan for Transformation and associated ER were provided to the SEA Consultation Authorities and subject to public consultation from 16th December 2021 to 28th February 2022.

Role of SEA in Plan for Transformation Preparation

- 1.3.9 A key objective of SEA is to enhance the environmental and wider sustainability performance of a plan during its development. This is achieved through identifying any likely significant effects from implementation of the plan as drafted, proposing mitigation measures to address any identified significant adverse environmental effects, and identifying enhancement measures to improve the overall performance of the plan. As such, SEA is an integral part of good policy development and should not be viewed as a separate or retrospective activity.
- 1.3.10 The SEA undertaken of the Draft Plan for Transformation provided an opportunity to refine its content through the following opportunities:
- Workshops led by m² to review the implications of proposed longer-term transformation initiatives which, whilst not individually identified within the plan at this early stage, have the potential to generate environmental impacts. Outcomes from these workshops were summarised within the SEA focused review of key transformation workstreams and associated recommendations presented in **Appendix C of the ER**;

- Weekly meetings between parties to review the SEA programme and discuss environmental issues and opportunities arising from development of the Plan for Transformation; and,
- ‘Critical friend’ reviews of each iteration of the emerging Draft Plan for Transformation by the SEA project team to address uncertainties and weaknesses and to identify opportunities to enhance the clarity and effectiveness of the document. In consequence, the SEA reported in the ER concludes that the finalised version of the Draft Plan for Transformation is likely to generate multiple significant beneficial environmental effects, with no significant adverse effects considered likely at this stage. As the majority of pre-assessment mitigation recommendations made by the SEA project team have now been incorporated into the Draft Plan for Transformation, only a small number of further recommendations have been identified through the assessment phase as detailed in **Section 7 of the ER**.

1.4 Structure of this Report

- 1.4.1 Reflecting Article 9 of European Directive 2001/42/EC on the assessment of the effects of certain plans and programmes on the environment (‘the SEA Directive’), Section 18 of the 2005 Act requires responsible authorities (including Scottish Water) to produce a statement containing the following information as soon as reasonably practical after the adoption of a relevant and qualifying plan or programme:
- How environmental considerations have been integrated into the plan or programme (**Section 2**);
 - How the Environmental Report has been taken into account (**Section 3**);
 - How opinions expressed by the SEA Consultation Authorities on the emerging plan or programme and the accompanying Environmental Report have been taken into account (**Section 4**);
 - The reasons for choosing the plan or programme as adopted in light of the other reasonable alternatives dealt with (**Section 5**); and,
 - The measures that are to be taken to monitor the significant environmental effects of the implementation of the plan or programme (**Section 6**).

2 Environmental Considerations in the Plan for Transformation

2.1 Introduction

2.1.1 To understand the potential likely environmental impacts resulting from the implementation of the Plan, a review of national environmental baseline conditions was undertaken to identify key sensitivities which the Plan for Transformation must respond to. This resulted in a summary of wider environmental conditions and policy drivers which must be taken account of in the preparation of both the Plan for Transformation and the SEA reporting. Detailed baseline and policy appendices were prepared and submitted as part of the ER.

2.2 Environmental Considerations of Relevance to the Plan for Transformation

2.2.1 As set out in the Plan for Transformation Scoping Report (April 2021), the Plan for Transformation follows on from the publication of Scottish Waters Strategic Plan (2020) which provides a focus on addressing the following broad environmental challenges for Scotland:

- Responding to the climate emergency- decarbonisation and climate adaptation;
- Developing, enhancing and replacing infrastructure assets; and,
- Enhancing environmental quality.

2.2.2 This exercise identified a comprehensive list of environmental challenges which must be considered in the development of the Plan for Transformation and wider transformation programme. A summary of these key environmental issues is provided in **Table 2.1** below.

Table 2-1 - Key Environmental Issues Relevant to the Plan for Transformation SEA

Theme	SEA Environmental Aspects	Key Issues
Air and Climate	Air Quality Climatic Factors	<ul style="list-style-type: none"> ■ The need to minimise the emissions of air pollutants; ■ The need to safeguard and improve air quality, including through addressing areas with poor air quality; ■ The need to monitor air quality impacts as a result of water infrastructure development to understand the potential impacts on human health and the environment; ■ The need to ensure that development aims to minimise or mitigate impacts on air quality where possible; ■ The need to protect, enhance and restore peatlands; ■ The need to ensure that the built environment and infrastructure is resilient and adaptable to the effects of climate change, taking account of area specific needs across Scotland; ■ The need to ensure that ecosystems and the natural environment are protected and enhanced during infrastructure development; ■ The need to mitigate the effects of climate change through the decarbonisation of Scottish Water’s operations; and, ■ The need to review and address levels of carbon emissions as a result of the operation of Scottish Water’s assets, including treatment works, operational vehicle fleets and employee commuting needs.
Physical Environmental	Biodiversity, Flora & Fauna, Soil, Water, Cultural Heritage, Landscape	<ul style="list-style-type: none"> ■ The need to conserve, protect and enhance biodiversity including important species and sites designated for reasons of biodiversity conservation or ecological or geological importance. This extends to the protection of designated sites throughout Scotland which have the potential to be affected by Scottish Water’s transformative actions and operational activities; ■ The need to safeguard and enhance the marine environment and to maintain and enhance connections between designated sites and habitats; ■ The need to protect and enhance ecosystem resilience in response to key environmental pressures and work towards the achievement of defined conservation objectives; ■ The need to encourage and/or facilitate development on previously developed brownfield land; ■ The need to maximise the efficient use of available land and prioritise the redevelopment of brownfield land; ■ The need to safeguard geodiversity and to remediate areas of known contamination;

Theme	SEA Environmental Aspects	Key Issues
		<ul style="list-style-type: none"> ■ The need to minimise soil erosion and the loss of soils to non-permeable surfaces; ■ The need to protect, enhance and restore important soil resources, including peatlands., particularly in response to climate change impacts; ■ The need to protect and enhance the quality of water resources and the water environment, including the protection of Scotland’s waterbodies, wetlands and marine environments; ■ The need to eliminate contamination sources which harm the water environment and regulate pollution discharges from new developments into receiving watercourses; ■ The need to ensure the maintenance, development and enhancement of drainage infrastructure; ■ The need to mitigate flood risk during the development process; ■ The need to provide new infrastructure development in areas identified by national, regional and local policy at increased risk of flooding and coastal erosion; ■ The need to prepare, protect and mitigate against the impacts of climate change including coastal erosion and coastal, river and surface water flooding events across Scotland; ■ The need to preserve, protect and enhance cultural heritage assets and their settings during the development or enhancement of water infrastructure. This includes assets within the natural environment which have been shaped by land management practices; and, ■ The need to protect and enhance landscape character, townscape character, key views and visual amenity during the development or enhancement of water infrastructure.
Socioeconomics	Population (Including Relevant Socio-Economic Issues), Health, Material Assets	<ul style="list-style-type: none"> ■ The need to deliver a sufficient good quality and well-located water infrastructure to meet a range of identified needs in Scotland; ■ The need to deliver a sustainable programme of infrastructure improvements in line with projected population growth, particularly in areas projected to have the largest increase in population and associated requirements for housing development; ■ The need to monitor and address employment sectors in line with population growth and water abstraction requirements (e.g. agriculture, industry and energy production); ■ The need to enhance all aspects of the health and wellbeing of the population, particularly with regard to quality of public drinking water supply; ■ The need to address infrastructure requirements in areas of deprivation with regard to appropriate water infrastructure to support the provision of new housing and employment opportunities;

Theme	SEA Environmental Aspects	Key Issues
		<ul style="list-style-type: none"> <li data-bbox="846 240 2056 304">■ The need to create healthy and liveable urban environments, including wastewater treatment and drainage infrastructure, particularly for health infrastructure; <li data-bbox="846 304 2056 368">■ The need to ensure sufficient infrastructure capacity to meet existing and future needs of Scotland’s population; <li data-bbox="846 368 2056 480">■ The need to maximise the efficient use of land, natural resources and existing infrastructure. This includes the need to prioritise the redevelopment of brownfield land, the re-use and recycling of materials, and the minimisation of waste sent to landfill; <li data-bbox="846 480 2056 560">■ The need to develop a programme for new or enhanced infrastructure to address existing capacity constraints and take account of relevant environmental issues; <li data-bbox="846 560 2056 671">■ The need to adapt Scottish Water’s infrastructure to the impacts of climate change, achieve operational net zero emissions, support increased renewable energy generation and utilise land resources to sequester carbon; and, <li data-bbox="846 671 2056 769">■ The need to make provisions for water infrastructure requirements for planned transport, housing and employment development over the plan period.

2.3 How Environmental Considerations have been Integrated into the Plan for Transformation

2.3.1 Broadly, environmental considerations have been integrated into the adopted Plan for Transformation in the following ways:

- Development of initiatives to address key environmental issues for Scotland within the Plan;
- Development of a suite of recommended environmental parameters for the wider Transformation Programme as it develops; and,
- The use of SEA as a plan-making tool to identify key environmental issues which the Plan for Transformation can address and to maximise its sustainability performance. This included the development of an SEA Framework to underpin an iterative SEA process, in addition to taking account of representations received from the SEA Consultation Authorities regarding the Environmental Report in the development of the final adopted Plan for Transformation (see Section 4).

2.4 SEA Framework

2.4.1 In accordance with the 2005 Act, in March 2021 Stantec prepared a Scoping Report to define a SEA Framework. It comprised a suite of 9 environmental objectives and associated guide questions and was used to assess the emerging Plan and any reasonable alternatives. The SEA Framework, which was consulted on with the SEA Consultation Bodies, sought to ensure that the identified key environmental issues (Table 2.1) were sufficiently addressed through the SEA process and integrated into the Plan throughout its development. The SEA Framework was developed by considering:

- The environmental topics prescribed within Annex 1 of the SEA Directive and Schedule 3 of the SEA Regulations;
- The objectives of other relevant plans and programmes at local, national and international scales;
- The environmental, social and economic characteristics of Scotland;
- Key environmental and sustainability issues identified as being relevant to Scotland; and,
- Responses received from the SEA Consultation Authorities regarding a draft Framework set out within the SEA Scoping Report (April 2021).

2.4.2 The SEA Framework was reviewed in the context of feedback received from the SEA Consultation Authorities. The finalised SEA Framework which was used to assess the Draft Plan for Transformation is provided in Appendix A.

2.4.3 The use of the SEA Framework in assessing all substantive components of the Plan ensured that the identified key environmental issues have been appropriately addressed within the final adopted Plan. Further details of how SEA reporting has informed the Plan are provided in Section 3.

3 How SEA Reporting has been Taken into Account in the Plan for Transformation

3.1 Overview

3.1.1 In complying with the requirements of the 2005 Act SEA Reporting allowed the SEA Consultation Authorities, and the public to consider the likely impacts of the emerging Plan for Transformation on key environmental challenges for Scotland (as set out in **Table 2.1** above).

3.2 SEA Reporting

3.2.1 In line with statutory requirements, SEA has been undertaken for each component, reported and consulted on at each stage of development of the Plan for Transformation:

- **SEA Scoping Report (April 2021):** The SEA Scoping Report set out the proposed SEA Framework identifying level of detail and consultation period for an Environmental Report to accompany the emerging plan or programme under consideration. The proposed SEA Framework identified a series of sustainability objectives and guide questions regarding identified socio-economic and environmental issues relevant to Scotland which may affect (or be affected by) the emerging Plan together with other relevant plans, programmes and strategies;
- **SEA Environmental Report (ER) for the Plan for Transformation (December 2021):** The Draft Plan for Transformation was published in tandem with the SEA ER for consultation, setting out the results of the assessment phase of the SEA. The assessment comprised of a detailed assessment of relevant individual components of the Plan in addition to 'critical friend' reviews by the project team of emerging transformational initiatives to identify and assess their likely significant environmental effects on the environment; and,
- **Post Adoption Statement (June 2022):** The Post Adoption Statement explains how the SEA process and wider environmental considerations have shaped the Plan for Transformation and the wider transformational initiatives at Scottish Water. The Plan for Transformation was formally adopted on 31st May 2022.

3.3 SEA Assessment Phase

3.3.1 The SEA process consisted of two parts; testing & refinement and the preparation of the ER, as set out below:

- **Testing & Refinement** included a series of workshops led by m² to review the implications of initiatives forming the wider transformation programme. These initiatives were reviewed to identify potential environmental impacts from their implementations. The outcomes of these reviews were summarised as part of a series of technical notes presented within the ER; and,
- **Preparation of the ER:** The SEA was undertaken in accordance with the approach and SEA Framework set out in the Plan for Transformation SEA Scoping Report (April 2021). However, since the publication of the SEA Scoping Report, the content of the Draft Plan for Transformation has naturally evolved to encapsulate a longer-term strategy for the transformation of Scottish Water's activities and business. This means the SEA now focuses on testing the compatibility of the Draft Plan for Transformation with the SEA Objectives and on the coverage of key environmental issues, rather than seeking to identify individual likely significant effects. The assessment methodology as set out in the SEA Scoping Report has therefore necessarily been revised and reduced in scale, with the assessment now taking the form of a qualitative narrative (see **Section 6** of the ER).

3.3.2 An assessment was therefore undertaken of each thematic section of the Plan, with reference to three overarching questions linked to the SEA Framework:

- I. Does the plan / theme set out clear and adequate links to environmental issues, i.e. a sound platform for action?;

- II. Is the scope of future transformative initiatives (to be implemented through a longer term Transformation Programme) clearly defined and do these respond to key environmental challenges?; and,
 - III. Are there any gaps in the coverage of environmental aspects within the narrative?
- 3.3.3 The assessment also includes a tabular analysis to demonstrate the compatibility of proposed transformation workstreams with the SEA Framework. However, as the Draft Plan for Transformation does not specify individual initiatives or projects, no individual substantive components could be identified which would be suitable for typical SEA matrix-based assessments. Instead, the SEA has focused on examining the coverage of key environmental issues within proposed transformation themes to ensure the Plan for Transformation provides a strong basis for the development of appropriate thematic initiatives (e.g., enhanced investment appraisals and decision-making processes, enhanced stakeholder relations and partnerships, etc) which, depending on their characteristics, have the potential to generate likely significant beneficial environmental effects. This has been provided in **Table 6.1** in the ER.

3.4 SEA Mitigation and Enhancement Recommendations

- 3.4.1 The identification of any assumptions and uncertainties is an important element of SEA as all elements of the Plan need to be unambiguous to ensure they can be implemented as intended. Schedule 3 of the 2005 Act requires consideration to be given in the Environmental Report to “the measures envisaged to prevent, reduce and as fully as possible offset any significant adverse effects on the environment of implementing the plan or programme”. A key role of SEA is therefore to devise appropriate mitigation and enhancement recommendations to address identified uncertainties, resolve deficiencies and strengthen the environmental performance of the plan or programme being assessed.
- 3.4.2 A number of mitigation and enhancement measures were identified in the ER (as set out in Section 7) seeking to mitigate potential adverse impacts and enhance the contribution of the Plan, including:
- Measures to provide additional information on the wider transformational initiatives as they continue to evolve and how they may support continuous environmental monitoring and management;
 - Confirmation of internal arrangements for employee training to enable environmental benefits and disbenefits to be properly accounted for in investment appraisals and decision making at project and programme levels; and
 - Further details to be developed concerning the 9 workstreams within the Plan for Transformation to provide clear hooks for the future development of specific initiatives under the long-term Transformation Programme.

Summary

- 3.4.3 In summary, the iterative nature of the SEA process, the independence of the SEA project team and the advice provided throughout by the SEA Consultation Authorities has allowed the SEA to identify and address uncertainties and concerns, as well as to maximise opportunities for environmental enhancement within the Plan as it evolved. The final adopted Plan directly responds to all relevant issues raised and reported through the SEA process.

4 How Options Raised During Consultation have been Taken into Account

4.1 Consultation Opportunities

4.1.1 Two formal consultation opportunities were conducted as part of the SEA process of the Plan for Transformation:

- Consultation on the SEA Scoping Report published for consultation with the SEA Consultation Authorities (NatureScot, Scottish Environmental Protection Agency (SEPA) and Historic Environment Scotland (HES) for a 5-week period beginning in April 2021; and,
- Consultation on the SEA Environmental Report and Draft Plan for Transformation which was provided to the SEA Consultation Authorities for a ten-week consultation period from 16th December 2021 to 28th February 2022.

4.2 Consideration of SEA Related Plan for Transformation Consultation Responses

SEA Scoping Report

4.2.1 The Plan for Transformation SEA Scoping Report was prepared by m² on behalf of Scottish Water and submitted to the Scottish Government's SEA Gateway in April 2021. The SEA Consultation Responses to the Scoping Report were duly received in May 2021. These comments primarily focused on opportunities for the inclusion of measures to address key environmental challenges in the Plan and wider transformation programme. All Scoping responses were reviewed and incorporated into the development of the Draft Plan for Transformation and wider programme, as set out in **Section 4.4** of the ER.

Environmental Report

4.2.2 The Draft Plan for Transformation and associated Environmental Report was provided for SEA consultation between 16th December 2021 to 28th February 2022, providing a ten-week consultation opportunity. In addition, a public consultation was publicised and offered within the same ten-week period; there were no responses.

4.2.3 Following the closure of consultation, all formal responses were reviewed in detail with the aim to identify any recommendations submitted by the SEA Consultation Authorities. **Table 4.1** summarises the issues raised, and any recommendations provided. Responses were received only from HES and NatureScot and were reviewed by the project team. No consultation response was received from SEPA. In conclusion, no significant recommendations were received regarding the Draft Plan for Transformation, resulting in no requirement to materially alter either the findings of the SEA conducted in respect of the Draft Plan or the continued validity of the Environmental Report.

Table 4-1 - Consultee Comments and Recommended Response

Consultee	Comment	Recommended Response
Environmental Report		
NatureScot	NatureScot praised the Environmental Report on its comprehensive nature, stating that it makes effective links to important policy drivers for NatureScot, such as the Scottish Biodiversity Strategy and climate emergency. In addition, they noted that all comments provided by them at Scoping stage have been addressed in the ER. Although the ER was positively received, NatureScot go on to note that this does not eliminate the need for further assessments (such as Habitat Regulation Appraisals) of individual plans and projects that will need to be implemented to meet the aspirations for the Transformation Plan.	Noted. No further action required.
Historic Environment Scotland	HES are happy to agree with the findings of the Environmental Report and had no further comment to offer.	Noted. No further action required.
Draft Plan for Transformation		
NatureScot	NatureScot provided no further comment on the content of the Draft Plan for Transformation.	Noted. No further action required.
Historic Environment Scotland	HES are in agreement with the content of the Draft Plan for Transformation and have no further comment to offer.	Noted. No further action required.

5 Reasons for Choosing the Plan for Transformation in Light of Alternatives

5.1 Overview

5.1.1 In accordance with the 2005 Act, the SEA undertaken in respect of the Plan for Transformation considered the likely effects from both the preferred approach and all reasonable alternatives which could be identified at each stage of the Plans development. This section provides an overview of the preferred approach, the reasonable alternatives that were considered and the reason for choosing to adopt the final Plan for Transformation.

5.2 Identification of Reasonable Alternatives and Reasons for Plan for Transformation Adoption

5.2.1 The 2005 Act requires the likely significant effects of implementing both a plan or programme (i.e. the emerging Plan for Transformation) and reasonable alternatives to it to be examined, as well as the rationale for identifying reasonable alternatives to be described. The 2005 Act further states that to be considered as reasonable alternatives, options (e.g. alternative policy criteria or site allocations) must relate to the plan or programmes' corresponding objectives and geographical scope. To be eligible for consideration in this SEA process, reasonable alternatives must therefore be:

- a) **Realistic**, in that they are plausible alternatives which could be implemented instead of proposals within the emerging Plan for Transformation and are consistent with relevant national and other policy frameworks;
- b) **Related to the objectives of the emerging Plan for Transformation** (i.e. they contribute to the implementation of long term transformation activities); and,
- c) Within the **scope** of the emerging Plan for Transformation, i.e. any reasonable alternatives would need to relate to actions which could be undertaken within Scotland and within the lifetime of the Plan for Transformation.

5.2.2 At the time of preparing the SEA Scoping Report it was envisaged the Plan for Transformation would encapsulate a wide range of specific thematic initiatives to underpin the transformation of Scottish Water's operational and investment activities. Since the publication of the SEA Scoping Report, the content of the Draft Plan for Transformation has evolved to encapsulate a longer-term strategy for the transformation of Scottish Water's activities and business. This means the SEA now focuses on testing the compatibility of the Draft Plan for Transformation with the SEA Objectives and on the coverage of key environmental issues, rather than seeking to identify individual likely significant effects. For the purposes of this SEA, no reasonable alternatives to the high-level strategy outlined in the Draft Plan for Transformation could therefore be identified as requiring assessment within this ER.

6 Monitoring Strategy for the Plan for Transformation

6.1 Statutory Requirements

6.1.1 Section 19 of the 2005 Act requires arrangements to be in place to monitor the likely significant effects of the implementation of all plans and programmes which are subject to SEA. The 2005 Act further requires these arrangements to be described within this SEA Post Adoption Statement.

6.2 Plan for Transformation Monitoring by Scottish Water

6.2.1 Successful implementation of the Plan for Transformation will require internal governance at strategic and operational levels. As set out in the Plan, it represents a company-wide document, with specific workstreams assigned to different teams. The effective delivery of the Plan for Transformation and wider transformation programme is led by the Executive Leadership Team.

6.3 SEA Monitoring Framework

6.3.1 In accordance with the statutory requirements a monitoring framework was prepared as part of the SEA process to provide a mechanism to confirm the effectiveness of delivering individual workstreams as set out in the Plan for Transformation and to identify and monitor associated environmental effect (Table 6-1).

Table 6-1 - Monitoring Framework

Plan for Transformation Component	Component Objectives	Monitoring Indicators	Responsibility:
Plan for Transformation Workstreams			
<u>Customer & Community Centricity</u>	<p><i>Grow the insights, mindsets, and capabilities for Scottish Water (SW) to embed Customer and Community Centricity (C&CC) into everything SW does, taking decisions as if the customer was 'in the room' and becoming a purpose driven organisation. Achieve recognition that customers treasure us as their publicly owned water and wastewater services provider, maintain our 'social license to operate in new context' and support a flourishing Scotland.</i></p>	<p>The integration of SEA recommendations to the relevant workstream/initiative will be reviewed quarterly as part of the Transformation Quarterly Business Review (QBR) Process. Actions will be recorded in the QBR minutes.</p>	<p>Molly Horsley</p>
<u>Sustainable Investment Decision Making</u>	<p><i>To ensure that we translate the purpose and strategies of the business to "maximise the benefits of investment to customers, communities and the environment" and that this is ingrained throughout the organisation. The outcome is to create trust and legitimacy with customers and stakeholders.</i></p>	<p>The integration of SEA recommendations to the relevant workstream/initiative will be reviewed quarterly as part of the Transformation Quarterly Business Review (QBR) Process. Actions will be recorded in the QBR minutes.</p>	<p>Chris Campbell</p>
<u>Intelligent Asset Base</u>	<p><i>Build on principles of high-quality data and analytics driven decisions combined with best-in-class knowledge management to drive a strategic shift of how Scottish Water operate, monitor, maintain, automate and remote control assets to support our strategic objectives and wellbeing.</i></p>	<p>The integration of SEA recommendations to the relevant workstream/initiative will be reviewed quarterly as part of the Transformation Quarterly Business Review (QBR) Process. Actions will be recorded in the QBR minutes.</p>	<p>Chris Toop</p>
<u>Lean & Agile Solutions Delivery</u>	<p><i>To fully "lean" enterprise wide; customer journeys, processes, and governance, with; all wastage removed, standardisation inherent and routines automated.</i> <i>To facilitate a mindset shift to; continual improvement, productivity focus, and exemplar quality across SW, as we strive to transform from good to great.</i> <i>To build cross functional agile teams in key business areas, to fully exploit new ways of autonomous working.</i></p>	<p>The integration of SEA recommendations to the relevant workstream/initiative will be reviewed quarterly as part of the Transformation Quarterly Business Review (QBR) Process. Actions will be recorded in the QBR minutes.</p>	<p>Mike Will</p>

Plan for Transformation Component	Component Objectives	Monitoring Indicators	Responsibility:
<u>Partner Ecosystem</u>	<i>To define, deliver and embed a partnership approach that supports delivery of our strategic ambitions and objectives</i>	The integration of SEA recommendations to the relevant workstream/initiative will be reviewed quarterly as part of the Transformation Quarterly Business Review (QBR) Process. Actions will be recorded in the QBR minutes.	Donald Milne
Plan for Transformation - Wider Transformation Programme			
<u>Development of Customer & Community Centricity Vision and Strategy</u>	Development of a Customer and Community Centricity (C&CC) Vision and Strategy and supporting initiatives, including: <ul style="list-style-type: none"> ■ Developing and implementing catchment management, land restoration and peatland restoration partnerships; ■ Developing mechanisms to identify and respond to socio-economic and environmental issues facing communities served by Scottish Water; and, ■ Working collaboratively to understand the timing and scale of new developments and to deliver the new connections required to enable housing and business growth. 	The integration of SEA recommendations to the relevant workstream/initiative will be reviewed quarterly as part of the Transformation Quarterly Business Review (QBR) Process. Actions will be recorded in the QBR minutes.	Molly Horsley
<u>Development of Replacement Environmental Quality System (EQS)</u>	Implementation of replacement EQS to support the management and monitoring of the organisation's environmental performance (including regulatory compliance).	Integration of SEA recommendations to the relevant workstream/initiative will be reviewed as part of the EQS monthly Project Board meetings. Actions will be recorded in the Project Board minutes	Colin Duiguid
<u>Enhancement of Sustainable Investment Decision Making Capabilities</u>	Implementation of review of investment decision making and prioritisation at Scottish Water, including draft 'Benefits Framework' and updated project investment appraisal guidance.	The Integration of SEA recommendations will be completed in the next iteration of Project Investment Appraisal Guidance.	Chris Campbell
<u>Beyond Net Zero Emissions. Review of Emissions Reduction Strategy as set out within Scottish Water's Net Zero Emissions Routemap (2020)</u>	Monitoring and reducing emissions generated by SW activities; a review of the Net Zero Emissions Routemap. The purpose of this SEA focused review was to confirm the scope of the Routemap, understand interactions with the emerging Plan for Transformation (and longer-term Transformation Programme), and to establish that the strategy set out within the Routemap is achievable, reasonable and effective such that the emerging Plan for Transformation can rely upon it.	An annual review of operational and capital carbon emissions.	Gordon Reid/Chris Francis

7 Conclusion

- 7.1.1 This Post Adoption Statement has been prepared to explain how the SEA process and wider environmental considerations have informed the development of the Plan for Transformation, which was adopted by Scottish Water on 31st May 2022.
- 7.1.2 Section 1 of this report has provided an overview of the preparation of the Plan for Transformation and the undertaking of an associated SEA. In accordance with the 2005 Act, Sections 2 – 6 of this SEA Post Adoption Statement have reported:
- How environmental considerations have been integrated into the plan or programme;
 - How the Environmental Report has been taken into account;
 - How opinions expressed by the SEA Consultation Authorities on the emerging plan or programme and the accompanying Environmental Report have been taken into account;
 - The reasons for choosing the plan or programme as adopted, in light of the other reasonable alternatives dealt with;
 - The measures that are to be taken to monitor the significant environmental effects of the implementation of the implementation of the plan or programme; and,
 - Sections 3,4 and 5 demonstrate that the preparation process of the Plan for Transformation has been closely informed by the SEA process and that all environmental issues identified through the SEA have now been addressed.

Appendix A Plan for Transformation SEA Framework

Table A-1 - Plan for Transformation SEA Framework

Grouping of Environmental Aspects	SEA Objectives	Assessment Criteria – Relevant Themes & Initiatives	Assessment Criteria – Community Development & Environmental Management and Infrastructure Related Themes and Initiatives <i>Will the initiative...?</i>
<p>Air and Climate</p>	<p>1. Climate Change: Respond to the climate emergency by decarbonising infrastructure, achieving net zero operational emissions by 2040, facilitating a low carbon economy and adapting to accommodate the effects of climate change.</p>	<p>Review and identify opportunities to enhance the coverage of relevant environmental issues, metrics, and monitoring arrangements.</p>	<ul style="list-style-type: none"> ■ Support the achievement of Scottish Government climate change mitigation targets? ■ Appropriately contribute to the achievement of targets set out in Scottish Water’s Net Zero Emissions Routemap? ■ Maximise potential reductions in greenhouse gas (GHG) emissions? ■ Support the minimisation of energy use? ■ Support the delivery of renewable and low carbon energy and reduce dependency on non-renewable sources? ■ Facilitate investment in and promote the use of low carbon and sustainable infrastructure? ■ Implement adaptation measures to address the likely effects of climate change, including increased flood risks? ■ Promote sustainable design that minimises GHG emissions and is adaptable to the effects of climate change? and, ■ Enhance resilience to adverse weather and the effects of climate change?
	<p>2. Air Quality and Amenity: Tackle poor air quality, reduce concentrations of harmful atmospheric</p>		<ul style="list-style-type: none"> ■ Maintain or improve air quality? ■ Reduce exposure to poor air quality?

Grouping of Environmental Aspects	SEA Objectives	Assessment Criteria – Relevant Themes & Initiatives	Assessment Criteria – Community Development & Environmental Management and Infrastructure Related Themes and Initiatives <i>Will the initiative...?</i>
	pollutants and minimise exposure to noise and vibration.		<ul style="list-style-type: none"> ■ Prevent and reduce emissions of harmful pollutants? and, ■ Impact on the management or environmental conditions of Air Quality Management Areas?
Physical Environment	3. Biodiversity, Geodiversity and Soil: Conserve, protect and enhance biodiversity and geodiversity interests, including through safeguarding important sites, species and soil resources and by protecting green infrastructure.	Review and identify opportunities to enhance the coverage of relevant environmental issues, metrics and monitoring arrangements.	<ul style="list-style-type: none"> ■ Ensure appropriate safeguards for the integrity and conservation objectives of sites designated at international, national or local levels for reasons of biodiversity or geodiversity value or species protection? ■ Protect and enhance valued species and habitats? ■ Safeguard against habitat loss or fragmentation? ■ Protect or enhance protected trees or important woodland areas? ■ Improve access to nature? ■ Remediate known contamination of land and groundwater? ■ Safeguard best quality and locally important agricultural land? ■ Protect and enhance important soil resources? ■ Protect and enhance ecological connectivity and resilience? ■ Protect and improve multi-functional attributes of the green infrastructure network? and, ■ Support delivery of biodiversity net gain?
	4. Water, Flood Risk and Resilience: Conserve, protect and enhance water		<ul style="list-style-type: none"> ■ Improve the quality and WFD status (overall, chemical and ecological) of waterbodies?

Grouping of Environmental Aspects	SEA Objectives	Assessment Criteria – Relevant Themes & Initiatives	Assessment Criteria – Community Development & Environmental Management and Infrastructure Related Themes and Initiatives <i>Will the initiative...?</i>
	environments, water quality and water resources, whilst reducing flood risks.		<ul style="list-style-type: none"> ■ Affect the volume of surface water runoff into or abstraction from water bodies? ■ Support improvements to water infrastructure (water supply and sewerage)? ■ Enhance resilience to and minimise the risk of flooding from all sources of flooding to all people, property, infrastructure and environmental assets? ■ Reduce flood risks to Scottish Water assets? ■ Reduce flood risk resulting from Scottish Water assets to communities? ■ Manage residual flood risks appropriately and avoid new flood risks? and, ■ Promote the deployment of sustainable urban drainage systems?
	5. Cultural Heritage: Conserve, protect and enhance the historic environment and cultural assets.		<ul style="list-style-type: none"> ■ Protect and increase access to cultural, leisure and recreation opportunities? ■ Conserve, protect and enhance historic environment assets of national, regional and local importance and their settings? ■ Protect and enhance the qualities of areas of cultural significance, including where the natural environment has been shaped by land management practices? and, ■ Promote sensitive re-use and regeneration of historic buildings and historic townscapes?
	6. Landscape: Protect and enhance landscape		<ul style="list-style-type: none"> ■ Protect and enhance landscape character?

Grouping of Environmental Aspects	SEA Objectives	Assessment Criteria – Relevant Themes & Initiatives	Assessment Criteria – Community Development & Environmental Management and Infrastructure Related Themes and Initiatives <i>Will the initiative...?</i>
	character, townscape character and visual amenity.		<ul style="list-style-type: none"> ■ Safeguard important landscape and townscape features? and, ■ Protect visual amenity and valued views?
Socio-economic	<p>7. Inclusive Growth: Meet the needs of a growing population and improve social and economic prosperity for all, including through reducing societal inequalities.</p>	<p>Review and identify opportunities to enhance the coverage of relevant environmental and socio-economic issues, metrics and monitoring arrangements.</p>	<ul style="list-style-type: none"> ■ Promote a culture of equality, fairness and respect for people and the environment? ■ Tackle poverty and social exclusion? ■ Promote social cohesion and integration? ■ Promote equity between population groups? ■ Reduce fuel poverty? ■ Protect and enhance access to high quality community facilities, public services and key amenities? ■ Support better integration of land-use/spatial planning, transport planning and economic development decisions? ■ Support the delivery of existing and emerging spatial strategies at national, regional and local levels? and, ■ Address infrastructure needs resulting from existing and changing socio-economic characteristics?
	<p>8. Health: Improve the health of the population (resident, workplace and visitor), including with respect to physical and mental health and social wellbeing.</p>		<ul style="list-style-type: none"> ■ Ensuring high-quality drinking water and adequate wastewater treatment for all? ■ Reduce health inequalities and improve the physical and mental health and wellbeing of communities? ■ Facilitate or encourage active travel or physical recreation? and,

Grouping of Environmental Aspects	SEA Objectives	Assessment Criteria – Relevant Themes & Initiatives	Assessment Criteria – Community Development & Environmental Management and Infrastructure Related Themes and Initiatives <i>Will the initiative...?</i>
	<p>9. Land, Infrastructure & Resources: Manage, maintain and where possible improve the efficient and effective use of natural resources, land and infrastructure to meet identified needs.</p>		<ul style="list-style-type: none"> ■ Enhance access to open spaces and nature? ■ Unlock the delivery of housing to meet identified needs? ■ Prioritise the re-development of previously developed land? ■ Support the provision of adequate water infrastructure and services to meet identified population needs and support economic growth? ■ Minimise the production of waste? ■ Promote the principles of circular economy? and, ■ Treat and process waste with minimal environmental impact?