

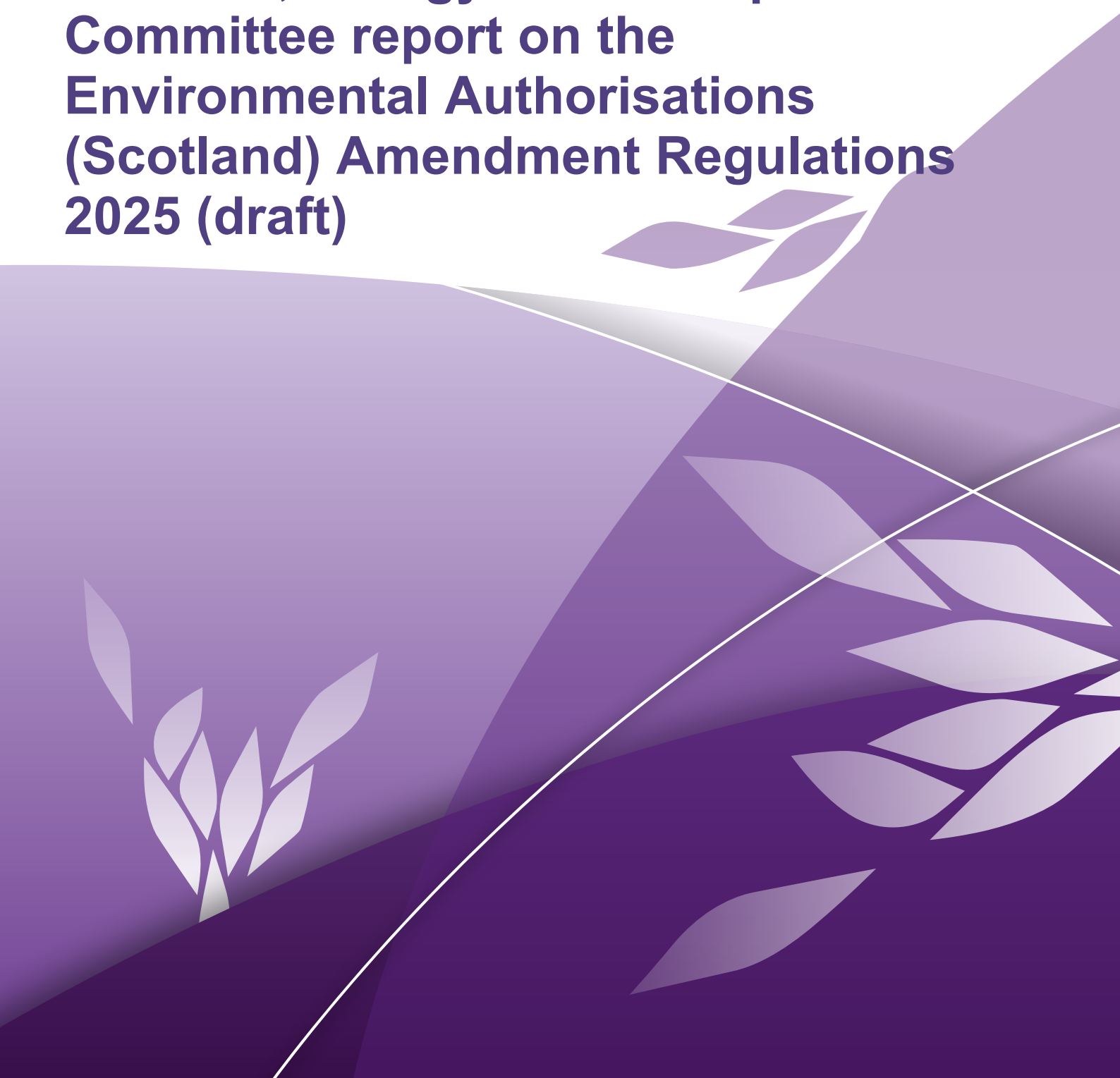


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## **Net Zero, Energy and Transport Committee**

# **Net Zero, Energy and Transport Committee report on the Environmental Authorisations (Scotland) Amendment Regulations 2025 (draft)**



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# Net Zero, Energy and Transport Committee

To consider and report on matters falling within the responsibility of the Cabinet Secretary for Transport and the Cabinet Secretary for Net Zero and Energy, with the exception of matters relating to just transition; and on matters relating to land reform, natural resources and peatland, Scottish Land Commission, Crown Estate Scotland and Royal Botanic Garden within the responsibility of the Cabinet Secretary for Rural Affairs, Land Reform and Islands.



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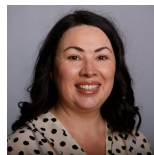
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# Introduction

1. This report concerns the Environmental Authorisations (Scotland) Amendment Regulations 2025 (draft), laid before the Parliament by the Scottish Government on 27 February 2025. It is subject to the affirmative procedure – which means it cannot be made unless it has been approved by a resolution of the Parliament.
2. It is for the Net Zero, Energy and Transport Committee, as lead Committee, to decide whether or not to recommend approval. On 11 March 2025, the Acting Cabinet Secretary for Net Zero and Energy lodged [Motion S6M-16752](#), proposing that the Committee recommends the draft Regulations be approved.

## About the instrument

3. The purpose of the 2025 Regulations is to amend [the Environmental Authorisations \(Scotland\) Regulations 2018](#), to bring the technical requirements for three key areas of environmental authorisation into the Regulations, and to repeal or revoke current legislation for those regimes. This will give effect to the ‘Integrated Authorisation Framework’ (“the framework”), which has been under development for several years, and aims to streamline SEPA’s authorisation processes across various key areas of environmental regulation.
4. As a result, four regulated areas—water, waste, radioactive substances and pollution prevention and control—currently overseen by SEPA, will be brought under one framework.
5. SEPA currently regulates the above areas of activity under separate regimes, set out under a range of legislation, meaning there are different processes and tiers of authorisation under each regime. Key examples are the Pollution Prevention and Control (Scotland) Regulations 2012 (the PPC Regulations) which provide the current regulatory regime for industrial emissions, and the Water Environment (Controlled Activities) (Scotland) Regulations 2011 (“CAR regime”) which set out the principal regulatory framework for water.
6. The 2025 Regulations also bring some new areas into the scope of SEPA authorisations and make some changes to the overarching framework that was set out in the 2018 Regulations.
7. The powers for introducing the framework are included in the [Regulatory Reform Act 2014 \(section 18 and Schedule 2\)](#), which envisaged the introduction of a single streamlined environmental regulation framework for all ‘regulated activities’ with common processes, where activities would be authorised under four standardised tiers.
8. Following the passing of the 2014 Act, Regulations were developed and approved which established the Integrated Authorisation Framework in law – in the Environmental Authorisations (Scotland) Regulations 2018. The aim was to provide a standardised common framework for environmental authorisations in Scotland. The 2018 Regulations came into force in September 2018, and whilst they set out the common procedures for an Integrated Authorisation Framework at that time, they only applied to the regulation of radioactive substances.

9. The Scottish Government and SEPA [consulted](#) on proposals for incorporating SEPA’s four main regulatory regimes into an integrated environmental authorisation framework in December 2023. SEPA [published a further consultation in January 2024](#), specifically on how they plan to implement the Integrated Authorisation Framework. The [Scottish Government also published an analysis of consultation responses](#) in June 2024, which also sets out responses to the consultation in various areas.
10. In developing the 2025 Regulations, the Scottish Government ‘mapped’ all activities authorised under various pieces of legislation into the new ‘tiers’. These tiers are:
- In accordance with a permit granted by a regulator under the Regulations (a “**permit**”),
  - Subject to a requirement to register the activity with SEPA (“**registration**”),
  - Subject to a requirement to notify SEPA of the activity (“**notification**”),
  - Subject to compliance with rules specified in or made under the Regulations (“**General Binding Rules**”).
11. The Policy Note for the 2025 Regulations states that the level of regulation of these activities is largely in keeping with the current regimes, with some changes made related to the level of environmental risk associated with the activity. There are also a small number of new General Binding Rules (which relate to the use of temporary structures or works in or crossing a river, burn, ditch or loch, and the discharge of hot tub effluent to groundwater).
12. The Regulations come into force on 1 November 2025 (with some provisions coming into force earlier on 1 June 2025)<sup>i</sup>. Various provisions detail how existing authorisations will be ‘sunsetting’ and migrate into the new regime.

#### Amendments made to procedures in the Integrated Authorisation Framework

13. The 2025 Regulations make a number of changes to the framework provided by the 2018 Regulations. The Policy Note sets out that these are:
- To enhance opportunities for public participation in relation to certain applications, and make changes to the third-party representation procedure;
  - To enable SEPA to revoke a permit/registration where the authorised person is a sole operator who has died, or a body corporate has been dissolved; and
  - To make provision so that information from the register maintained by SEPA under the 2018 Regulations with respect to a permit or registration, and the conditions of that permit or registration, is presumed to be correct unless there is evidence to the contrary, along with a related provision that causing false information to be put on the register is an offence under the Regulations.

#### New Activities

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<sup>i</sup> [1] Though, as detailed in paragraphs 16 to 18, the new emissions activities do not require authorisations until later dates that are specified in paragraph 15 of schedule 23.

14. As stated previously, the 2025 Regulations also bring ‘new activities’ into this common framework, changing the way that a number of activities are regulated. These are:
  - applying sewage sludge to land
  - carbon capture
  - non-waste anaerobic digestion
  - certain electricity generators (generators aggregating to 1 MW or more)
15. This instrument seeks to improve the regulation of the application of sewage sludge and other waste to land for the purposes of soil improvement by making a number of changes to the current regime as it is brought into the scope of the 2018 Regulations.
16. Currently, carbon capture and storage (CCS) activities are only in the scope of the PPC Regulations, where carbon dioxide is produced as a result of an industrial emissions activity and then geologically stored. The PPC Regulations do not apply unless carbon capture is attached to an existing industrial site. The 2025 Regulations will mean that any carbon capture activity, including direct air capture carbon dioxide removal, and carbon capture and utilisation, will be subject to the PPC Regulations. This will take effect from 1 April 2027.
17. The 2025 Regulations bring non-waste anaerobic digestion (AD), which is currently not regulated, into the scope of the 2018 Regulations so that it is regulated in the same way as anaerobic digestion that uses waste as a feedstock. This is because the Scottish Government and SEPA consider that the processes, regardless of feedstock, present similar environmental risks. This will take effect from 1 April 2028.
18. The 2012 PPC Regulations require combustion electricity generators between 1-50mw to have a permit by 1 January 2029 and to conform to emission limits by 2030. The 2025 Regulations close a loophole so that single sites with multiple generators that aggregate to >1MW are now also covered by the 2029 and 2030 requirements. Alongside this it introduces derogations for back-up generators on the islands that exempts them from the 2029 permit and 2030 emission limit requirements until the end of 2039 in the case of unplanned mainland power outages, and end 2033 for planned power outages.

## Consideration by the DPLR Committee

19. The Delegated Powers and Law Reform (DPLR) Committee is required to consider every instrument laid before the Parliament and decide whether to draw it to the attention of the Parliament on any of the “reporting grounds” set out in Rule 10.3 of the Parliament’s standing orders.
20. The DPLR Committee considered the instrument on 11 March 2025 and reported on it in its [18<sup>th</sup> Report, 2025](#). The DPLR Committee made no recommendations in relation to the instrument. However, the Committee noted that the [issues raised by the Committee with the Scottish Government](#) on the previous draft of this instrument (which was withdrawn on 9 December 2024) have been addressed, to the extent necessary, in this re-laid draft instrument.

# Consideration by the Net Zero, Energy and Transport Committee

21. Similar Regulations to these were laid before Parliament on 27 November 2024 but were subsequently withdrawn on 9 December 2024 at the request of the Committee to allow additional time for scrutiny. Following this, the Scottish Government re-laid the Regulations on 27 February 2025.
22. The Committee's [letter](#) to the Scottish Government making this request expressed disappointment that it did not engage with the Committee about the content of the instrument in advance of it being laid to ensure the Committee could be as prepared as possible to scrutinise it within the strict 40-day deadline that applies for affirmative instruments. This was because of the unusual length and complexity of the Regulations.
23. The Scottish Government [responded on 6 December](#) and agreed that there would be benefit in the Committee and stakeholders having additional time to consider the Regulations.
24. The Committee appreciates the Scottish Government's cooperation and its willingness to formally withdraw and subsequently re-lay the Regulations, a decision which has significantly enhanced the Committee's ability to undertake further scrutiny.
25. The Committee sought written views on the 2025 Regulations from Environmental Standards Scotland (ESS), the Environmental Rights Centre Scotland (ERCS), the National Farmers Union Scotland (NFUS), Scottish Water, Zero Waste Scotland, and Local Authorities.
26. Additionally, the Committee received written submissions from the Anaerobic Digestion and Bioresources Association (ADBA), Grissan Renewable Energy, and the Scotch Whisky Association, providing evidence on the regulatory approach to AD
27. The Committee took oral evidence on the 2025 Regulations from SEPA on [17 December 2024](#).
28. At its meeting on 21 January, following consideration of the evidence gathered, the Committee agreed to request further information from both the Scottish Government and SEPA.
29. All correspondence and documentation concerning both the withdrawn Regulations and the Regulations laid on 27 February are accessible on the [Committee's website](#).
30. The Committee concluded its evidence taking on the 2025 Regulations with an evidence session with the Scottish Government on [25 March 2025](#).
31. An overview of the key issues considered by the Committee is set out below.

# Transition to the Integrated Authorisation Framework

32. SEPA has described the Regulations as a major reform that “will radically simplify, streamline and bring together existing regimes into a single integrated framework that uses common processes and timescales, common tiers of authorisation and common ways of engaging.”<sup>iii</sup>
33. These changes follow several years of planning, stakeholder consultation, and legislative mapping to enable a coherent transition from current regimes, and the Scottish Government regards the framework as central to its wider environmental protection agenda. The Acting Cabinet Secretary, told the Committee that:
- ” It is a long-held objective of the Government and SEPA to have an integrated authorisation. We are making the process and the regime simpler for people to follow when they apply for particular permits or notify SEPA of their activities. That will provide greater environmental protection and simplify and streamline SEPA’s regulatory functions.”<sup>iii</sup>
34. SEPA said that:
- ” The current legislative landscape is complicated and not helpful in enabling SEPA to transform the way it regulates. The legislation for the existing regimes that SEPA is responsible for has largely developed and evolved separately and adopts different approaches to achieve similar outcomes. There are also unnecessary differences between the procedural requirements of the existing regimes. This includes fundamentals such as: who holds an authorisation, determination periods, how the suitability of a person to hold an authorisation is assessed and how the public and other interested parties are consulted and engaged in relation to applications. This has resulted in a legislative framework and regulatory systems and procedures that are inconsistent, and onerous to administer, both for SEPA and operators.”<sup>iv</sup>
35. SEPA told the Committee that the Regulations streamline the regulatory system by replacing all or part of over 70 pieces of legislation and re-transposing all or part of 14 EU Directives. They also introduce new enforcement powers, enabling SEPA to take both preventative and corrective action, and ensure that only “fit and proper” persons are authorised. In their written evidence<sup>v</sup>, SEPA identified a range of benefits of implementing the framework:

For regulated businesses:

- A simplified, consistent, and integrated system that is easier to navigate, especially for those requiring multiple authorisations.
- Greater clarity on the type of authorisation needed and the compliance

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ii SEPA, [written evidence](#), 13 January 2025

iii Net Zero, Energy and Transport Committee, [Official Report](#), 25 March 2025 , col: 4

iv SEPA, [written evidence](#), 13 January 2025

requirements.

- Potential for streamlined, integrated permissions instead of regime-specific authorisations.
- Administrative efficiencies via digital services, allowing reinvestment into environmental improvements.
- A more level playing field, preventing disreputable or criminal operators from obtaining authorisations.

For communities:

- Focus on the most significant environmental risks.
  - Integrated processes that support high compliance with environmental laws.
  - Improved transparency and public engagement, especially for communities affected by regulated activities.
  - SEPA can revoke authorisations if the holder is no longer “fit and proper”, has repeatedly failed to comply, or has caused environmental harm.
36. SEPA confirmed that it has been preparing for this transition across ten key workstreams, covering areas such as digital systems, charging, compliance, communications, and training. It stated that it is “investing in new systems, people, processes and support mechanisms to ensure a smooth transition in November 2025”<sup>vi</sup> and that this work has been prioritised in its 2024–27 Corporate Plan.
37. To support delivery, a dedicated oversight group has been established and is meeting monthly to monitor implementation and ensure effective communication, the Acting Cabinet Secretary said:
- ” “The governance group includes key SEPA personnel to ensure that SEPA is on track to deliver all the changes by those dates, to implement the Regulations effectively and to communicate them effectively to various stakeholders.”<sup>vii</sup>

### Stakeholder Perspectives

38. Many Local Authorities and stakeholders welcomed the principle of the framework and its aim of streamlining procedures and broadening the scope of environmental regulation. East Lothian Council said it is:

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v SEPA, [written evidence](#), 13 January 2025

vi SEPA, [written evidence](#), 13 January 2025

vii Net Zero, Energy and Transport Committee, [Official Report](#), 25 March 2025 , col: 5

- ” "...supportive of a legal framework which aims to simplify the current complex regulatory landscape in Environmental Protection. The Council also welcomes the addition of 'new activities' such as sewage sludge and anaerobic digestion activities. These are areas of potential Local Authority involvement where the activity has given rise to nuisance/ public health issues. Investigations can be more challenging due to current 'grey areas' in the legislation and so a clearer enforcement pathway would be welcomed."<sup>viii</sup>
39. Glasgow City Council expressed similar views, noting that clearer regulation could improve how nuisance issues, such as odour, are addressed. East Ayrshire Council described the proposed changes as:
- ” “proportionate, bringing regulation in line with that of England and Wales and ensuring that new activities are carried out in a manner which is appropriately regulated to safeguard the environment and our communities.”<sup>ix</sup>
40. However, two Local Authorities, East Renfrewshire Council and Renfrewshire Council, said they are unclear about the implications of the transition to the new framework and said that there should be published guidance on how licences/ permits etc will be migrated over. Both Councils expressed concerns that the transition might trigger a review of conditions by SEPA to standardise permits, and that any such review could have uncertain implications for Local Authorities – for example in relation to their waste management contracts and in their role as waste management authorities.
41. Both Local Authorities said that these issues should have been addressed more explicitly in the Business and Regulatory Impact Assessment (BRIA) accompanying the Regulations.

### Digital Readiness

42. In December 2020, SEPA suffered a significant cyberattack affecting its IT systems, including the public register it maintains. The Committee queried SEPA's preparedness for the transition to the framework, particularly in light of delays caused by the cyberattack. SEPA assured the Committee that a suitable digital system would be "fully operational" when the new Regulations take effect.
43. SEPA's written evidence identified digital transformation as a "key priority"<sup>x</sup> for the framework. Since 2021, SEPA has successfully introduced digital services for waste carrier registrations, private sewage treatment systems, simple waste exemptions, and radioactive substance notifications. In July 2024, SEPA launched a digital service for authorising small-scale sewage treatment systems, significantly reducing authorisation times from 28 days to around 15 minutes. SEPA said that between April 2023 and March 2024, approximately 6,000 authorisations were issued digitally, achieving substantial time and cost savings for SEPA and applicants.
44. Members asked SEPA on 17 December 2024 what the key risks might be in implementing the digital transition. SEPA said "We are working through a

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<sup>viii</sup> East Lothian Council, [written evidence](#), 17 December 2024

<sup>ix</sup> East Ayrshire Council, [written evidence](#), 23 December 2024

<sup>x</sup> SEPA, [written evidence](#), 13 January 2025

comprehensive plan that assesses and mitigates any risks that we have identified in planning the implementation phase.”<sup>xi</sup>

45. The Acting Cabinet Secretary confirmed that a governance group is monitoring the rollout and stated that the digital system remains on track for launch by 1 November 2025. She added that new webpages, including guidance materials, will go live by 1 August. A phased update of digital services for registration-level authorisations will follow, running from 1 November 2025 to 1 April 2026. When questioned about the legacy of past IT failures, the Acting Cabinet Secretary stressed that the governance group is maintaining close oversight of the programme and is responsible for ensuring timely delivery and effective stakeholder communication. She also said that any significant issues would be escalated to her directly, noting that the oversight group reports to her and would advise on necessary actions should problems arise.

### Charging Scheme

46. The Committee asked SEPA about the financial implications of the new regulatory framework, particularly in relation to its current charging model and the principle of full cost recovery. SEPA confirmed that its existing scheme “ensures that we have full cost recovery for chargeable elements that we undertake,”<sup>xii</sup> and stated this approach would continue under the new framework.
47. SEPA has consulted on revisions to its charging scheme as a result of the 2025 Regulations. In its written evidence<sup>xiii</sup>, SEPA explained that 86% of charges would remain unchanged, with adjustments largely affecting newly regulated activities or updates to the regulation of existing ones. The consultation included targeted stakeholder engagement and three online information sessions. It proposed charge adjustments for the waste, water, and industrial sectors, clarified new or amended charging descriptions, addressed fees for previously unregulated activities, and outlined changes required by the Amendment Regulations.
48. SEPA received 28 responses to its consultation, mainly from businesses. These indicated strong support for the proposed charges, particularly in the water and industrial sectors. While most respondents also backed the changes to waste charges, some raised concerns about significant adjustments linked to the phasing out of the waste exemption regime. SEPA noted that it is reviewing the feedback and, where appropriate, will make changes.<sup>xiv</sup>

### SEPA’s Contact Centre and Public Engagement

49. The Committee discussed SEPA’s plans to automate its out-of-hours contact centre and in particular how automation would affect access to services during and after the regulatory transition. SEPA confirmed that essential services would continue under the new system, stating: “the provisions to ensure that contact is available will still be in place as we move forward and modernise our approach with our new customer hub.”<sup>xv</sup>

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<sup>xi</sup> Net Zero, Energy and Transport Committee, [Official Report](#), 17 December 2025 , col: 7

<sup>xii</sup> Net Zero, Energy and Transport Committee, [Official Report](#), 17 December 2025, col: 7

<sup>xiii</sup> SEPA, [written evidence](#), 13 January 2025

<sup>xiv</sup> SEPA, [written evidence](#), 13 January 2025

50. SEPA's written evidence clarified that although these changes were not directly triggered by the Regulations, the new customer hub became fully operational on 13 December 2024, following a phased launch that began in October. The automated out-of-hours service now handles non-urgent queries digitally, while serious incidents continue to receive a 24/7 human response.
51. In its written evidence, SEPA explained that automation is based on extensive analysis of contact patterns and helps allocate resources more efficiently during peak periods. The system automatically escalates urgent issues to duty officers across the country, ensuring continuous, timely responses to serious environmental incidents.
52. The Committee also raised concerns about public awareness of General Binding Rules<sup>xvi</sup> (GBRs), noting that the 2025 Regulations introduce new rules in specific areas, relevant to small businesses and the general public. The Acting Cabinet Secretary stressed the importance of clear, accessible guidance and said that SEPA's new website pages—including all related information—will be published by 1 August. She also noted that stakeholders have already contributed to consultation processes and are generally aware that changes are coming.
53. She also stressed the importance of ensuring broad public understanding, especially for those not typically engaged with environmental regulation, such as small business or household users:

” it is important that whenever SEPA changes anything operationally, or when new sectors come into regulation, it communicates the changes with stakeholders. There have been stakeholder engagement sessions on the draft Regulations with SEPA and some of my officials in the Scottish Government. It was made clear to those stakeholders that the existing GBRs under the water environment Regulations were going to be brought into the Regulations, and that some new GBRs were going to be added.”<sup>xvii</sup>

and

” At Government level, we support Farming and Water Scotland<sup>xviii</sup>, which has been very helpful in developing a range of fact sheets and collating frequently asked questions on changes to the binding rules that are being disseminated to stakeholders”<sup>xix</sup>

54. When asked about resourcing and communications budgets for promoting awareness of the GBRs, the Acting Cabinet Secretary stated that “SEPA has not

xv Net Zero, Energy and Transport Committee, [Official Report](#), 17 December 2025, col: 8

xvi GBRs are a type of environmental regulation used by SEPA under the framework. They are designed to control activities that pose relatively low environmental risk and are widely undertaken, without requiring individual authorisation.

xvii Net Zero, Energy and Transport Committee, [Official Report](#), 25 March 2025, col: 7

xviii [The Farming and Water Scotland initiative](#) helps farmers and land managers keep on the right side of the diffuse pollution Regulations, reduce diffuse pollution risks and benefit the farm business.

xix Net Zero, Energy and Transport Committee, [Official Report](#), 25 March 2025, col: 7

requested additional money for that. It is able to do it within its existing budget.”<sup>xx</sup>

### The Fit and Proper Person Test

55. The new regulatory framework introduces a ‘fit and proper person’ test for all regulated activities requiring a permit or registration—the top two tiers of authorisation. The 2023 Scottish Government consultation sets out that the expanded application of a ‘fit and proper person’ test across these areas of activity will help to uphold high standards in these industries.
56. The Committee explored how this test would operate under the new framework and how it would strengthen environmental regulation. SEPA explained the test was previously limited to the initial application stage, primarily in waste management. Now, it will apply across all regulated activities and throughout the lifespan of an authorisation.
57. SEPA highlighted that, under the old system, operators only had to meet conditions such as financial provisions at the point of application, with no ongoing checks. Under the new approach, operators must maintain compliance continuously, enabling SEPA to consider past convictions, behavioural patterns, and even company dissolution to avoid liabilities.
58. While the test will not be applied retrospectively to all current permit holders, SEPA will use it selectively during compliance checks, particularly for non-compliant operators. They clarified this was due to resource limitations and noted that most existing operators are compliant. SEPA confirmed it would reassess permits if changes are requested or compliance issues arise.
59. The Acting Cabinet Secretary stressed the proportional and targeted nature of SEPA’s new regulatory powers, including the fit and proper person provisions, stating that “SEPA will be able to take a more targeted and risk-based approach to regulation, focusing on the operators and activities that present the greatest risk.”<sup>xxi</sup>
60. The Committee raised concerns that not applying the test retrospectively could result in a dual regulatory system. SEPA reassured the Committee that the test would be applied consistently, stating: “We will apply it at the application phase, and then consider it through the life of every activity that has had it applied at the application stage. For anything that has not had it applied, we will consider it through the life of an activity anyway, in the future.”<sup>xxii</sup>
61. The Committee also asked how SEPA would respond to public complaints or court notifications about permit holders. SEPA stated:

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xx Net Zero, Energy and Transport Committee, [Official Report](#), 25 March 2025, col: 8

xxi Net Zero, Energy and Transport Committee, [Official Report](#), 25 March 2025, col: 4

xxii Net Zero, Energy and Transport Committee, [Official Report](#), 17 December 2025, col: 13

” “We look for evidence and identify whether there is an issue, and we follow our enforcement policy in addressing that issue, if we have identified that there is supporting evidence. On court notifications, I do not think that there is anything specific relating to fit-and-proper-person tests; that is a regulatory decision for us. However, a court notification would be a factor in our considerations. If there was evidence that supported our taking forward our enforcement policy, we would use it in that way. It might factor into a decision about whether a notice is required to adjust the behaviour of someone who holds a licence, or about any other kind of enforcement activity that we undertake.”<sup>xxiii</sup>

### Call-in Procedure

62. The 2025 Regulations amend public participation procedures under the framework by removing aspects of the existing call-in process and introducing new provisions for pre-application community engagement. Under the 2018 Regulations, SEPA is required to consult publicly on certain permit applications, variations, and surrenders. If third-party representations are made, SEPA has to notify those parties of its intended decision, triggering a 21-day objection period during which Scottish Ministers may call in the application. This “freezes the clock”, delaying SEPA’s decision until either the objection period expires without intervention or, if no response is received, for an additional 28 days.
63. The 2025 Regulations remove both the requirement to notify third parties of proposed decisions and the associated “freeze the clock” period. The 2023 Scottish Government consultation states that the reason for this proposed change was that experience in respect of the similar call-in procedure under CAR “has generally demonstrated that the procedure results in delays, rarely results in a change of outcome, and is of limited utility to the process of determining applications and variations under CAR”.
64. While this change may reduce formal public participation at the determination stage, the 2025 Regulations aim to enhance earlier engagement. Regulation 35 introduces a new discretionary power allowing SEPA to require “pre-application community engagement,” meaning an applicant “must consult with members of the public likely to be affected by the proposed activity or variation.”
65. The Scottish Government states in the 2023 consultation that “Experience under the other regimes has also shown that the earliest stages of a permit application (or application for variation of a permit) are the best time for meaningful engagement to explore local environmental knowledge and resolve issues in relation to a proposed development”.<sup>xxiv</sup>
66. In the 2023 consultation, the Scottish Government also notes that, for certain activities, due to their nature or location being of significant public interest or where experience has shown this would be beneficial to the application process (for example, in relation to fin fish farms), the aim is to ensure effective early engagement with communities affected by proposed activities.

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<sup>xxiii</sup> Net Zero, Energy and Transport Committee, [Official Report](#), 17 December 2025, col: 15

<sup>xxiv</sup> [Environmental Authorisations \(Scotland\) Regulations 2018: proposed amendments](#), Consultation on draft Regulations, Scottish Government/SEPA, December 2023

67. In evidence to the Committee, SEPA supported the changes, stating that “the procedure can delay SEPA being able to issue CAR licences and rarely results in a change of outcome.”<sup>xxv</sup> SEPA also clarified that Ministers retain the power to call in an application under the new regime. It said that early-stage engagement is more effective and that the 2025 Regulations provide SEPA with greater flexibility in how it consults the public.
68. ESS supported the amendments, citing “increased ability to input to environmental decision making at pre-application stage.”<sup>xxvi</sup> However, ESS also emphasised that “early public consultation and engagement must be meaningful, with sufficient detail of any proposed application available to interested parties.”<sup>xxvii</sup>

**1. The Committee welcomes the introduction of the Integrated Authorisation Framework as a milestone in the long-term programme of regulatory reform initiated by the Regulatory Reform (Scotland) Act 2014., The framework has the potential to make environmental regulation more consistent, streamlined and efficient. The Committee hopes that any operational efficiencies achieved will help SEPA focus more of its resources on compliance and enforcement activities that deliver the greatest environmental benefit.**

**2. The Committee urges the Scottish Government and SEPA to ensure high stakeholder awareness of the new General Binding Rules introduced by the Regulations, and sufficient resource for public information and communications campaigns about this.**

**3. The Committee welcomes SEPA’s preparatory work for the new framework, as part of its wider digital transformation, and the establishment of a governance group to oversee implementation and monitor progress. The Committee asks SEPA and the Scottish Government to provide a September 2025 update on how this is progressing.**

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<sup>xxv</sup> SEPA, [written evidence](#), 13 January 2025

<sup>xxvi</sup> SEPA, [written evidence](#), 13 January 2025

<sup>xxvii</sup> SEPA, [written evidence](#), 13 January 2025

# New activities

## Sewage Sludge

69. Currently, sewage sludge handling and transportation is regulated by the Sludge (Use in Agriculture) Regulations 1989 and the Waste Management Licensing (Scotland) Regulations 2011. Sludge must be securely stored at its place of use, for limited periods, and at defined distances from water environments. Voluntary measures from the 2001 Safe Sludge Matrix set out that sludge should be treated to remove pathogens before land application and set waiting periods for harvesting crops post-application.
70. Regarding the application of sewage sludge to land, the Policy Note for the Regulations states that the changes give effect to key recommendations arising from the [review](#) of legislation and guidance on the storage and spreading of sludge to land that was undertaken in 2015 by the Scottish Government. The 2023 Scottish Government consultation states that this review was undertaken “In light of a considerable number of complaints received by Scottish Ministers relating to the use of sewage sludge”.<sup>xxviii</sup>
71. Key recommendations arising from the 2016 review, which the consultation states the Regulations will put into effect, include:
- Incorporating the Safe Sludge Matrix into law.
  - Requiring an operator's permit with a ‘fit and proper person’ test for all involved in handling, storage, transportation, and spreading of sewage sludge.
  - Creating a unified regulatory system for agricultural and non-agricultural sludge applications.
  - Enhancing SEPA’s regulatory powers with a single point of contact for sludge-related incidents and complaints, funded through charges.
  - Strengthening soil protection standards and improving monitoring procedures.
72. The BRIA associated with the Regulations states that “the Scottish Government anticipate this will impact on approximately six producers of sewage sludge for application to land in Scotland, and on sludge haulage and spreading contractors across Scotland”.<sup>xxix</sup>
73. The Committee asked SEPA to summarise key regulatory changes concerning sewage sludge following its integration into the new authorisation framework, including potential environmental impacts. SEPA explained that the move will then to authorise and oversee all stages involving sewage sludge—its production, transport, storage, and use—beginning on 1 November 2025. SEPA highlighted that

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<sup>xxviii</sup> [Environmental Authorisations \(Scotland\) Regulations 2018: proposed amendments](#), Consultation on draft Regulations, Scottish Government/SEPA, December 2023

<sup>xxix</sup> [Business and Regulatory Impact Assessment](#), Environmental Authorisations (Scotland) Amendment Regulations 2025 – new activities

a significant enhancement is that the fit-and-proper-person test will now also apply to transporters of sewage sludge.

74. The Committee received written evidence from a range of stakeholders on the issue of sewage sludge. Evidence largely fell into two broad categories: operational impacts of increasing regulation of sewage sludge, and the question around the wider health and environmental impacts of sewage sludge and the need for more evidence on this.

### Sewage Sludge - Operational Impacts

75. NFUS supported the move to a single licence for waste spreading on land, highlighting that it should improve efficiency. However, it is said that SEPA should apply the Regulations proportionately and carry out targeted communication to inform impacted businesses.
76. Scottish Water also broadly supported the framework, noting that it aligns with the mandatory best practices recommended in the 2016 review. However, it raised concerns that some new conditions, specifically the lower cadmium concentration limits in soils and revised definition of enhanced biosolids, "could significantly impact landbank availability, particularly in island communities and rural areas".<sup>xxx</sup> Scottish Water stated these conditions "will restrict land that is suitable for biosolids applications"<sup>xxxi</sup> and queried whether these changes are supported by evidence showing benefits to human health or the environment. It stressed that these conditions would "severely affect" its operational activities.
77. As a result of the pause the Committee requested and the withdrawing and relaying of the Regulations, the Scottish Government responded to these concerns by revising the Regulations to enable SEPA to grant exemptions to cadmium limits for applying enhanced treated sewage sludge to land where: (a) naturally-occurring cadmium levels already exceed limits; (b) the land is located on an island; and (c) the land is grassland (Schedule 18, Paragraph 6(2)).
78. In its letter dated 21 February 2025, the Scottish Government explained:
- ” “We have recognised the potential for unintended consequences in relation to specific circumstances of some island communities resulting from the proposed lower cadmium limits in soils receiving sewage sludge. We have, therefore, revised the amendment Regulations to add the ability for the Scottish Environment Protection Agency (SEPA) to grant an exemption to these limits in very limited circumstances.”<sup>xxxii</sup>
79. The Acting Cabinet Secretary told the Committee that:

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xxx Scottish Water, [written evidence](#), 19 December 2024

xxxi Scottish Water, [written evidence](#), 19 December 2024

xxxii Scottish Government, [written evidence](#), 21 February 2025

” “Scottish Water and SEPA identified that reducing the maximum permissible concentration of cadmium in soils could lead to unintended consequences in areas where there are naturally occurring levels of cadmium; in island situations, there can be limited options for the disposal of sewage sludge, and we do not want a situation where an island community cannot dispose of their sewage sludge within their geographical area. That would be an unintended consequence of reducing the maximum permissible level, given their geology. So, we have drafted the regulations to allow SEPA to provide an exemption for those reasons.”<sup>xxxiii</sup>

80. She also confirmed that exemptions would be granted on a case-by-case basis.

#### Sewage Sludge - Odour and Local Authority Responsibilities

81. Local Authorities raised questions about how the new Regulations would affect their role in handling odour complaints. East Ayrshire Council noted that these are currently managed by environmental health officers under the Environmental Protection Act 1990 (i.e. considered as a potential statutory nuisance) and suggested revised guidance to clarify roles due to the regulatory shift.

82. The Acting Cabinet Secretary acknowledged the need for clear guidance and said the Scottish Government would support Local Authorities through this transition. She stated that, "We do not want any Local Authority to be in any doubt about what they have to do if they receive complaints. It would be fairly straightforward to provide guidance to all 32 authorities."<sup>xxxiv</sup>

83. SEPA's written evidence on 20 February 2025 said that:

” The responsibility for odour issues from the spreading of sewage sludge to land will fall to SEPA once EASR [the Regulations] is implemented but Local Authorities will still have responsibility for statutory nuisance in general. SEPA will collaborate with partners to provide clear advice and support on roles and responsibilities once EASR is introduced. All of our regulatory guidance is being reviewed and where necessary updated to reflect the introduction of EASR from November 2025.”<sup>xxxv</sup>

#### Sewage Sludge - Wider Issues (e.g. microplastics and 'forever chemicals')

84. ESS provided detailed comments on sewage sludge, summarising its 2024 soils report and recommending that the Scottish Government, in association with the wider public sector, commission research to address identified gaps in the evidence base. ESS noted that "the Scottish Government is currently considering the recommendations in ESS' soil report, and we expect a response by the end of April 2025."<sup>xxxvi</sup>

85. ESS also highlighted the James Hutton Institute's (JHI) updated risk assessment (published on 5 December 2024), which similarly concluded that further research is

<sup>xxxiii</sup> Net Zero, Energy and Transport Committee, [Official Report](#), 25 March 2025, col: 10

<sup>xxxiv</sup> Net Zero, Energy and Transport Committee, [Official Report](#), 25 March 2025, col: 10

<sup>xxxv</sup> SEPA, [written evidence](#), 20 February 2025

<sup>xxxvi</sup> ESS, [written evidence](#), 13 January 2025

needed on the risks associated with sewage sludge, particularly regarding microplastics, persistent organic pollutants, and pharmaceuticals.

86. ERCS raised related concerns about a “lack of up-to-date research on sewage sludge and animal health”<sup>xxxvii</sup>, reinforcing points from both the ESS soil report and the JHI’s findings about the need for further research into contaminants, including microplastics and pharmaceuticals.
87. When asked about the need for further evidence, the Scottish Government said that it “recognises the importance and challenges associated with emerging contaminants such as microplastics and pharmaceuticals across the whole water cycle”<sup>xxxviii</sup> and stated that building this evidence base “is important for the development of robust policy, and to support Scottish Water’s future investment decisions”.<sup>xxxix</sup> The Scottish Government also said it is “working closely with Scottish Water and SEPA to further our understanding in this area”.<sup>xl</sup>
88. The Acting Cabinet Secretary told the Committee that the impact of emerging is an evolving policy area and mentioned ongoing collaboration with relevant agencies and research institutions:
- ” “The Committee is aware that the Scottish Government wants to keep pace with EU Regulations, and the approach to this issue is no exception. At the moment, the EU is considering new legislation on sewage sludge and on the wider circular economy. We are keeping up to date with how that is going and what it could mean for us.”<sup>xli</sup>
89. She also described research efforts into new and existing contaminants:
- ” “The matter has been looked at by the Scottish Government, with partners, including, in particular, Scotland’s Rural College. You are right that there are new contaminants as well as existing ones, which we must always be aware of.”<sup>xlii</sup>
90. Additionally, the Scottish Government emphasised the importance of ‘source control’ measures to prevent contaminants from entering sewage systems, noting some substances identified by the JHI are already regulated or banned under UK or international law, which it said should lead to decreased concentrations in sewage sludge.

### Outstanding recommendations from the 2016 Sludge Review

91. ERCS raised concerns that several of the recommendations made in the 2016 Sludge Review remain absent from the Regulations, notably updating the 24-year-old Safe Sludge Matrix, to impose stricter storage requirements to reduce odour impacts on residents and the environment, and implementing recommendations

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xxxvii ERCS, [written evidence](#), 8 January 2025

xxxviii Scottish Government, [written evidence](#), 21 February 2025

xxxix Scottish Government, [written evidence](#), 21 February 2025

xl Scottish Government, [written evidence](#), 21 February 2025

xli Net Zero, Energy and Transport Committee, [Official Report](#), 25 March 2025, col: 11

xlii Net Zero, Energy and Transport Committee, [Official Report](#), 25 March 2025, col: 12

from the [Scottish Government's Community Concerns report and Odour Emissions Assessment](#). ERCS emphasised that an updated Safe Sludge Matrix must reflect current scientific knowledge and the precautionary principle due to the risks posed by certain pollutants.

92. The Acting Cabinet Secretary said she recognised the need to continually improve the evidence base and adapt Regulations accordingly:
- ” “There has to be consistent monitoring of the sort of things that have been used and are appearing in sewage sludge. This is not just a one-time thing; it is a continuous piece of work.”<sup>xliii</sup>
93. In response to the Committee's questions about the Safe Sludge Matrix, the Scottish Government (in its letter dated 21 February 2025) clarified that this matrix is a voluntary agreement between Water UK and the British Retail Consortium, now incorporated into the Biosolids Assurance Scheme since the 2016 review. The Scottish Government stated:
- ” “As we are not aware of plans to update the Safe Sludge Matrix, we propose pragmatically incorporating its requirements—primarily via the Biosolids Assurance Scheme—into the 2018 Regulations through amendment. If the Safe Sludge Matrix is updated later, we will consider reflecting any changes in the Regulations.”<sup>xliv</sup>
94. Regarding other outstanding recommendations from the 2016 Sludge Review, the Scottish Government (in its letter dated 21 February 2025) confirmed all legislative recommendations will be addressed through the amendment Regulations. The only remaining non-legislative recommendation relates to reviewing guidance on planning Regulations for land restoration projects to clarify restoration standards and completion criteria. The Government committed to addressing this recommendation after implementing the amendment Regulations and SEPA's Authorisation Guide.

### Nitrogen Monitoring

95. Between the draft Regulations that were consulted on by the Scottish Government and those laid before the Parliament in November 2024, the default requirement to monitor nitrogen in soil receiving sewage sludge was removed. The 2024 consultation response noted respondents suggested total soil nitrogen testing was only necessary for specific waste types with high carbon-to-nitrogen ratios to avoid nitrogen lock-up. The Scottish Government agreed that targeted SEPA guidance for these specific waste streams would suffice, rather than general regulation.
96. The Committee asked SEPA to clarify why certain sewage sludge management aspects were shifted from regulation to guidance and whether this impacted regulatory robustness. SEPA explained that nitrate pollution predominantly results from nitrate itself or ammonium converting into nitrate, rather than from total soil nitrogen, which mainly exists as complex, non-reactive organic compounds. Consequently, the Regulations now require total nitrogen analysis in waste rather than soil.

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xliii Net Zero, Energy and Transport Committee, [Official Report](#), 25 March 2025, col: 13

xliv Scottish Government, [written evidence](#), 21 February 2025

97. SEPA further explained that moving technical management details to guidance allows greater flexibility and adaptability. It said this approach maintains regulatory effectiveness and enables more precise management of nitrogen-related environmental risks.

### Anaerobic Digestion

98. The 2025 Regulations bring non-waste AD, which is currently not regulated, into the scope of the framework so that it is regulated in broadly the same way as anaerobic digestion that uses waste as a feedstock.
99. Grissan Renewable Energy, the Scotch Whisky Association, the Anaerobic Digestion and Bioresources Association (ADBA) and NFUS raised concerns in written evidence about the implications of these changes. Grissan Renewable Energy said that the changes are “a major risk” to the future of its operations. It said that regulating non-waste AD will mean applying Best Available Techniques (BAT) under the Industrial Emissions Directive (IED), which would not be financially viable for them. Grissan also highlighted a wider issue (beyond the scope of the Regulations), that SEPA has indicated it now intends to regulate AD of distillery by-products as waste AD, which it has not previously done. The Scotch Whisky Association raised similar concerns i.e. that SEPA has indicated it intends to classify AD of distillery by-products as waste-AD, which it said will have “significant financial and environmental unintended consequences”.
100. The ADBA said the Regulations were laid without meaningful consultation with industry, and that there is a lack of clarity about the impact and detail of the changes. It set out that Scotland has over 80 AD plants, and said the uncertainty caused will threaten their viability. It said that there are particular concerns about how the Regulations will affect the whisky sector but also other sectors such as agriculture. It stated that it is not opposed in principle to permitting all AD sites, as this could be beneficial for industry and the environment, but that “this needs to be done carefully”.
101. The Committee asked the Scottish Government and SEPA to respond to these concerns, highlighting the two main questions raised i.e. first, whether non-waste AD will be required to apply BAT under the IED, and second, to explain what is happening regarding the classification of AD plants which use distillery by-product feedstocks.
102. The Scottish Government and SEPA both responded explaining that for waste AD, where activity is above the threshold of 100 tonnes throughput per day, SEPA must apply BAT in order to align with the IED. This is because waste AD is listed as a Schedule 20 emissions activity in the 2025 Regulations, and Schedule 20 is designed to reflect the activities in Annex I of the IED.
103. Non-waste AD is not a schedule 20 activity regardless of capacity, but an activity governed by schedule 26 of the Regulations as an “other emissions activity.” In setting conditions, and determining the appropriate level of authorisation for an ‘other emissions activity’, SEPA may take into account any relevant guidance i.e. it is at SEPA’s discretion whether to apply IED BAT to non-waste AD.
104. SEPA consulted on licence conditions for non-waste AD in 2024 and the outcome of this is not yet concluded. It said in its [letter of 20 February 2025](#) that it has proposed

to apply the same threshold for authorisation as waste-AD i.e. 100 tonnes of feedstock materials per day, as this intrinsically increases the risk to the environment. If the throughput is above 100 tonnes of non-waste materials per day, SEPA has proposed that a Permit authorisation will be required, aligned to BAT. This means that SEPA “will consider BAT as we develop our standards and conditions for the larger scale non-waste AD”.<sup>xlv</sup>

105. SEPA said it “will continue to engage with operators as we develop guidance on the standards and conditions that will apply to non-waste AD. As part of that engagement we will take into account any evidence to show where compliance with BAT is considered to be unsuitable for the non-waste AD sector”.<sup>xlvi</sup>

106. Regarding the classification of “distillery co-products”, SEPA stated:

” “SEPA has always considered distillery production residues used as AD feedstocks to be waste. However, to support innovation in the sector, SEPA took a position that AD plant using distillery waste as a feedstock did not require a permit and, now the sector is well established, we are reconsidering this position. This is not driven by a change in Regulations but a desire to consistently apply the law in the same way that we do with other sectors, for example the brewing sector. We are working directly with the Scotch Whisky Association on this matter.”<sup>xlvi</sup>

107. The Committee also asked the Scottish Government for its view more generally on the concerns raised by AD stakeholders about the financial viability of the changes, noting that these aspects of the Regulations come into force in April 2028.

108. The Scottish Government responded that stakeholder feedback broadly supported proposed regulation for non-waste AD and it maintains that the AD sector as a whole should be regulated consistently, regardless of feedstock, because environmental risks do not differ (e.g. this could refer to something like a spillage from a digestate tank). It recognised that, depending on conditions SEPA may set, “there may be additional costs for businesses to bring their facilities into compliance”.<sup>xlvi</sup>

109. The Acting Cabinet Secretary acknowledged the concerns raised by stakeholders, particularly from the whisky and renewable sectors, and stressed the Government’s aim was to support innovation while introducing proportionate regulation:

” “Regardless of whether feedstocks are classified as waste or non-waste, there is always a risk in the operation of an AD plant that contaminants could get into the environment, which is why the Regulations are being tightened to level the playing field.”<sup>xlix</sup>

110. She also highlighted that SEPA would phase in requirements to allow time for

<sup>xlv</sup> SEPA, [written evidence](#), 20 February 2025

<sup>xlvi</sup> SEPA, [written evidence](#), 20 February 2025

<sup>xlvi</sup> SEPA, [written evidence](#), 20 February 2025

<sup>xlvi</sup> Scottish Government, [written evidence](#), 21 February 2025

<sup>xlix</sup> Net Zero, Energy and Transport Committee, [Official Report](#), 25 March 2025, col: 13

adaptation:

” “The non-waste AD Regulations will come into place on 1 April 2028. That means that, in effect, there will be just under two years of working with the sector to get operators content with what is required.”<sup>i</sup>

111. She added that:

” “Where a healthy business is generating a profit and is one of the businesses that is helping the industry to decarbonise, we want to do everything to support it. We would not want any such business to go out of business. If there are issues with any particular plant coming up to the standard, we have to look at that on a case-by-case basis and allow some flexibility. That is obviously an operational matter for SEPA, but it will be listening to what has been said today.”<sup>ii</sup>

112. SEPA also told the Committee that they will take a flexible approach:

” “The transitional arrangements mean that non-waste AD plant do not require an authorisation until 1 April 2028. In addition, SEPA will have flexibility under the Regulations for individual plant that might have valid reasons as to why they need a little longer to come into compliance and would discuss options with such operators on an individual basis.”<sup>iii</sup>

### Electricity Generation

113. The existing PPC Regulations require combustion electricity generators between 1-50MW to have a permit by 2029 and to conform to emission limits by 2030. The 2025 Regulations close a loophole so that single sites with multiple generators that aggregate to >1MW are now also covered by the 2029 and 2030 requirements. Alongside this it introduces derogations for back-up generators on islands that exempts them from the 2029 permit and 2030 emission limit requirements until the end of 2039 in the case of unplanned mainland power outages, and end 2033 for planned power outages.

114. In written evidence, Glasgow City Council supported this reform, stating it “closes an important loophole through restriction of the potential for cumulative emission sources, with the capacity for significant local impacts on air quality, to escape regulation”.<sup>iiii</sup>

115. North Lanarkshire Council raised a concern about the potential impact the change could have on its operation of landfill gas engines, particularly if SEPA seeks to change emissions standards for these. It said in the event of any altering of standards “advanced notice and further details would be greatly appreciated to allow for proper planning and adjustments”.<sup>liv</sup>

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<sup>i</sup> Net Zero, Energy and Transport Committee, [Official Report](#), 25 March 2025, col: 15

<sup>ii</sup> Net Zero, Energy and Transport Committee, [Official Report](#), 25 March 2025, col: 18

<sup>iii</sup> SEPA, [written evidence](#), 20 February 2025

<sup>iiii</sup> Glasgow City Council, [written evidence](#), 13 January 2025

<sup>liv</sup> North Lanarkshire Council, [written evidence](#), 18 December 2024

## Carbon Capture and Storage

116. Currently, carbon capture and storage (CCS) falls under the PPC Regulations only when carbon dioxide is produced by an industrial emissions activity and subsequently stored geologically. The PPC Regulations do not apply unless the carbon capture process is connected to an existing industrial site.
117. The 2025 Regulations will broaden this scope, bringing all carbon capture activities — including direct air capture carbon dioxide removal, and carbon capture and utilisation — under the PPC Regulations from April 2027, regardless of their connection to existing industrial sites.
118. Regarding the widening scope for carbon capture activities now subject to the pollution control Regulations, the Committee asked SEPA whether there was much activity in this area at present or planned in the near future.
119. SEPA explained that this is an evolving area, and that the sector welcomes having clarity about the regulatory framework that will apply to it as organisations start to develop their projects. SEPA said:
- ” “That is what the amendment provides. It will take us from a country that has limited controls over activities that are happening on the same site to a country that has expanded those controls to make sure that we have the appropriate environmental protection for any technologies that apply to carbon capture, utilisation and storage.”<sup>lv</sup>
120. The Committee inquired whether SEPA possessed the necessary expertise to regulate a wider range of CCS activities. SEPA responded that, although they are continually developing their in-house expertise, emerging technologies may necessitate additional experience. They emphasised, however, that "We have good relationships with our sister agencies across the rest of the UK and with other regulators, which enable us to cross-fertilise our experiences."<sup>lvi</sup>

**4. The Committee generally welcomes the inclusion of new activities under the Integrated Authorisation Framework as a positive step towards raising environmental standards, closing regulatory gaps, and helping to level the playing field across sectors.**

**5. The Committee also agrees with the Scottish Government that tackling pollution from microplastics and forever chemicals at source — through circular economy measures and producer responsibility — is critical, and recommends this be clearly reflected in the forthcoming circular economy strategy.**

**6. The Committee notes that several recommendations from the 2016 review of sewage sludge remain outstanding, and asks the Scottish Government to provide a timeline for completing each measure, including updates on planning guidance and its approach to reviewing the Safe Sludge Matrix, which has not been updated since 2001.**

<sup>lv</sup> Net Zero, Energy and Transport Committee, [Official Report](#), 17 December 2025, col: 21


<sup>lvi</sup> Net Zero, Energy and Transport Committee, [Official Report](#), 17 December 2025, col: 22

**7. The Committee also supports the inclusion of non-waste anaerobic digestion (AD) within the scope of environmental authorisations, noting SEPA's view that the environmental risks associated with non-waste AD are comparable to those of waste-based operations. It will be important for SEPA to take a flexible approach during the transition period and to work closely with industry in developing licensing and permitting conditions. The Committee also urges the Scottish Government to monitor how AD regulation is being phased in, to ensure the approach is proportionate and that the AD sector's potential to contribute to decarbonisation and innovation is not negatively impacted.**

# Regulation not taken forward in the 2025 Regulations

## Ammonia

121. The Regulations do not include provisions on ammonia. The 2023 Scottish Government consultation on the draft Regulations had included questions on how ammonia emissions from livestock, particularly from dairy and intensive livestock farms, might be better controlled in light of air quality issues.
122. Ammonia pollution is also discussed in [Scotland's air quality strategy, Clean Air for Scotland 2 \(CAFS2\)](#) including annual data on sources (page 59). It sets out that ammonia is highly reactive in the environment producing products which are harmful to human health, and which lead to damage to plant and animal species. Ammonia also produces odours and related nuisance effects. Potential policy responses are discussed (pp 61-62) and it states that ammonia should be considered as part of the Climate Change Plan given linkages to agricultural emissions. The need for more guidance and investment in farm infrastructure is also mentioned.
123. In its analysis of the 2023 consultation, the Scottish Government stated it will “give consideration on how to proceed to promote good practice across the sector.” Consultation responses emphasised:
  - The need for "advice, guidance and examples of good practice backed up with targeted support," recognising cost differences and necessary funding support.
  - Proportional Regulations targeting higher-risk activities and flexibility in implementation. Responses noted, "By focussing on the largest farms it was suggested that the mitigation measures used will eventually become less expensive and can then be implemented on smaller farms," while others supported voluntary measures as equally effective.
124. In its [response](#) to the consultation, NFUS advised against immediate regulation, favouring a best practice approach:

 “We would caution against any regulation and would advise that the route of best practise is pursued. There is still a lot to learn about ammonia emissions. Many of the factors currently used to calculate emissions are out of date... Until we have this information it is difficult to identify the best measures for an individual farm.”
125. The Committee asked ESS for views on the decision not to introduce additional regulation and to pursue improvements through good practice. ESS said:

” “There is a lack of specificity in the Scottish Government’s position in the consultation analysis over which of the measures identified will and will not be considered as part a promotion of good practice, and whether or not this will include regulation. This ambiguity makes it challenging to determine whether the Scottish Government’s approach is likely to deliver progress on reducing ammonia emissions from agriculture.”<sup>lvii</sup>

126. SEPA also set out that any decision on the use of voluntary versus regulatory measures should be underpinned by evidence with effective monitoring to ensure meaningful impact. ESS said that in August 2024, the revised EU Directive on industrial and livestock rearing emissions (IED 2.0) came into force. This seeks to reduce Greenhouse Gas and ammonia emissions from large industrial installations (pig and poultry farms). A further report is expected in 2026 on solutions to reduce emissions from livestock, in particular relating to cattle. ESS stated that the Scottish Government “should consider implications for Scottish policy and legislation from the updated Directive.”<sup>lviii</sup>
127. The Committee also asked SEPA what consideration it has given (including advice provided to the Scottish Government) to potential regulatory mechanisms to tackle ammonia emissions, and what conversations it had with the Scottish Government since it decided to pursue this area through good practice. The Committee also asked for more information about alignment with EU law.
128. SEPA said it had provided advice to the Scottish Government in relation to ammonia emissions from intensive agriculture to inform the Scottish Government’s 2023 consultation on the Regulations, where it “outlined the issues and impacts of ammonia emissions on the environment” and “also presented this within the context of EU and other UK administrations’ direction (at the time) and other policy areas such as air quality, climate change and water environment”. SEPA said it has had no specific conversations with the Scottish Government since June 2024 in relation to how good practice will be developed.
129. Regarding EU alignment, IED 2.0 came into force in August 2024 and requires the European Commission to assess solutions to address emissions from the rearing of livestock, in particular cattle, and report the results by the end of 2026, including a legislative proposal if appropriate. IED 2.0 also includes new (lower) capacity thresholds for the regulation of intensive rearing of poultry or pigs. Member States have until 1 July 2026 to update their laws to comply. SEPA has presented these revisions to the Scottish Government, including an assessment of how many livestock units this would impact if Scotland were to align with IED 2.0.
130. The Committee also asked the Scottish Government to provide available information on the implications of aligning with IED 2.0, including any threshold assessment of how many livestock units or other sites would be affected in Scotland.
131. In its letter on [21 February 2025](#), the Scottish Government recognised the changes that have been made to IED 2.0 for livestock farming, including lowering the threshold of intensive livestock (pig and poultry) farms in scope of the Directive. It

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<sup>lvii</sup> ESS, [written evidence](#), 13 January 2025

<sup>lviii</sup> ESS, [written evidence](#), 13 January 2025

said that new rules in relation to these requirements will be adopted by the Commission by September 2026 at the latest, but won't be applicable on individual farms in the EU until 2030-32 at the earliest, depending on the size of the farm. The response said that the "Scottish Government is currently undertaking an analysis of this wide-ranging and detailed piece of legislation, and cannot yet comment on the implications of aligning on ammonia emissions".

132. The Acting Cabinet Secretary set out the Scottish Government's position on ammonia emissions, explaining that work was underway but that further evidence and engagement were still required:

” “A number of pieces of work are being done on this particular issue, but an awful lot more work and research still needs to be done. For example, Scotland's Rural College is developing tools for land managers to reduce ammonia emissions; the work involves a process of communication with land managers so that we can get good practice on this.”<sup>lix</sup>

133. She also stated that the Government's preferred approach is to prioritise voluntary measures and evidence-gathering before considering regulation:

” “Obviously, we want best practice on reducing ammonia emissions to be followed voluntarily before we consider whether anything might need to be done through regulation. That work is going on at the moment.”<sup>lx</sup>

134. In relation to EU alignment, The Cabinet Secretary said that the Scottish Government was closely watching changes to European legislation:

” “The EU is looking at ammonia emissions, too; again, we will keep a watching brief on that with regard to alignment, but by the end of next year, the EU will have assessed whether there is a need for further regulation of the ammonia emissions associated with livestock .”<sup>lxi</sup>

**8. The Committee notes the concerns raised about the lack of progress in reducing ammonia emissions. While it recognises the Scottish Government's commitment to developing voluntary measures, it also notes that this commitment was made in the 2021 Clean Air for Scotland Strategy . The Committee therefore recommends that the Scottish Government set out a clear timeframe for the publication of its analysis on the implications of aligning with the revised Industrial Emissions Directive, and suggests that this analysis should be available to inform scrutiny of the forthcoming Climate Change Plan.**

lix Net Zero, Energy and Transport Committee, [Official Report](#), 25 March 2025, col: 21

lx Net Zero, Energy and Transport Committee, [Official Report](#), 25 March 2025, col: 21

lxi Net Zero, Energy and Transport Committee, [Official Report](#), 25 March 2025, col: 21

## Conclusion

135. Following the conclusion of evidence taking with the Acting Cabinet Secretary for Net Zero and Energy on 25 March 2-25, the Acting Cabinet Secretary moved motion S6M-16752: That the Net Zero, Energy and Transport Committee recommends that the Environmental Authorisations (Scotland) Amendment Regulations 2025 [draft] be approved.
136. After a short debate, the motion was agreed to.

### Recommendation

137. Accordingly, the Net Zero, Energy and Transport Committee recommends to the Parliament that the Environmental Authorisations (Scotland) Amendment Regulations 2025 be approved.

